

How Financial Advisors Can Use Business Lessons Learned From the Life of Steve Jobs to Help Build Their Retirement Plan Practice

By Ary Rosenbaum, Esq.

Steve Jobs was one of the greatest business leaders of our time. While he had his faults, his focus and attention to detail as well as his unconventional business management has made him a business icon. In his very short life, Jobs helped start a computer revolution in his parents' garage and ended up having the greatest second act in business history when he returned to Apple in 1996 and saved it from certain bankruptcy. Thanks to the authorized biography by Walter Isaacson, we can appreciate his brilliance in his approach to business and I suggest that financial advisors pick up a copy because I believe the lessons taught from the life of Steve Jobs can help financial advisors maintain and grow their retirement plan book of business.

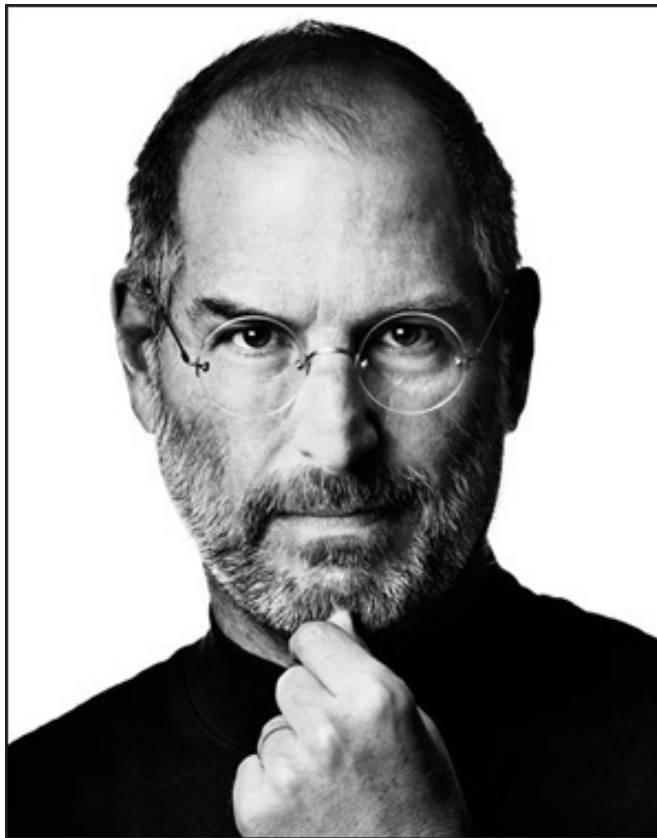
Do What You Love

Steve Jobs revealed the secret to his career success in a 2005 commencement address at Stanford University. He said, "Your work is going to fill a large part of your life, and the only way to be truly satisfied is to do what you believe is great work. And the only way to do great work is to love what you do. If you haven't found it yet, keep looking. Don't settle."

If you do what you love for a living, you will do well at it. If you want to be successful as a retirement plan financial advisor, you have to love this business (even if you have reservations over many of its practices and I do). If you are tired of the investment product part of the business, consider becoming a retirement plan consultant. If you don't like developing investment policy statements, providing investment

education, and working with plan participants, get out of the way and allow a financial advisor who does pick up your book of business.

However, if you are unhappy with your role in the business, change it. If you are not happy being a broker, become a registered investment advisor. If you hate



offering target date funds, don't use them. Life is too short to be miserable. Do what you love because you will end up doing better for yourself.

Strive for simplicity

According to Steve Jobs, "Simplicity is the ultimate sophistication." Supposedly, it's a quote from Leonardo Da Vinci. Not only are Apple's products simple, so was

the way he articulated the vision behind those products. Notice the difference between an iPad and an Amazon Kindle Fire or a MacBook Pro and a Dell laptop? Apple products have simple designs that are stylish and Apple's presentations and product design are remarkably free from clutter and bulk.

When it comes to the way financial advisors produce marketing and sales material, I see many newsletters and client solicitation materials that look that were either drafted using Print Shop on an Apple IIe or are crammed with so much information, it looks like it was drafted by Encyclopedia Britannica. I have been guilty of that, my old public relations firm drafted the brochure for my Retirement Plan Tune-Up legal review and it looks so busy that I don't believe any potential client or their financial advisor will bother to read it. When it comes to marketing materials and your website, less is more. Treat your retirement plan practice like a brand and protect that brand, all materials and presentations should have uniformity and simplicity in design.

I have always used the acronym in business, KISS, keep it simple stupid. One of the reasons that

I have been somewhat successful in my own law practice and a disaster as an associate at a semi-prestigious Long Island law firm (Sorry, Lois) is that I tried to take my knowledge in ERISA and break it down into English so that financial advisors and plan sponsors can understand it. While some attorneys feel the need to throw out legalese to confuse their clients or use it to justify their

billable hours, my low overhead and fat fee billing approach allows me to serve a marketplace that is wary of attorneys and their large legal bills. I am not trying to teach medicine, I am trying to help plan sponsors and financial advisors understand how retirement plans work because I believe that better educated sponsors and advisors will lead to better retirement plans. Clients will hire you because of your skill and your level of services, not because of sales materials that most clients won't understand or bother reading.

Marketing materials are like wedding invitations, they should be simple and classy because potential clients will understand the message you are trying to convey because like wedding invitations, they will eventually end up in the garbage.

Control the Process

People will say that in the Mac vs. PC war, the PC market won because Apple refused to license the Macintosh operating system to other computer makers. Jobs refused because he felt he didn't want to have his operating system being used on competing, inferior machines. Sure, the PC market is dominating the market share, but Apple products have a higher price and margin of profit. Of course, PCs dominate the market because IBM had Microsoft draft its DOS operating system, which eventually led to Windows (based on the look of Macintosh). Of course, IBM no longer makes PCs, which people forget.

For its iPhones, iPods, and iPads, Apple controls the entire process. Only products purchased or placed on iTunes can be downloaded to these products and any applications, music, books, and movies purchased through iTunes, nets 30% of the sale to Apple. IBM lost its grasp on the entire PC market by allowing an outside software manufacturer make money by licensing their operating system to companies that made cheaper clones.

When it comes to retirement plans, I have seen too many financial advisors

who seem to sit back and let the TPAs take the lead in handling the client. Whether they are using a bundled, unbundled, or producing TPA, these advisors sit back and mail it in. Taking on a passive role in managing the client may allow you not to butt heads with the TPA, but it does allow you to start becoming invisible to a client. I remember a financial advisor lost a plan because he let the just sat back and let the



TPA mishandle the client's request to look at a new plan design. A financial advisor needs to be involved in every aspect of communication between the TPA and the client; an advisor can't afford to be out of the loop because they effectively lose control of their client. Financial advisors need to work with TPAs who understand that they should be sent copies of all correspondence and communications that they send to the plan sponsor and consults them with any issues resulting in the administration of the plan.

Strive for Quality

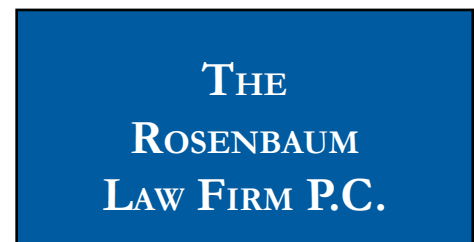
Steve Jobs summed it up best when he said: "Be a yardstick of quality. Some people aren't used to an environment where excellence is expected." Strive for excellence because the industry of retirement plan financial advisors is mediocre. Too many advisors don't understand their role; they think all they have to do is pick a good mutual fund lineup for their clients. Understand the fiduciary process and understand your role in helping a plan sponsor draft an investment policy statement,

review investment options, and provide investment education/advice participants. You will stand out among the crowd of retirement plan financial advisors if you make the commitment to make excellence your priority.

Surround yourself with the right people

Steve Jobs might have been a genius, but he couldn't have done it on his own. He had the ability to find and cultivate talent, engineers and designers that made computer products that people wanted. As good a leader as he was, Jobs was only a good leader because he had a good team. As a financial advisor to survive in the retirement plan business it would be wise for you to surround yourself with the right people and the right people are a quality TPA and ERISA attorney. Good TPAs and ERISA attorneys will make you look good and bad ones, not so much.

Steve Jobs left an imprint in the fabric of business history and we can certainly learn from his life in business lessons that can help us grow our business. You will be surprised how lessons learned from his experience as a technological genius can help you grow your retirement plan book of business.



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