

# The Basic Ingredients For A Successful Retirement Plan Practice

By Ary Rosenbaum, Esq.

**Y**ou can buy a cake or you can bake one from scratch. You can buy a retirement plan practice or build one from scratch. As a former law firm associate whose managing attorney didn't think I could ever bring in business was able to build a national ERISA practice from scratch. I'm not taking a victory lap because I'm not as successful as I'd like to be. However, I've been able to build a retirement plan practice, so let me share my "secret" recipe on how to build a successful retirement plan practice.

## Develop your niche

Whether you're a financial advisor or a third-party administrator (TPA), you're in a very competitive business where plan providers are a dime a dozen. Every week, I'm contacted by providers on LinkedIn that somehow think as a national ERISA attorney that I have no existing relationships with plan providers. They think they can be my one-stop referral anytime I need an advisor or TPA. They describe their practice and they recite nothing that makes them stand out among the competition. When I started my practice 10 years ago, I know I needed to stand out. Besides articles like this one and a big presence on social media, I realized that offering a flat fee for legal work was a great marketing point since most law firms are glued to a billable hour that creates uncertain

billing for clients. There is so much competition out there, that you need some type of hook for your business that will allow you to stand out among your competition. **Networking with the right retirement plan people**

One of the greatest things that ever happened to me in my career was at my first job, I met Rich Laurita. Rich was the best salesperson for the TPA I was affiliated with. When that TPA sold off all its busi-

ness in a couple of times he met him. What Rich taught was how to value relationships and how to network. So many of my best friends in this business can be traced back to Rich. Networking with retirement plan professionals is about developing relationships, it's not trying to sell your services to them. Relationships take time and they take time because trust takes time. My most valued relationships and referral sources took a long time until there was enough level of

trust to refer me legal or fiduciary work. Building a retirement plan practice is similar to building relationships and growing a garden it takes time and there are no shortcuts.

## Recruit good staff and keep them

I spent 12 years working for others and 10 years on my own. Of the 12 years, I worked for others, almost 10 years were spent working

for TPAs. If I could say one thing about my fellow employees is that good staff is very hard to find. I worked with some exceptional plan administrators and actuaries. I also worked with some awful administrators and actuaries. Finding a talented staff isn't hard to find if you're willing to pay for it. I worked for a TPA where the chief operating officer/minority owner was a cheapskate, I used to joke he would lose



five dollars to save a dollar. When I recommend a terrific defined benefit administrator, this chief operating officer argued why he wouldn't pay that administrator \$80,000 when he could hire an actuary for \$75,000. Well, he hired the actuary for \$75,000 and he was an absolute disaster and that had nothing to do with the fact when the chief executive officer caught him sleeping on the job (maybe he was resting his eyes?). In terms of staff, one problem was the lack of training. One TPA would recruit at my alma mater, Stony Brook University (Go Seawolves!).

There is nothing wrong with recruiting new staff from college, the only problem is that this TPA never bothered to train these graduates. The problem with training is that if you don't provide, these employees will never be any good. They eventually skate by and then they eventually become those administrators with 20 years of experience who have no idea what they're doing. At a TPA I worked at, most often, the most incompetent plan administrators had the most years of experience under their belt. When dealing with employees, empathy goes a long way. The reason I decided to work on my own was that I didn't want to work for others anymore. I was treated as if I didn't matter and the benefits would get worse while the pay stagnated. I was also working with co-workers who were more valued by management that weren't deserving of that value. You need to be in constant communication with your employees and understand that your decisions may impact whether they continue to work for you or not. If you treat your employees right, they will stay because happy employees don't leave.

### Great Marketing

It's not enough to have a great service and it's not enough to have great staff and referral sources. You also need some great marketing and frankly, most plan provider marketing isn't very good. One of the reasons it isn't good is because they do it in-house or they use a marketing company with no knowledge of the retirement plan business. Good marketing goes a long way. To me, it needs to be clear and concise, it has to be in



a language that a potential plan sponsor understands. Too often, marketing materials I see are too verbose and are on a level that only a TPA and ERISA attorney can understand. Plan sponsors have no time or comprehension to go through 20 pages that reads like a treatise on retirement plan law. There are quite a few marketing companies that work predominately with retirement plan providers and that is who you need to hire.

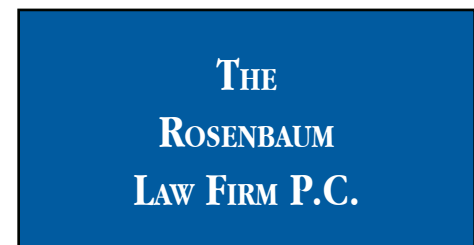
### Care About Clients

During this COVID epidemic in New York, people visiting any type of business establishment have to wear masks. The local bagel store that I've gone for many years (despite a recent change in ownership) has a sign right on the front door, denoting they will not provide any service to someone not wearing a mask. Well, I was there when someone was not wearing a mask, yet service was provided. Other customers were rightfully upset because of the law and the policy for the business to enforce. The owner's son said he could do nothing to the unmasked customer and other customers said they would no longer visit the bagel store. When I approached the owner's son the next morning, I told him that he made a mistake because the business he lost with these irate customers is far greater than the unmasked customer he could have asked to leave. The owner's son said those who were irate will be back because customers who dump on him, always come back. That is exactly the wrong attitude you should have with your clients. You should never take you, clients, for granted. You shouldn't make excuses when

you goof and you shouldn't nickel and dime them. You should always be in communication with them and you need to always be there when they need you. A little empathy goes a long way, see things from your client's perspective and under their needs and their concerns. Your decisions on pricing and services don't end up in a vacuum, they may harm your clients and your relationship with them. Just remember the mantra: unhappy clients never leave.

### Give me a call

One of the niches I developed as an ERISA attorney was an open door policy with retirement plan providers. If you have questions about starting or growing your retirement plan business, give me a call. There are plenty and plenty of plan providers that I've helped over the years and it's my way of paying it forward, just like Rich Laurita helped a young and cynical ERISA attorney more than 20 years ago. Whether you need ERISA legal help or help setting up a multiple employer plan, a pooled employer plan, or you need an ERISA §3(16) administrator, give me a call. Give me a call even if you just have a simple question, there is no charge for a little help. As you will see or have seen, the retirement plan business is relationship-driven. And I'm always happy to help.



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**The Rosenbaum Law Firm P.C.**  
**734 Franklin Avenue, Suite 302**  
**Garden City, New York 11530**  
**(516) 594-1557**

<http://www.therosenbaumlawfirm.com>  
Follow us on Twitter @rosenbaumlaw