Taking Your Retirement Plan Practice to the Next Level -- Winning and Closing New Business
The Retirement Advisor University Primer Series: Module # 4

Taking Your Retirement Plan Practice to the Next Level - Winning and Closing New Business

Prepared in conjunction with:

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

• Setting the Stage

• Prospecting – Finding New Opportunities

• Closing – Expecting to Win

• Introduction to Servicing Clients & Managing Resources
Setting the Stage
Setting the Stage

Selecting a Market Segment & Plan Type

• Most Advisors start with:
  – Smaller plans and then move up market

  • Exceptions:
    – Sophisticated client base
    – Previous experience

  – DC plans, especially 401(k)

     • Exceptions:
       – Plans <10 employees
       – Relationships with school districts, unions & non-profits
Setting the Stage

*Best Practices*

- Identifying and working with profitable clients
- Time management
- Cross selling
DC advisors are running an **entrepreneurial venture** which means the advisor has to manage people, capital and technology.

Tips to be successful:

– Focus

– Time to build a DC practice

– Repeatable processes

– Great people
Prospecting – Finding New Opportunities
Prospecting – Finding New Opportunities

Sales Strategies in Order of Effectiveness

Sales: “Push” Strategies:

• Referrals/ relationships
• Cross selling
• Networking and seminars
• Networking with TPA’s
• Wholesalers & providers
• HR & industry associations
• Community & non-profit boards
• Cold calling
  — Internal resources
  — External resources
Prospecting – Finding New Opportunities

Cross Selling Case Example

• Opportunities
  – Group benefits
    • Healthcare
    • Voluntary
  – Wealth management / high net worth
  – Financial planning/ mass affluent
  – Insurance & packaged products/ less affluent
  – Rollovers

• Keys to success
  – Integrated practice
  – Systems/ technology & process
  – Evaluation and modification
Prospecting – Finding New Opportunities

Marketing Strategies

Marketing: “Pull” Strategies:

• Newsletters
• Social media – leveraging LinkedIn
• Public relations
• Database mining
• Speaking at employer conferences
• Writing articles
• Plan sponsor, attorney & CPA seminars
Prospecting – Finding New Opportunities

Marketing and Branding Case Example

• Branding Opportunities
  – 3 Levels
    • Broker Dealer/ RIA
    • Team
    • Individual
  – Leveraging reputable third parties
    • Press
    • Academia
    • Stars

• Marketing – ‘The Power of Presence’
  – Employer seminars
  – Leveraging provider partners & materials
Prospecting – Finding New Opportunities
Partnership with Other Firms and Practices

Potential Partners

• Non-DC advisors (wealth management, financial planners, etc.)
  — Within Broker Dealer if applicable
  — Outside Broker Dealer if applicable

• Group benefit advisors

• Head hunters

• Property & casualty firms

• Consultants
  — TPA’s
  — Attorneys
  — CPA’s
  — Bankers
Prospecting – Finding New Opportunities

Partnering with Third Parties Case Example

• Head hunters
  – Often over looked
  – Relationship with key decision makers
  – Always looking for help

• Following clients
  – Help place clients
  – Help find employees for clients
  – Friends for life
Prospecting – Finding New Opportunities

Best Practices

• Don’t Chase Long Shots by focusing on plans in the right market by:
  – Size
  – Geography
  – Business type
  – Plan Type

• Expect to make appointments with over 50% of employers if you:
  – Focus on referrals and partners
  – Do your homework on the plans you approach
  – Spend time and money on marketing and branding
  – Don’t try to close on the phone – just get the meeting
Closing – Expecting to Win
Closing – Expecting to Win

What to Expect

• Expectations
  – Close +30% of the prospects you meet with if you:
    • Don’t chase long shots
    • Prepare properly for the meeting
  – Timing
    • At least 3 months to close a DC plan and up to 3 meetings depending on the size of the plan.
    • If it is taking longer than 6 months for plans <$5 million with no good reason for the delay like an acquisition or audit, either move on but continue with periodic ticklers or, if you believe they need a push but are really interested in your services, tell them you are moving on.
Closing – Expecting to Win
Preparing for the First Meeting

• Find out beforehand:
  – Who will be attending the meeting?
  – How much time you have?
  – Ask them to bring to the meeting:
    • Plan Document & Summary Plan Description
    • Fund line-up
    • Fund and fee benchmarking
    • Investment policy statement
    • Last 3 quarterly statements from the record keeper
  – Who is their CPA?
  – Who is their attorney?
  – Who is the current plan advisor and relationship to company or key executives?
  – Who is their benefit broker?
Closing – Expecting to Win
Preparing for the First Meeting

• Do research on company, key people and consultants through:
  – LinkedIn
  – Google
  – Corporationwiki.com
  – SEC Filings
  – 5500 Form

• What to take with you:
  – Firm brochure, bio’s & other leave-behinds representing:
    • You the advisor
    • Your team if applicable
    • Your broker dealer or RIA if applicable
  – Collateral material
    • Sample statement of service
    • Sample investment policy statement
    • Sample benchmark reports
    • List of representative clients with contacts, especially if in the same industry
Closing – Expecting to Win

In the Meeting

• Respect their time – do not go over but ask for more time if necessary
• Be careful what you leave behind
• Don’t bring anyone else unless they have a role
• Ask open ended questions – get them to speak:
  – Why did you take this meeting?
  – Have they visited with any other advisor? What did they like/dislike? Why didn’t they hire them?
  – Why do you have a DC plan?
  – What is working/not working?
  – What are goals of owners/key executives?
  – What more would they like from their plan?
  – Have they been through a DoL audit? When? Outcome?
  – What would prevent them from making a decision within the next 3-6 months?
  – What is the decision to make?
Closing – Expecting to Win

Best Practices

• Best Practices

  – **Be consultative throughout the process** – don’t be a product pusher and don’t bring a wholesaler to the first meeting

  – **Don’t focus on changing record keepers** unless the employer mentions it; focus on advisor of record change

  – **Have a ready to sign statement of services** detailing which services you will perform allowing the employer to select the ones they want before you quote a price for your services

  – **Never be negative about the plan, providers or advisor** – remember who selected them

  – **Remember the Tao of 401(k)** – Sponsors want nothing

  – **Focus on what value you bring** versus focusing on what the current advisor does not do
Closing – Expecting to Win

In the Meeting

• Ask open ended questions (continued):
  – What are goals of company for the DC Plan:
    • Just have a plan with limited costs, work or liability
    • Owners/key execs want to defer money
    • Help participants to retire with dignity or
      • Attract & retain highly qualified employees
  – Do they have an investment policy statement?
  – Do they have an education policy statement?
  – Do they know what they pay their vendors – advisor, TPA, record keeper or asset managers?
  – When & how would they like to have their employees enrolled?
  – Do they want their advisor to provide education only or offer advice?
Closing – Expecting to Win

In the Meeting

• Documents/Information to come away with after 1st Meeting
  – Current Service Agreement
  – Detail of out of pocket expenses
  – Plan Document and Summary Plan Description
  – Investment Policy Statement
  – Minutes of last three investment committee meetings
  – Enrollment kits
  – Summary of balances by investment option
  – Copy of plan testing & census

• Make sure there is an agreed upon follow-up plan
Closing – Expecting to Win

After the First Meeting

• Send handwritten note – gifts may not be appropriate
• Email notes and follow-up from meeting within 24 hours with next steps

• Second & ensuing meetings:
  – Focus on finding:
    • Internal sales person – who has the most to gain by hiring you and why
    • Internal obstacle – who has the most to lose and why
    • Who is the real decision maker – could be the comptroller not the CEO
  – Stay consultative
  – Focus on benchmarking and transparency
  – Look at plan design opportunities
  – Highlight your process but also focus on benefits to them and their employees
  – Show results if possible from your other plans
  – Provide references
  – Get hired to do something like review their investment line-up
Introduction to Servicing Clients and Managing a Practice
Managing a Practice
*Leveraging an advisor's strengths and industry resources*

1. Outsource, Hire or Do-it-Yourself
2. Technical Services
3. Sales and Marketing
4. Practice Management & Servicing Clients
5. Running a Profitable Practice
6. Distinguishing Yourself
Questions?

Please contact:

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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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