

Things They Never Tell You as a Retirement Plan Provider

By Ary Rosenbaum, Esq.

I always say that whatever I learned as an ERISA attorney and the retirement plan business; I couldn't have learned it in class or in a textbook. So if you're a retirement plan provider, this article will have some short spurts of "wisdom" no plan provider textbook will tell you.

Great to network, but make sure it's the right form of networking. I wasted quite some time and money in networking with small businesses on Long Island. I met some nice people, but it didn't draw me a dime of business because it's hard to get referrals from small businesses who don't have money to save for retirement and if they did, all they had were SEPs or SIMPLE-IRAs.

Networking is about the relationship, not getting clients directly. Networking is social interaction and it's all about building relationships. So when it comes to networking, be more concerned with making sure that the people you meet can act as sources of referrals than potential clients. By doing that, it can lead to more business and it keeps you from being so forward in selling your services. When I meet an accountant or a lawyer, I never ask them who their ERISA attorney is or who their third party administrator (TPA) is and the reason is because they already know what I do and if they have an issue, then they know they can call me. When networking, never be pushy. It just doesn't work.

If someone you meet is trying to sell you something, walk away. When you

are networking and you meet someone who seems way too interested in having you as a client, walk away because these people aren't serious networking partners because they are only interested in the easy score (you as their client) and have no interest in helping you. There are so

adios for them.

People, who say they will get you clients, never do. I can say in all my years of meeting people through networking, I have never met anyone who claimed they will get me business actually get me

business. As my grandmother Rozalia once said: "the people who boast most have the least." People who can really get you business don't have to advertise it; they just will do it. People who claim they will get you business often just say that because they want you as a client (see above) or because they want referrals from you. A financial advisor once promised he would get me clients and would invite me to visit him at his place in Boca Raton. After getting him two clients including the top-earning partner at my old law firm, I'm still waiting for that invitation.

Print advertising doesn't work. If you want to throw out your money, please do so and pay for newspaper and yellow page advertising. If you don't have enough money to burn, then don't. I will never forget doing a presentation for an advisor who was so giddy he could

fill the room with plan sponsor clients because he was advertising in Newsday. He only got one plan sponsor to show up and it wasn't because of Newsday.

No one call you because you were in The Wall Street Journal. No one called me because I was in The Wall Street Jour-



many instances where networking meetings have been turned into sales pitches and truth be told, I'm never the guy who's selling. Whether the person is selling insurance, computer services, web search services, or pro wrestling tickets, they are never going to get you business because once they have you buy something, it's all

nal. It was a thrill for me, but no clients for me through that. Getting your name in print is great in building your credibility as an expert in your field. There are great inexpensive ways in getting your name in print. Just remember it will help augment your practice, but not by getting clients directly.

Most literature tables are a waste of money. Unless the event is tied directly to retirement plans, most literature tables at events are just a waste of money. I know a TPA from Long Island and when I spotted him at an accountant-attorney networking meeting, the first thing I asked him why was he wasting his money? Afterwards, he swore he would never do that again. Like networking, literature tables only work in very limited circumstances and it usually means that it has something to do with retirement plans. My daughter's day camp is a perfect example. They pay for tables at events directed at children and parents of children, they don't pay for tables for events targeting the elderly or accountants/attorneys. Quite honestly, it's less costlier to attend these events on your own than renting a table and you aren't chained to the table, so you may do a better job of networking.

Sorry is the hardest word in business, but the best word to calm tensions. I referred work to an accountant I knew for a retirement plan audit. He did a terrible job and there are issues regarding his registration to do the work. Making a lousy referral is even worse than doing poor work of your own because at least you had control over your own work. Of course, I'm embarrassed and the accountant is just coming up with so many embarrassing excuses and I look like a moron in front of this plan sponsor. Yet, despite everything, all I wanted was an apology from the accountant. Sometimes all you have to do is to say sorry if you mess up or if the client is disappointed in anyway even if it was something out of your control. Saying sorry and not making any excuses is a good way for your clients to release tension because unhappy clients leave and just fighting over something just because you won't simply say sorry is silly. Saying

you are sorry isn't the same as admitting guilt and sometimes, it's better to give in even though apologizing is not giving in.

with just giving something away for free. I knew a financial advisor who asked me about the Retirement Plan Tune-Up and how he could refer me clients. He wanted one for free for a prospective client and I obliged because it sounded promising. I did the free review and two years later, haven't heard from that advisor since.

Stick to what you know. I'm an ERISA attorney and after 15 years, it's all I know. I have no interest in being a financial advisor or a TPA because I don't need the headaches and I don't want to compete against the very same people who refer me business because I don't want to cannibalize my business. I stick to what I know and I stay out of trouble that way.

You will learn something new every day unless you're that arrogant. The retirement plan industry is fluid and it's constantly changing. What was good just 5 years ago isn't good today. You will constantly learn something new unless you're too arrogant to learn and that would be a mistake because those that won't change with the times in the retirement plan business won't survive.

How to Succeed in the 401(k) Plan Business (and 401(k)'d: A Life)



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Training, training, training. If there is one thing I will say about incompetent plan providers is that they are also lousy at training their employees. The competence of your employees is not dependent on their years of experience because I have seen 25-year veterans get thing wrong because they had a lack of training. Lack of training doesn't mean just education at the outset, it also means continued education for your employees because retirement plan rules always change over time.

Never give away your services for free. I've said it before; your services have a value and when you give it away for free, you debased its value. Your time and work is worth something and the person expecting that "free" services needs to know that and won't if it's free. People need to know that your services have a value and that requires you to be compensated. If you feel the need to give something away for free to get more work through a specific contact, you usually will end up

The client comes first. I've mentioned it lots of times, but never lose sight of who comes first. When you think that you come first, it's time to leave the business.

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