

# How My Career Mistakes Can Help You as a Retirement Plan Provider

By Ary Rosenbaum, Esq.

As Frank Sinatra would say: “Regrets, I’ve had a few. But then again, too few to mention.” In my e-book, *How to Succeed in the 401(k) Plan Business: (and 401(k)’d: A Life)* (cheap plug here, available on Amazon.com for Kindle), I provide advice to retirement plan providers and I provide a little autobiography that talks about some of the many successes in my career and my failures too. While many providers would just want to talk about their successes, I openly talk about some of my misfortune as an ERISA attorney because my misfortunes are a great textbook for myself on what not to repeat and I believe can also be a learning experience for retirement plan providers on how to grow their business. So this article is about my mistakes and how they can help you grow your business.

## It’s all about you, not the name of your firm

One of the reasons that I joined that semi-prestigious Long Island law firm (sorry, Lois) was because it was a well-known law firm on Long Island. One of the named partners was the father of the Nassau County Executive (until he was defeated for re-election by 386 votes with \$2 million in the bank) and another partner’s son was the worst New York Governor in a generation. Another partner had to resign as Deputy Chief of Staff under President Bill Clinton and was known as “the garbage man” and not because he worked in sanitation. Somehow I thought that by attaching my hitch to that law firm and its name, it would add luster to my practice. I was wrong. I was trying to

develop a national ERISA practice and no one outside of New York knows that law firm nor do they care. Since the law firm partners there had no interest in serving as referral sources for my practice, I had to develop relationships with potential clients and other retirement plan providers on my own. In the end, I learned a hard fact that

retirement plan business, I was the brand that plan sponsors and plan providers cared about. When it comes to your work as a retirement plan provider, it’s all about you and your competence rather than the name of your firm.

## You need a hook for your business

While you need good bait to fish, you also need a good hook. Before developing a somewhat successful law firm practice on my own, I had a very tough time in marketing myself. While meeting with retirement plan providers to network and promote my practice when I was at that law firm, I had a tough time being able to explain why these providers should refer me business. My law firm restricted how I could market myself so I couldn’t mention my flat fee approach and wouldn’t let me explain how I could be a free resource to these providers. In addition, they wouldn’t let me blog or post on LinkedIn and I couldn’t get my articles quickly published because the law firm administrator over burdened our marketing department on his articles that didn’t draw a dime worth of business. It was only when I was on my own and unleashed the shackles of that law firm was I able to develop a hook that would get plan sponsors and plan providers attached to my firm. As a plan provider,

you need a hook, you need to develop a niche, and you need a message as to why people should hire you.

## You are only as good as your team

Despite how great Ernie Banks was as a shortstop, he will always be remembered that he never made it to the World Series



my law firm’s managing partner didn’t know. These clients and plan providers couldn’t care less about my law firm’s name; all they care about was my ability as an ERISA attorney. While I thought being identified with a brand such as that Long Island law firm would be a boon to me, I learned that when it came to the

because the Cubs were rarely winners. Derek Jeter will be remembered as a better shortstop and one of the major reasons was that Derek won 5 World Series titles with the Yankees. No matter how good you are as a retirement plan provider, you are only as good as your team. I worked for some very good teams and I worked for some not so very good teams and whether I want to admit it or not, the incompetence of some of my co-workers would often affect my work because instead of doing work for the clients, I had to clean up the mess created by my co-workers. You can be an all-star for a lousy team, but you will never get the recognition that you're entitled to than if you were with a winning team. Just ask poor Ernie Banks.

### **You only get noticed if you speak up**

They only notice that you're a good singer when you sing and the employers will only notice you when you speak up. I stated in my book that my bosses never thought I would ever be good at selling. However, the law firm managing attorney for life knew what I intended to do, which was to start a national ERISA practice. I spoke of my ambition, but she had little interest to support that since I was a lowly associate. As for the third party administrator (TPA) that I made a career of deriding, my ambition to go beyond being an ERISA attorney was less clear. While my boss laughed at my suggestion that I could bring in business, the fact is that I ever spoke up with the marketing ideas that I later developed while starting my own law firm practice. My old boss is now one of my biggest supporters and had I spoke up and shown him my capabilities in dealing with clients and coming up with marketing materials that could develop relationships with plan sponsors and other retirement plan providers, he wouldn't have laughed. If you work at a retirement plan provider rather than on your own, they won't know you have good ideas unless you speak up to them.

### **People who will claim they can get you clients never do**

Throughout my career as an ERISA attorney working for someone or working on my own, I have come across many other retirement plan providers who will claim that they will make me wealthy and/

or get me clients. As my grandmother Rose would say (may she rest in peace), "The people who boast the most have the least." So my grandmother would probably say that the people who will bring you business don't go around bragging

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



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that they will. From my career, every person who said they would bring me clients never did and the reason they didn't because it was merely a hook for me to serve as a referral source for them. Perfect example is when I met up with a well-known financial advisor from my time as an ERISA attorney for a third party administrator. When I was at that semi-prestigious Long Island law firm, the advisor said that he would get me clients. He promised me a stay in Boca Raton and a visit to his country club there. Needless to say after two referrals (including one of the firm's partners), I never did get that invite to Boca Raton. The people who will refer you clients trust your experience and professionalism and will feel at ease making those referrals. People, who promise you the moon, never deliver.

### **Do the right kind of networking and marketing**

When I was working at that law firm and continuing at the start of my own law practice, I would do a lot of networking.

I would attend a number of networking events a week including a dedication to a Long Island group of small business owners. While I met some nice people, the networking was a waste of time because I was networking to the wrong group of people. These folks didn't have money for a retirement plan and they weren't spheres of influence with people that did. I also made mistakes with marketing. When I was at that Long Island law firm, I had the idea that I could target the clients of the TPA I had worked at by charging half the cost they were charging for a required plan amendment. Thanks to the law firm's crack staff advertising committee, I couldn't advertise in my solicitation letter that I would charge half as much as the TPA. Needless to say, 750 letters were sent out and not one referral letter was signed. The reason is that direct mail doesn't work and most importantly, a plan sponsor won't simply ditch a plan provider just based on cost. So the lesson here is that when it comes to networking, make sure it's with the right people, i.e., people who could refer you clients. When it comes to marketing, there are better avenues that direct mail and just saying to a plan sponsor that you're cheaper than the current provider won't get you business. Saying you are a better provider because you are less expensive and the current provider isn't doing half the job you'd be doing in limiting a plan sponsor's liability is a better shtick.

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