Building Your Retirement Plan Advisory Business
The Retirement Advisor University Primer Series:
Building Your Retirement Plan Advisory Business

Prepared in conjunction with:

Fred Barstein
Founder & Executive Director of The Retirement Advisor University (in collaboration with UCLA Anderson Executive Education)
The Retirement Advisor University Primer Series

- Developed by Fred Barstein, Founder and Executive Director of The Retirement Advisor University

- Enhanced by the broad investment experience and highly specialized defined contribution expertise of Nuveen

- 6 workshops for both individual/self-study and group practice learning

- 3 business profiles providing flexible entrée points depending on the current profile of the advisors practice
The Retirement Advisor University Primer Series

The following workshop topics are available through 401(k)ollege from Nuveen Investments in conjunction with The Retirement Advisor University:

1. Getting Started: Trends & Opportunities in the Retirement Plan Market
2. Building Your Retirement Plan Advisory Business
3. Strategies Identifying & Capturing Retirement Plan Business Opportunities
4. Taking Your Retirement Plan Practice to the Next Level: Managing a Practice
5. Enhancing Your Business Model – Leveraging Resources
6. Elevating Above the Competition & Distinguishing Your Practice
Fred Barstein is founder and executive director of The Retirement Advisor University, a strategic partner with UCLA Anderson School of Management Executive Education.

TRAU has quickly become the industry’s leading training and designation program for focused and dedicated defined contribution (DC) advisors.

Leveraging the relationship with UCLA Anderson, TRAU is focused on helping DC advisors build a sound and sustainable practice while incorporating state-of-the-art techniques including behavioral finance to improve plan outcomes.

Prior to founding TRAU, Barstein was president, chief executive officer and founder of 401kExchange. Founded in 1996, 401kExchange is a leading business development and market intelligence provider for the 401k and retirement industry.

Previous experience includes publisher of Bancroft-Whitney, California’s Official Legal Publisher—a division of Thomson/West—and Barclays Law Publishers, where, as editor-in-chief, he helped the company reach Inc. Magazine’s 500 list of fastest growing private companies.

Barstein received his bachelor of arts degree, cum laude, in history from Boston College and his law degree from Cardozo School of Law in New York. He holds Series 6, 26, 28 and 63 licenses and was named 32nd "Most Influential Person in the 401(k) Industry" in 2011 by The 401kWire. He is a regular speaker before various retirement industry and conferences around the country and internationally.
About TRAU and the C(k)P Certification Program

TRAU
The mission of The Retirement Advisor University is to empower financial professionals focused on the defined contribution and 401(k) industry, with the qualifications and skill sets necessary to help deliver on the promise of a secure retirement for plan sponsors and participants. In collaboration with UCLA Anderson Executive Education and industry thought leaders, TRAU has become recognized as the defined contribution industry’s designation of choice by serious retirement advisors.

C(k)P Certification Program
The C(k)P™ designation represents the pinnacle of achievement for the professional retirement plan advisor, recognizing a combination of substantial practical retirement plan management experience, and the completion of a comprehensive and highly specialized educational program. Earning the right to use the C(k)P™ designation requires more than just academic aptitude. A financial professional must have demonstrated real-world application of the core competencies taught in the classroom.

Learn more at www.TRAUniv.com.
Agenda

• Elements of a Business Plan
• Expectations of the Market
Elements of a Business Plan
Elements of a Business Plan

Selecting a market segment

- Understanding the various market segments
- Selecting the appropriate market

Selecting the types of DC plans

- Understanding the various types of DC plans
- Selecting the appropriate plans

Various types of sales and marketing strategies

- Sales—push strategies
- Marketing—pull strategies
- The importance of branding
Elements of a Business Plan

Resources and staff needed to build, grow and manage a DC practice

- Resource
- Staff

Partnering with other firms and practices

Training and designation options
Elements of a business plan

*Characteristics of each market segment*

**Micro-market**
- Focus on the business owner and key employees
- Minimizing costs and administrative work most important

**Small market**
- Fiduciary issues
- Participant outcomes
Elements of a business plan

*Characteristics of each market segment*

**Mid-market**
- Transparency and efficiency of plan administration of key importance
- Types and quality of investment options

**Large market**
- More sophisticated, with staff and resources dedicated to the plan
- Participant success important, but not at the expense of liability and fees
Elements of a business plan

Understanding the types of DC plans

Retirement plans for very small companies:

• 401(k) Simples & 401(k) SEPs
• Solo 401(k)s
• Keogh Plans
• Employer-Directed IRAs
Elements of a business plan

*Selecting the appropriate market segment*

Most DC advisors starting out with focus on micro-plans because:

- There is less competition
- Plans are less sophisticated
- The close cycle is faster

Factors that might lead a starting advisor to other markets:

- Geography
- Relationships
  - The advisor might be working with larger companies or executives with larger companies
  - The advisor might have relationships with groups, other advisors or benefits firms that have larger clients
Elements of a business plan
Selecting the appropriate market segment

Starting with smaller plans is most recommended unless the advisor has relationships, in which case it might make sense to partner with an experienced DC advisor to close a few plans.
Elements of a business plan

Understanding the types of DC plans

Traditional defined contribution plans

• Profit Sharing Plans
• Money Purchase Plans
• 403(b) Plans
• 457 Plans
• Cash Balance Plans

Non-defined contribution plan

• Defined Benefit (DB) Plans
• DC/DB Combos
• Non-Qualified Plans
• Taft-Hartley Union Plans
• Employee Stock Option Plans (ESOPs)
Elements of a business plan

Various types of sales and marketing strategies

Sales – “push” strategies

• Important to note the difference between selling to individuals vs. companies
  • Longer sales cycle
  • Difficult-to-impossible to reach the decision maker on first appointment
  • Internal politics can delay decisions or make change impossible

• Cycles to close (relying on provider partners to start is recommended)
  • Making the right impression in the first meetings
  • Finding common connections and pressure points to get to close
  • Understanding who is the real decision maker and getting to them
  • Focus on advisors’ experience and credentials
  • Find any common connections between advisor and company or key personnel
  • Making sure it is the right fit for both parties
Elements of a business plan
Various types of sales and marketing strategies

Various “push” strategies in order of effectiveness

1. Referrals/relationships
2. Networking and seminars
3. Networking with TPAs
4. Wholesalers and providers
5. HR and industry associations
6. Community and non-profit boards
7. Cold calling
   • Internal resources
   • External resources
Elements of a business plan

Various types of sales and marketing strategies

Marketing – “pull” strategies

- Newsletters
- Social media – leveraging LinkedIn
- Public relations
- Database mining
- Speaking at conferences
- Writing articles
- Employer, attorney and CPA seminars
Elements of a business plan

The importance of branding

Levels of branding

- Broker dealer
- Advisory group
- Individual advisor

Opportunities to brand

- Credentials and training
- Press
- Awards and industry recognition
- Marketing
  - Brochures
  - Videos
## Elements of a Business Plan

*Resources and staff needed to build, grow and manage a DC practice*

### Prospecting

Most advisors are the primary prospector, but can employ people to:

- Make appointments
- Prepare for appointments
- Follow-up on meetings
- Populate and update CRM systems
- Marketing

### Closing

The advisor should rarely delegate primary responsibility for the close, but others can:

- Participate in the meetings
  - *Do not bring anyone unless you give them an opportunity to speak*
- Follow-up with materials and calls
- Find common connections
Elements of a Business Plan
*Resources and staff needed to build, grow and manage a DC practice*

**Managing clients**
- Investment analytics
- Record-keeper benchmarking
- CRM and accounting system
- Staff (potential – much can be outsourced or leveraged through providers)

**Prospecting and marketing**
- Prospectors and people to follow-up on meetings
- Marketing person
Elements of a Business Plan

Resources and staff needed to build, grow and manage a DC practice

- CFAs and investment professionals
- Educators and enrollers
- Relationship managers to interact with:
  - Plan sponsors
  - Participants
  - Record keepers
Elements of a Business Plan

Ongoing training and professional development

Retirement focused designations

ARPC - Accredited Retirement Plan Consultant
ARPS - Accredited Retirement Plan Specialist
C(k)P™ - Certified 401(k) Professional
CPC - Certified Pension Consultant
CRPS® - Chartered Retirement Plan Specialist
PRP® - PLANSPLANOR Retirement Professional
QKA - Qualified 401(K) Administrator
QPA - Qualified Pension Administrator
QPFC - Qualified Plan Financial Consultant
RPA - Retirement Plan Associate
TGPC - Tax-Exempt & Gov’t Plan Consultant

Source: The Retirement Advisor University
## Elements of a Business Plan

### Ongoing training and professional development

**Investment focused designations**

- **AIF® - Accredited Investment Fiduciary**
- **AIFA® - Accredited Investment Fiduciary Analyst**
- **CFA® - Chartered Financial Analyst**
- **CFP® - Certified Financial Planner**
- **ChFC® - Chartered Financial Consultant**

**Benefits focused designations**

- **CEBS - Certified Employee Benefits Specialist**

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Source: The Retirement Advisor University
Expectations of the Market
Expectations of the Market

- Plan sponsors
- Participants
- Government
- Broker dealer
- Record keeper and DCIO
expectations of market

plan sponsors

• Manage costs
• Manage corporate and regulatory change
• Minimize administrative work and issues, and solve problems
• Limit liability
• Help stay in compliance
• Create appropriate plan design

• Create investment policy statement
• Benchmark fees and investments
• Integrate with other benefits
• Guide participants
• Select, monitor and manage providers (record keepers and asset managers)
Expectations of Market
*Tao of 401(k)*

Plan sponsors want nothing
- No cost
- No work
- No liability

- Recognize the importance of *selecting the right advisor*

- If advisor delivers “nothing,” plan sponsors more interested in helping participants get to better outcomes
Expectations of Market

Participants

Participants need assistance:

- Enrollment
- Explanation of options
- Education
- Integrating DC plan with other benefits
- Help and integrate with outside investments
- Rollover guidance
- Retirement income
Expectations of Market

Key issues for participants

- Employee investment education has failed

- The most successful programs
  - Have been packaged products, such as target date funds and
  - The auto-plan incorporating behavioral finance principles

- Pie charts and account balances mean nothing to most participants

- Importance of the deferral rate
Expectations of the Market
The government

**SEC focuses on investments**
- Disclosure
- Prudence
- Fiduciary to investors

**DoL focuses on benefits**
- Protection
- Transparency of fees and potential conflicts to:
  - Plan sponsors
  - Participants
- Fiduciary to
  - Plan
  - Participants
  - IRA clients
  - Prohibited transactions
Expectations of the Market
Broker/dealers

• Grow assets and GDC (Gross Dealer Concession)

• To fiduciary or not

• Stay educated and trained

• Commission, fee or hybrid

• Partner with other advisors

• Work with provider partners
Expectations of the Market

Record keepers and DCIOs

- Partner
- Inform
- Integrate
- Expand
- Participate
Match the major concerns for each of the various plan sponsor market segments

Micro plans
-- Select --

Small plans
-- Select --

Mid size plans
-- Select --

Larger plans
-- Select --
Defining Your Plan

Next steps

• Make the decision to plan
• Identify your target market(s)
• Determine your sales and marketing strategies
• Identify the resources needed for success
• Review the expectations of plan sponsors, participants and others
• Call your Nuveen Retirement Plan Consultant or visit www.nuveen.com for resources to help implement your plan
  • Business plan template
  • Marketing message
  • Customizable Short-Form Retirement Pitchbook template
Defining Your Plan

Resources

The Retirement Advisor University
- www.TRAUniv.com

Short-Form Retirement Pitchbook
- Nuveen Investments DCIO & Strategic Platforms

Ten Plus Business Plan Essentials
- Nuveen Investments Wealth Management Services

The opinions expressed in these resources do not necessarily reflect the views of Nuveen Investments. Nuveen assumes no liability for the content of any resource provided, including, without limitation, the accuracy, subject matter, quality or timeliness of the content. The fact that such resources have been provided does not constitute an endorsement, authorization, sponsorship by or affiliation with Nuveen with respect to any resource provided or its sponsor.
Defining Your Plan

Resources

How to Build A Successful 401(k) and Retirement Plan Advisory Business
  • by Steff C. Chalk & Christopher H. Barlow

The Successful Business Plan: Secrets and Strategies
  • by Rhonda Abrams

Creating and Implementing Your Strategic Plan
  • by John M. Bryson

How to Write a Business Plan
  • by Mike McKeever

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The Retirement Advisor University
Primer Series: Module #2
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Questions?

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Plan sponsors and participants should carefully consider the investment objectives, risks, charges and expenses of the investment options offered under the retirement plan before investing. The prospectuses for the individual mutual funds and each available investment option in the group annuity contain this and other important information. Prospectuses may be obtained by calling 877.805.1127. Please read the prospectus carefully before investing. Investments are subject to market risk and fluctuate in value.

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