

Human Emotional Mistakes A Retirement Plan Provider Should Avoid

By Ary Rosenbaum, Esq.

We are all human unless someone of us are cyborgs sent by Cyberdyne Systems in the future. Seriously, humans are controlled by emotions and everyone knows that after going through their teenage years. Human emotion can make us do some great things, but there are emotions and human nature that can be detrimental to business. So this article is about what human emotional pitfalls to avoid as a retirement plan provider.

Arrogance

The moment I think that I'm the greatest thing since sliced bread and ERISA, I'm going to leave. If there is one bad character trait that I have seen in former employers and other retirement plan providers is arrogance. Thinking you're better and/or smarter than anyone in the retirement plan business can be a huge mistake. Arrogance is a behavioral opiate because it blinds the arrogant one from changes around them that can harm.

I remember arrogant retirement plan providers that gouged clients with excessive and hidden fees who learned the hard way after fee disclosure regulations were implemented. Their arrogance blinded them to the coming changes in the business and their arro-

gance to change with the times cost them in the long run. Don't let arrogance blind you; there is always something in the retirement plan business that you can learn.

A Lack of Empathy

Game theory in a nutshell, is the study

life. Understanding how other humans behave and having empathy goes a long way to building relationships and succeeding at business. I can tell you from both family and professional experiences, too many people have no empathy and it's a necessary trait to successfully work with others.

Perfect example is the employee-employer relationship. What union lawyers at my old law firm and some of my old bosses never understand that both sides in the employer-employee relationship have diametrically opposite goals. The employee wants to make as much money as possible and the employer wants to pay as little as possible. In a nutshell, that's labor law. Employers are greedy, but so are employees. Life in a relationship like that is to try to meet in the middle where the employee can make a living and the employer can stay in business. Is either side evil? Unless one side is breaking the law,



of strategic decision-making. I don't necessarily get involved in the intricacies of game theory, but I use it to understand human behavior and decisions by trying to think what the other side will do. It helps me build relationships in business and in

no one is evil. Empathy is understanding that other people have feelings and they will try to do what's best for them. I learned when I was working for that law firm that most retirement plan providers will only network with other plan providers if they

think that something will benefit them. Offering my services as an ERISA attorney to the clients of a retirement plan provider made little traction because most providers didn't see that my services were going to help them. So that's when I started writing articles so that retirement plan providers could use them as marketing materials. That is why I have always used any retirement plan provider in the country to use my articles because it builds goodwill with these providers and it's free advertising for me. My firm only grew and continues to grow because of these articles and it all mushroomed for the fact that I understood that retirement plan providers would refer me work if I helped them in some way (marketing).



Don't wait, ask for what's yours

My worst character trait is that I am passive-aggressive. I let things slide with people and I'm not pushy enough to get what should be mine. I have learned over life that if you wait for people to do the right thing, you'll end up being disappointed a good chunk of the time. Year ago, I started working for a third party administrator (TPA). When the head ERISA attorney was fired because he made too much, I thought I was going to get a sizable raise. I got \$5,000 for the promotion (the TPA probably saved \$200,000 annually because of the change) and it gnawed at me for the 5 years I was there. Ultimately, it was my fault for not asking for more because as described in the paragraph above, they wanted to pay me as little as they could and I let them off easy. I'm learning, so when I did quite a bit of work for a charitable organization that I raised a lot of money for, I asked for a promotion when the next election came due because I thought if I didn't ask for it, they would continue to elect people to the board who did a lot less than I did. Needless to say, I got the promotion. I'm not suggesting you should ever be pushy, but you should speak up and tell people what you want because people can't read your mind on what you want. From experience, asking for what you want and not getting it isn't as bad as saying nothing and not getting what you want.

Never hold a grudge that will cost you business

I hold grudges and then after time, I let go of some grudges because I have new grudge-

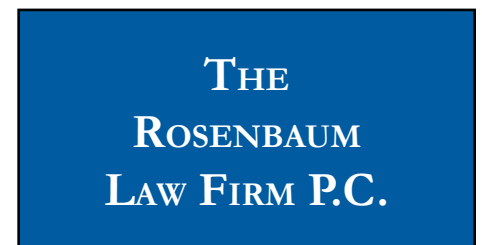
es to deal with. Yet I never let a grudge get me in the way of making money. I had a grudge against my old law firm (and still kind of do), but my defense is that since they never referred me business when I was there, there wasn't a way they were going to refer me business after I was gone. That is even after the partner I worked for said that he would. If my grudge against that law firm did cost me business, that's my own cross to bear and part of disclosing my grudge against them was part of the narrative I was trying to create promoting my own practice. As someone who knows how to hold a grudge, I made peace years ago with a person that people claimed was my biggest enemy in the business. The problem was that this person was not my enemy, it was his former partner that I had issues with. Unfortunately, our dispute mushroomed because of a lack of communication on both sides to what became a drawn out feud. I let go out of the grudge because time passed, I got more mature, and my anger was directed at someone else. Like Elsa said in Frozen, you have to Let it Go. Plus the fact that I actually like the man and have respect for the way he handles his clients went a long way to ending that grudge. Carrying a grudge from years ago was silly especially if it would cost me reconnecting with a retirement plan provider that I actually like/

Never take sides in a battle that doesn't concern you

I always find it fascinating that if you are involved in a dispute with someone, the common people you know often takes sides even if the fight doesn't concern them at all. Maybe people like confrontation or maybe they think that taking sides will appease the side that is friendlier to them. Regardless, I think it's silly to take sides in a dispute that may concern other retirement plan providers that doesn't involve you. I

remember years ago, I referred a retirement plan and a partner at my old law firm to a certain financial advisor. I never received any referrals back. A year after leaving that that firm, the partner at that law firm said some very disparaging things about me and the advisor told his associate that they would no longer do business with me. (which they never did in the first place). In retort, I made sure that the retirement plan I referred changed investment advisors when that associate left that firm. You should

never concern you with disputes that don't involve you especially if your interjection in the dispute by taking sides eventually costs you business. A few months back, I got a call from a financial advisor from an advisory firm that I have worked with and continue to work with in the past. Apparently, this advisor left in a dispute and went to a new firm. I took the phone call because any employer-employee dispute doesn't concern me and this business is all about building relationships. Never let someone else's dispute get in the way of you making business and/or building relationships. It's a distraction and it's not even a distraction of your making. Years ago, I made the unfortunate mistake of getting involved in a family dispute by taking sides in favor of an uncle. Needless to say, that uncle returned the favor by taking sides against me in a dispute that didn't concern him. I guess I deserved it. So you can say I'm very well experienced in this area.



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