

THE
ROSENBAUM
LAW FIRM P.C.

ADVISORS ADVANTAGE

A Publication for Retirement Plan Professionals

How To Be A Big Thing In The 401(k) Plan Business Or Play One On TV

You may not be able to handle it.

As a retirement plan provider, you need to stand out in the crowd because of the competitive nature of the business. Marketing is very near and dear to my heart because I built my practice with the eye on standing out in the crowd of ERISA attorneys and offering a national retirement law practice at a flat fee for plan sponsors and plan providers. Despite what you may think, I have never taken any marketing class in

college or law school. I'm very lucky in the sense that I knew what would generate attention among retirement plan sponsors and plan providers. This article is all about how you can stand out in the crowd and be a big thing in the retirement plan business (or play one on TV, which is a joke based on an old Vicks Cough Syrup commercial).



To read the article, please click [here](#).

If you want it, ask for it.

You will have to ask..

When I was a kid, I'd be passive-aggressive in the sense that I wouldn't let people know how upset I was about things. Thanks to some age and maturity, I don't have to be that scared kid anymore and not ask what I want.

While signing up a new multiple employer plan up with a pretty good third-party administrator (TPA), I asked whether I could work with a certain automatic rollover provider that I'm fond of. I was told by the



TPA that they were fully integrated with another provider so that it was impossible. I pushed back, saying I liked this automatic rollover provider and that it was a better product for the participant and the advisor of the plan. Needless to say, the TPA said they

were willing to use the other provider. I knew they would because it's not like a TPA is making any money off any automatic rollover provider. You can ask and they may say no, but they're likely to say yes if it's not going to affect their bottom line.

People aren't mind readers, if there is something you have in mind with another plan provider, ask them to consider what you want. Otherwise, you'll never know whether you could have gotten what you wanted.

Business is cyclical.

What goes around, comes around.

20 years ago, the hard liquor business was dying and microbreweries were the hottest thing. People may not be aware of it, but for most of the existence of television, the spirit industry had a self-imposed ban on liquor advertising. We all know that beer advertising was a thing, but hard liquor ads never popped, until someone broke the ban.



Crown Royal started advertising on TV in 1996 and the spirit industry is doing quite well. Just asked celebrities such as George Clooney and Sammy Hagar about how profitable the business is now and the beer industry, like an old Bud, is flat.

What does my history of the liquor business means is that not only is business cyclical, there can be game-changers that could decimate or turnaround the industry. Another stock market crash will hurt the business, a law change that curtails the role of some plan providers may hurt as well. Other changes could have a beneficial impact on the business. Nothing is stationary forever, this business like every other business, changes.

The good old days for advisors are gone.

Those days aren't coming back soon.

In the good old days of participant-directed



401(k) plans, a good chunk of financial advisors did very little work for the plans that they advised. Many of them sat back, collected their trail or asset-based fee, and maybe saw the client once a year. Thanks to changes in regulations and court decisions, the day of wine and roses are over.

Recent court cases make it far easier for 401(k) participants to sue plan sponsors. In addition, anytime there are poor market returns, it creates an incentive for plan participants to sue plan sponsors for breach of fiduciary duty. These cases have shown that many plan sponsors don't do a very good job in managing

the fiduciary process in developing an investment policy statement (IPS), reviewing plan investments against the IPS, and providing participant education.

While so many other plan providers tell me that they are jealous on how much advisors charge and how little they do, a financial advisor is an integral part of limiting a plan sponsor's fiduciary liability and so many are underpaid for what they do. Sure I have found those advisors making 60 basis points on a \$14 million plan and do nothing, there are so many advisors that understand their role and do a great job in limiting a plan sponsor's liability, The fiduciary process of being a plan sponsor is an arduous task, so plan sponsors need to rely on someone and that someone is a financial advisor, Whether they serve as a broker, co-fiduciary, or an ERISA fiduciary, a financial advisor has a job to do. The days of showing once in a while offering no IPS help or participant education is slowly becoming part of the retirement plan past.

The day where an advisor can simply put a plan on a bundled platform and forget about the plan until the quarterly fee is paid is over. Financial advisors have to help the plan sponsors out to manage the fiduciary process. If financial advisors are not up to the task, then they should surround themselves with those that can like an independent ERISA attorney or a top-notch third-party administrator. Some advisors have sought out the advice of other advisors to offer a turnkey 401(k) platform and support.

Financial advisors can sit back and pretend the good old days are here, but they stand at the risk of losing business to those breed of financial advisors that know their role and will strive to fulfill it.

Don't bill for someone else's work.

It's a bad idea..

You've got a lot on your plate as a retirement plan provider and the last thing you need is more headaches. So don't add to your workload and headaches by deciding to bill for the work of another provider.

I'm an ERISA attorney and if I refer a plan sponsor to a third-party administrator (TPA), I'm not going to bill for that TPA's work. Your job is to provide the best service for your client, your job isn't to be the billing office



of another provider. Forget about the accounting aspects of it, what if the other provider doesn't provide the work promised? Are you know going to have to refund money that was never yours, to begin with?

The road to hell is paved with good intentions and nothing good could come by doing another provider a solid by acting as their billing office.

Foxborough is this week.

Registration for all event open including Disney World.

That 401(k) Conference is the most fun 401(k) advisor out there with a price point that won't break your back.

\$100 gets you 4 hours of content to grow your advisory business, lunch, a stadium tour and a meet and greet with a baseball legend.

These events are so fun, we have advisors from around the country to fly in. The cost and the experience can not be beat.

In October, we will be having our first football themed That 401(k) Conference with an event at Gillette Stadium in Foxborough, MA, home of the Super Bowl Champion New England Patriots.

Information on sponsorship can be found [here](#) . Tickets to the event can be purchased [here](#) .

An agenda for the Foxborough event can be found [here](#).

In November, we come home, sort of. The events started a year and change ago at Citi Field and we will be close by in New Jersey at MetLife Stadium. While it's the home of the Giants and Jets, we will have a Giants themed event. Information on sponsorship can be found [here](#) . Tickets can be purchased [here](#) .

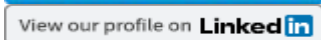
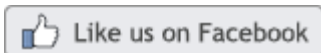


To finish the year, we will be in Arlington Texas, home of the Dallas Cowboys. That event at AT&T Stadium will be on Friday, December 13th. Tickets can be purchased [here](#).

For information on sponsorship opportunities, please click [here](#).

Don't forget, our national

conference for March 2020. Family fun at Disney World with a conference that won't break your bank if you're a sponsor or attendee. Information on That 401(k) National Conference sponsorship and to sign up is [here](#).



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The Rosenbaum Law Firm P.C.
734 Franklin Avenue, Suite 302
Garden City, New York 11530
516-594-1557
Fax 516-368-3780

ary@therosenbaumlawfirm.com
www.therosenbaumlawfirm.com

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