

As a Retirement Plan Provider, Things You Should Let Go

By Ary Rosenbaum, Esq.

A few years back, I would hear “Let it Go” from the movie Frozen every 5-7 minutes. It was a great song from a great movie, but it was a little unnerving to hear it 7-10 times on a short car trip. Then it stopped, my children and the nation moved on. When it comes to being a plan provider, there are certain things that you need to let go because otherwise, it may get in the way of getting business.

Let go of the fact that you are the greatest thing since slice bread

Whether it's arrogance or narcissism, you need to let go of the fact that you are the great plan provider ever. Probably because you're not. Whatever the personality disorder it is, you need to eliminate it. Thinking you're the greatest thing ever is a business disadvantage because it clouds you and your judgment. It stops you from noticing change in the retirement plan business that can impact your business. There were so many arrogant providers that said fee disclosure was going to be no big deal and they have suffered as a result. You are not the greatest thing since slice bread because there are about a dozen to two dozen competing plan providers ready to pounce on you and your client list.

Let go of demonizing the competition

Many years ago when I was working for a third party administrator (TPA), I happened to interview a job with a competing TPA

that was bought by a TPA software company which I thought was a bad idea then and a worse idea now. Well this competing TPA got rid of a lot of good longtime employees including a salesman who defected to us. So when I interviewed there, the person in charge was deriding this salesman. I thought that was so low class whether the comments were true or not. When it comes

because negative campaigning doesn't really work without some positive campaigning. Happy clients never leave, so if a plan sponsor is willing to talk to you, there is a reason why and they don't need you to hammer home that reason. They will select a new plan provider based on who can offer the best service at a reasonable price and not based on who derides the current plan provider the most.



Let go of talking over your client's heads

I bombed out of two law firms because my experience was as a TPA attorney and a TPA attorney has a different background than ERISA law firm attorneys. US TPA attorneys have constant client interaction, so we speaking in English and not ERISAese. So many ERISA attorneys talk over the heads of their clients because of their training and maybe because they feel that their over the head talk justifies their fees. Too many other plan providers have a penchant for

trying to get new clients, I think the worst thing is trying to demonize the current plan provider. People may ditch a plan provider because they're awful, but they are less likely to hire a new provider just based on the fact that the current plan provider is awful. People will hire you because you will be an improvement over the current provider and that has to be for a positive reason

talking over their client's heads especially TPAs. Clients need to understand what you're doing for them and if you speak in confusing jargon, they won't understand. If they don't know what you do for them, then it's easier for them to get rid of you. If you have a strong connection with your client, they'll be a long time client. So if you speak over their comprehension, it's less

likely you have that connection.

Let go of always saying yes

When it comes to being a plan provider, you can't be everything for everybody. You have developed a niche servicing a certain sector of retirement plans. If you handle small plans, you can't handle the plans of Fortune 100 companies. If you handle only defined benefit plans, working on 401(k) plans is a stretch. As a retirement plan provider, you should always stick to what you know and not always say yes. I have

seen too many plan providers that don't want to say no and handle something they shouldn't be handling. I remember working for a TPA who swore to a client that they could handle a KSOP, which is a combination of an employee stock ownership plan with a 401(k) plans. Honestly we couldn't and when they sent one of the owners instead of someone like me who knew what the plan meant, not only did we get fired, but also the registered investment advisor who recommended us got fired. When something is out of your reach and expertise, there is no shame in saying no. Then there is something wrong about always saying no.

Let go of always saying no

Some plan providers are always content with being small players and they thumb their nose at increasing the breadth of their services. If you are a TPA, there is always a consideration of offering ERISA §3(16) services. If you are a registered investment advisor, there is always a consideration of offering ERISA §3(38) services. These additional services are just a natural outgrowth of what you might be doing and it's something to consider. All things to grow your business should be considered before



just saying no. I remember being the attorney for a producing TPA and I sent an email to my bosses that we should embrace automatic enrollment because this was an opportunity to help 401(k) plan pass compliance tests and increase our assets. Ten years later, I'm still waiting to get an answer for that. The retirement plan business is a competitive business, so any opportunity to increase your business with new services and features should be considered fully before being rejected fully.

Let go of grudges that cost you money

I have a running joke that I say that I get rid of old grudges to make way for new grudges. Seriously, grudges are never easy. We'd all like to get along with people, but that's not really possible. I've had quite a few grudges in my professional and personal life, but I've never let a grudge get in the way of me making money. I had a certain grudge against a former law firm employer of mine and my reasoning for it at that time was the fact that since they never gave me any business when I was there, they weren't going to start to give it to me when I was no longer there. When they needed an ERISA attorney at one point, my name was thrown into the ring, but the person making the call

to hire one still had the grudge. Grudges are normal, but don't cut your nose to spite your face if that grudge is costing you money.

Let go of thinking you can do this alone

Retirement plans is a team sport. So regardless of the services you provide and the expertise you have, you need to team-up with other providers to help your practice and help your clients. That's why in my old age, I'm a popular person to consult and work with. TPAs and financial advisors work with

me with their clients to get them the best service these retirement plan sponsors deserve. Networking with other providers is also a great way to develop a better reputation in this business that will also help you get more clients. While it's the simple, it does take the time and a lot of effort.

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