

## How A Plan Provider Can Lose Clients in 7 Easy Ways.

Easy steps in losing clients.



It's easier to spend money than to make money. It's easier to lose a client than get hired by a new one. As a retirement plan provider, you can ill-afford to lose clients. Too many retirement plan providers don't see how their behavior can contribute to losing clients. They never see it coming to avoid that loss of business. So this article is about the easy ways to lose clients.

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

## Being a long term Plan Provider can be a bad thing too.

Complacency is a bad thing.

Being a long time plan provider for a client can be a good thing and it can be a bad thing. While having a long time base of clients is great for business and indicative of client satisfaction, it can be a bad thing too.

Being a long-term provider for a plan sponsor client can be a bad thing. It's like the folks on my local board of education. The members of the board of education have run unopposed for years and there has never been accountability. When you run unopposed, you end up thinking that you are so great that no one wants to run against you. You also end up with a sense of entitlement because you have been there so long.



The same can be said for long-term plan providers. There is that sense of complacency and the sense that this position as a plan provider is their divine right. Thanks to fee disclosures, the retirement plan market is more competitive and long-term plan providers may have more competition in keeping that business. The problem is that if you have been that plan provider before fee disclosure, you may still think you are in the good old days when their plan sponsor clients rarely reviewed plan providers.

So being a long-term provider is great for the pocketbook, but a bad think if the provider loses

sight of the ball.

## Advisors should help grow Client's assets.

**More money for them is more money for you.**



If you are a financial advisor, more assets under management equal more money. So that means a financial advisor working in their 401(k) plan space should do their best to making sure that their Plans get bigger in the asset department.

That's why being concerned how much the fees that plan sponsors are paying for administration and investments are a concern. More money lost in high fees means less in the Plan.

Financial advisors should look at other avenues such as my friends at SaverNation who reward plan sponsors with 401(k) contributions for making purchases online. It is a

no brainer for plans sponsors to join SaverNation.

The other aspect if the new Internal Revenue Service guidance (Notice 2014-54) that will allow highly compensated employees who receive refunds because of a failed ADP deferral test to transfer those after tax refunds directly to a Roth IRA account within a 401(k) plan. There will be a few steps that a plan sponsor would have to take to make this work (such as having a Roth 401(k) feature to the Plan) in 2015, but it is a consideration.

Automatic enrollment is another option. Safe harbor plan design and cross-tested allocations can work as well.

An advisor who helps the plan sponsor grow assets can help them lower fees and end up getting more shekels for the advisor. That's a good deal.

## Be accountable as a Plan Provider.

**Take responsibility.**

When I was working at that law firm and I wasn't able to draw enough business to my practice, I can fault the law firm partners who didn't refer me work or the marketing office couldn't help so much because they were doing work for other and the process took 6 months to get an article published. Ultimately, it was my fault that I didn't get it done. So I dusted myself up, went on my own, and the rest is history (I mean it's in my eBook). I changed what didn't work and what I wasn't allowed to do (social media) and I was able to support myself on my own.

Too often plan providers get in the



business of not admitting fault when they make mistakes and it's frustrating for plan sponsor because sometimes all they want is a simple apology.

An apology is not an admission of guilt, it's just an expression and sometimes just saying you're sorry is what minimizes small disagreements into becoming World Wars. I know firsthand, I grew up in a family where you think an apology was draped in the blood of the one who offered it. Being accountable and admitting when you're wrong is just good business skills. It's a great way to retain clients because it's the unhappy clients who leave.

## **SaverNation 2.0.**

**A great website just got better.**



is one of the best ideas out there in the 401(k) marketplace. It can reward 401(k) plan participants an opportunity to save money in their 401(k) plan by making product purchases online.

SaverNation has recently updated its website and it's easier to navigate. I suggest any financial advisor or third party administrator that wants to differentiate you from the competition to consider using SaverNation as an attractive tool for plan sponsor clients to have their employees save for retirement.

I spoke to their new chief executive officer, Sunil Vatave, and I am very excited with the ideas he has in expanding SaverNation's footprint in the 401(k) industry. Reach out to them and tell them Ary Rosenbaum sent you.

## **The e-book some people bought is still available.**

**My Kindle book on how to succeed in the 401(k) plan business still available.**

A big part of my business has been helping other retirement plan providers in starting and/or growing their business. Goodwill in this business goes a long way.

So to tell you the journey I went through to get to this point and to give plan providers advice on how to grow their retirement plan

# How to Succeed in the 401(k) Plan Business (and 401(k)'d: A Life)



By **Ary Rosenbaum**

ERISA Attorney, Plan Provider Consultant


**THE  
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LAW FIRM P.C.**

book of business, I am proud to announce that my Kindle e-book called How to Succeed in the 401(k) Plan Business: (and 401(k)'d: A Life) is still available for purchase on Amazon.com right [here](#).

If you don't have access to a Kindle or Kindle for your computer or smart phone, a pdf version is also available for purchase for \$9.95. Send me a Paypal payment to my email

(ary@therosenbaumlawfirm.com). If you want an autographed, print version, the cost is \$24.95 (paper costs money, sorry) and PayPal can be sent to the same email address. All profit from sales of the pdf and print copy will be 100% donated to charity.

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