

# 2015 New Year Tips for Retirement Plan Providers

By Ary Rosenbaum, Esq.

With a new year, comes a renewed focus on business now that the holidays are behind us. For the retirement plan provider, there is never enough time to rest on their laurels because of the competitive nature of the business. So with a few minutes to spare, here is an article that will offer suggestions on how you can improve and grow your business from someone who knows how competitive the retirement plan business really is.

## A renewed focus on social media

Without social media, you wouldn't be reading this. Without social media, you would probably never know who I was. Thankfully when I started my own practice almost five years ago, there was such a thing as social media. I just saw an opportunity to build my name and practice in this retirement plan business and I took it. Telling it like I saw it, throwing a Caddyshack or other movie reference here and there, and free information that plan sponsors and plan providers could use gave me the opportunity

to support myself and my family without having to deal with the nonsense of working for another law firm (sorry, Lois). To understand how to use social media, you have to know what it is. Social media is a social instrument of communication. It's a way to build a reputation by offering articles, blog posts, and group messages that will let plan sponsors and other retirement plan providers know that you are an expert to be trusted. Social media is an Internet method of a business card, but it's

more because a business card alone doesn't open much doors. What social media isn't is a direct sales pitch and I have found too many people out there who think that is and they think wrong. Social media that is just going to be a billboard for your work is going to be treated like spam e-mail. Like George Costanza pointed out on Seinfeld, you need something like the song for the Mennen brand, "by Mennen". Good so-



cial media work will get you that Mennen sound for your practice. How to write? Simple, write your articles and blog posts so that your audience will understand. Who is your audience? Like my audience, it's plan sponsors, accountants, attorneys, and other retirement plan providers.

## See what the competition offers, offer something they don't

When I started my ERISA law practice almost 5 years ago, I sensed the competi-

tion was not only law firms but TPAs that had ERISA attorneys on staff. Having both the experience as a TPA attorney and an ERISA attorney, I took what I liked from each position and didn't take what I didn't like in crafting my own practice. Unlike law firms and like TPA attorneys, I was going to offer my clients a flat fee for the services I offered. Unlike TPA attorneys and like law firms, I was going to offer an attorney-client relationship with my clients where the client's needs were paramount. I think it's important to look at your competition in the retirement plan space and try to develop a niche by simply offering that the competition isn't. Maybe if you are a financial advisor, it might be something like offering unique employee education meetings by making it fun or exciting or taking on more discretionary control as a plan fiduciary such as being an ERISA §3(38) investment advisor. Maybe if you are a TPA, you offer §3(16) administration or offer something else that the competition doesn't offer. You certainly know your competition better

than I do and the thing to do is to develop part of your business that allows you to stand out among the competition, you need a hook to draw potential clients in and if the potential clients can't spot you amongst the crowd of competition, it's just going to be that much harder to get business.

## Don't always say no, don't always say yes

There is a certain TPA that I have done business with in the past and I know sev-

eral of the people that run it quite well. The person in charge is someone I have tremendous respect for because of his professionalism, but anytime I would offer him a unique opportunity to grow the TPA's business, he would always say no, so I call him Dr. No. On the flip-side, I worked for a TPA who decided they could take on work that they did not have experience in and that lack of experience would show in that work. I think being in the retirement plan business, you shouldn't always say no and you shouldn't always say yes in growing your business. By always saying no, you give up the opportunity to grow your business. By always saying yes, you may unwittingly expose yourself to liability by handling something beyond the scope of your ability.

### **Don't be the last person wearing a leisure suit, be ahead of the curve**

Disco was pretty popular when I was really young, I remember bringing in a Saturday Night Fever record for my first grade holiday party (I still do not know how to use a record player). That following summer, the Chicago White Sox had a fiasco with Disco Demolition Night, but the disco backlash was set. So anyone knee deep in the disco business was in trouble. As a retirement plan provider, you always need to stay ahead in the curve. So if you're a financial advisor pushing revenue sharing funds when the business is turning against it or your TPA that isn't a fan of fee disclosure, you have issues. Changes in the retirement plan business are opportunities and if you fail to take advantage of these opportunities, then your business will suffer while others who spotted the wave of change before you saw it will ride that wave to tremendous success. One of the financial advisors that I have the most respect in this business is someone who I disagreed with vehemently almost a decade ago about fee transparency, but sensing change in the business, he took advantage of it by touting a flat fee-full disclosure, full fiduciary approach that is unique not only in my local

area, but Nationally. Yet there are many plan providers especially in the TPA space that are suffering because they were too slow to jump on the fee disclosure bandwagon.



Don't be the last person wearing a leisure suit or the last provider pushing something that no prudent plan sponsor is buying. If you can't change with the times, the times will change you and not in a good way.

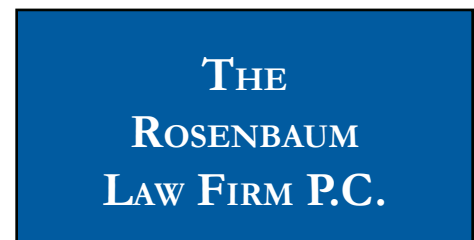
### **Make sure your employees are competent**

I say that you're only as good as your worst employee and you services as a plan provider doesn't mean much if they are awful. Many years ago, I suggested to one of the bosses at a TPA I was working for to hire a defined benefit plan administrator who was excellent. The boss refused because the administrator was making too much money in his opinion and he was bragging that he hired an actuary for less at \$75,000 annually. That actuary must have worked on insurance policies because he had absolutely zero competence in working on defined benefit plans and he was fired. Your employees are an extension of you and your reputation and you certainly wouldn't want incompetent employees who work and act in your name, especially when they do that work in an incompetent manner. You could make sure you have good employees by paying good wages, but most importantly, by making sure your employees are properly trained. Terrible plan providers have terrible employees most because the employees don't have the background to do their job.

### **Check your ego at the door**

You're a plan provider and you do good work, but you're not doing G-d's work because there are dozens of other competent plan providers who are ready to take your spot. If there is one character trait that I would suggest plan providers avoid is arrogance because experience has shown me that arrogance can blind you. Arrogance makes you think you're perfect and everyone else is unreasonable when you're actually the one who is unreasonable because you think you're perfect. I've seen arrogance make plan providers make gigantic mistakes that has hurt their business

either by losing good employees or errors that cost them clients. Arrogance can blind you to changes in the retirement plan business and it helps you avoid the problems affecting your business because you're too arrogant you have any problems. One of my favorite traits about myself that has made me a tremendous amount of money is not taking myself too seriously because it allows me to work with plan sponsors and plan providers on an even keel. If I acted like some of the law firm partners I worked for in the past, my arrogance probably would cost me a lot of money and clients.



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**The Rosenbaum Law Firm P.C.**  
734 Franklin Avenue, Suite 302  
Garden City, New York 11530  
(516) 594-1557

<http://www.therosenbaumlawfirm.com>  
Follow us on Twitter @rosenbaumlaw