

Bad Plan Provider Behaviors You Shouldn't Emulate

By Ary Rosenbaum, Esq.

When I met co-workers or law firm partners that were cruel, I always wonder if that was a choice they made or whether it was a personality disorder. I treat people the way I wanted to be treated and for the most part, it has worked out. There are plan providers out there that while might be few and far between, they have behaviors that you should never try to emulate. These are the bad plan provider behaviors you shouldn't copy.

Treating clients poorly

Stealing a line from the movie, *Clerks*, I would joke that my job would be great if it wasn't for the clients. It's a joke because once in a while, a client might be a little difficult. However, there are. Some plan providers with absolute disdain for their clients. They often say that the customer is always right. For the retirement plan business, the customer is always right, as long as they abide by the Internal Revenue Code or ERISA. Treating clients poorly can be through so many ways such as a lack of communication, overbilling, and/or just plain incompetence. It is easier to lose clients than it is to gain them, so there is absolutely no reason you should treat them with a lack of respect. Some plan providers don't know they're actually treating their clients poorly, but very few people are self-aware of their personality disorders. Seating as a plan provider at the table of your client, there are hundreds of other plan providers that want your spot. Like I say,

treat people the way you want to be treated. That will usually work well in your favor.

Treating other plan providers poorly

Despite being national in scope, the retirement plan industry is quite small when you think about it. It's national, but small in nature because it is usually collegial and people do talk. I worked with some people in this industry when we were in our 20s, who have done quite well for themselves when it comes to third-party administration (TPA) sales and management. When you do great work as a plan provider, people

mor or innuendo. Whether it's dealing with competing plan providers, succeeding plan providers, or providers who might have been referrals of business, you have to treat people with respect. If you say bad things about other plan providers or fail to cooperate with the plan provider who was hired to succeed you, people are going to talk. You ruin your own brand when you act unprofessionally with other plan providers. You can't please everyone all the time, but you can try by just acting professionally.

Taking things personally when you get fired



Getting fired isn't fun. I've been fired before. As someone once told former New York Mets manager Davey Johnson once when he was being criticized for the shortcoming of the team, you're hired to be fired. Sometimes, you made a mistake. A lot of times, it has nothing to do with you. Maybe a new plan provider is telling the plan sponsor to make a chance or maybe the plan sponsor wants to save five

cents by going to a competing plan provider across the street. As Michael Corleone would say, "it's business, not personal." I always say that you don't. know-how plan providers can be nasty until they get fired. There are plan providers, especially TPAs who will be uncooperative to screw over plan sponsors that fire them. I ought to know, having to file a Department of Labor complaint against a certain TPA a few years back for excessive termination costs

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and their refusal to do valuations and Form 5500 for the plan year that they were paid for. I often say that times like this, show people's true nature. If you want to act poorly or chisel plan sponsor for excessive termination costs, it shows your true self.

Not even trying to pretend to network

When I was a lowly associate at that semi-prestigious law firm and when I started my own practice, I did a lot of small business networking. I ended up stopping because I wasn't getting any traction, but mainly, I was dealing with people who could never refer me to business. The worst people were the people who were just interested in selling me something. I would meet with an insurance salesperson and rather than network, they just wanted to sell me a life insurance policy. Even without networking, I get the LinkedIn invitation from someone who sells services to attorneys or some newbie advisor who doesn't know what I do for a living and that I rely on advisors for referrals. I've been an ERISA attorney for 24 years and the free articles that I allow other plan providers to use are enough advertisement for people as to what I do. I don't ask advisors I meet who they use as ERISA attorneys. As long as I present myself well, these advisors might refer me business when their clients need the help of an ERISA attorney. Linking with me and asking me about my investment portfolio won't cinch a sale. So much of the retirement plan business is built on trust and no one will refer your business the moment they meet you. Of all the financial advisors I have met over the years that I have worked with, in one form or another, not one of them tried selling me their investment services. Sending unsolicited emails with no easy mechanism for people to unsubscribe is just another annoyance of mine that makes me sound



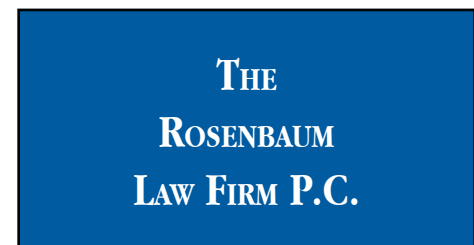
I thought he was full of it and 8 years later when I started my own practice, I learned he was right. I always got a raise, got one when I asked, and had a good 401(k) plan, and health insurance that didn't change every year. Happy employees never leave and if you pay employees respect and actual good money and benefits, it's going to help your business. Too much turnover with employees may lead to inferior service or money spent trying to hire and train new employees. I once worked

like Larry David. Whether it's search engine optimization or phone services, just give me a way to opt-out of those emails, forcing you to make me email you back or no mechanism to stop the Spam is just going to annoy me more. If you promote yourselves well with good work and social media, you don't need to be so annoying with heavy commercial pitches.

Treating employees poorly

I worked for other people for the first 12 years of my career and I knew it wasn't for me. Perhaps I was too much of an entrepreneur or maybe I was a know it all malcontent or both. For someone like my lovely wife, going out on their own is never an option, working for someone else is all they want to do. The problem with working for other people is how you're treated. When I was working for that semi-prestigious law firm and that Managing Attorney who knew nothing about actually running a business, I swore that I would never work for someone else again. I think employees want to be valued, I think employees want to be paid well and get good benefits. Perhaps lawyers make awful bosses, but it always felt like I wasn't treated that well. When I left working for Harvey Berman when CBIZ Retirement Services' block of business was sold off to BISYS (now Ascensus), he told me that nobody would treat me as well as he did. That was back in 2002 and

at a TPA where I joked we should have a revolving door for a front door. Too much turnover hurt our business and relationships with our clients. Maybe if one of the partners didn't nickel and dime employees with lousy raises, no bonuses, and health insurance that changed annually with increased cost, maybe things would have been better. For most plan providers, their best asset is their employees and so many plan providers don't realize it.



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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