

“Rookie” Mistakes Every Retirement Plan Provider Should Avoid

By Ary Rosenbaum, Esq.

Whether you like it or not, first impressions mean the most. If you fail to make a good impression the first time out, many times you never get a chance to make a second impression. Some times that bad impression is because you talked with your mouth full or wore a dirty dress shirt. Whether you are a new or seasoned retirement plan provider, there are “rookie” mistakes you should avoid because you don’t want any potential client or business partner to get the wrong impression. This article is about “rookie mistakes” that retirement plan providers should avoid, whether you are a rookie or a veteran.

Dressing like a bum

While I’m known to wear a tee shirt and jeans at the office, the dress gets a lot better when meeting clients, potential clients, and when I network with advisors and third party administrators (TPA). Whoever said never judge a book by its cover clearly never hired a retirement plan provider. Again, first impressions mean the most and if you’re wearing a leisure suit or your clothing is two sizes too big or too small, you are probably not going to make a good impression. No one is suggesting you need to go broke buying clothes, just wear something that looks professional and has the style that belongs to this decade.

Free Business Cards

While it seems like a great idea to save a couple of bucks and get business cards from a cheap online printer like VistaPrint,

think again. These online printers offer very inexpensive business cards is because they use generic templates. So these are business cards that people have seen and if you use one of them, people will know where you got them and that you spent almost nothing for it. Your business card

shouldn’t be a place to be cheap.

Cheapplanprovider@gmail.com

While using a free email address looks like a great idea, think again. By using an email account from Gmail or Yahoo is telling potential clients and business partners that you’re too cheap to get a domain at GoDaddy.com. Having your own domain name instead of a free account somewhere else looks a lot better and unfortunately, looks matter in this business.

Using amateurish marketing materials

One of my best friends, Ron Nehring is a well-known political guru. One of his phrases that I take to heart and so should you is that “quality of presentation implies quality of content.” That means your marketing materials are an indication of your work, so poor marketing materials will imply poor work by your firm. Once again, potential clients will judge a book by its cover and poor marketing materials can scare away potential clients. Marketing materials should be professionally looking, clear, and easy to read. You don’t need to be an expert in desktop publishing, but you need someone

who is. Producing materials that look like they were produced on Print Shop using an Apple IIe will scare potential clients away. In addition, the materials should be written in a language that potential clients will understand, so writing and producing marketing materials full of jargon aren’t going to impress anyone. When drafting



is your calling card and having a business card from one of these online printers tells potential clients and business partners that you don’t take your business seriously. Buying a couple of thousand of business cards from a quality printer will set back a couple of hundred bucks. There are other ways to save money; your business cards

any marketing materials, always remember that it will be tossed in the garbage anyway, so less is more in terms of its size and presentation. A 20 page client recruitment brochure will likely lose potential clients on page 2.

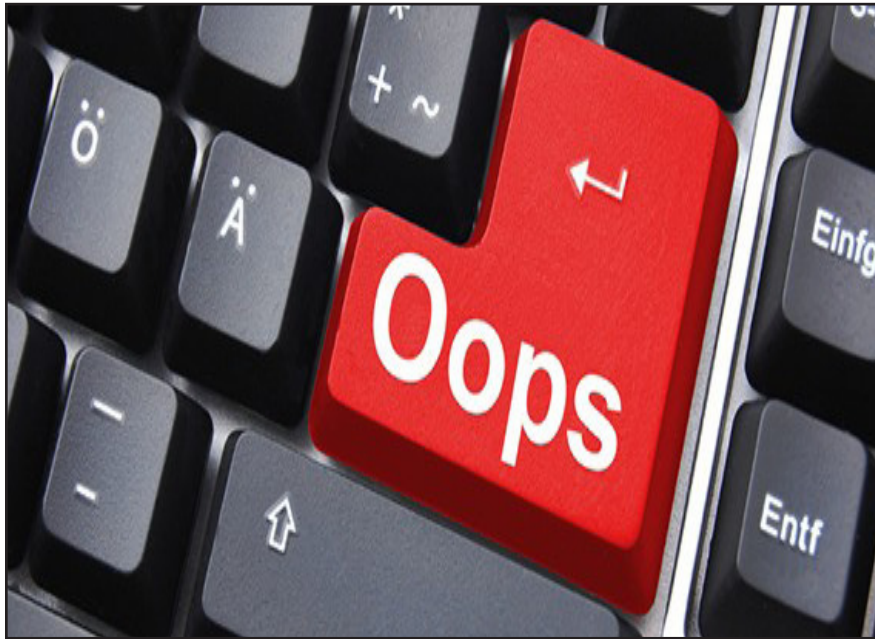
Soliciting for clients, instead of networking

Networking for business is a lot like dating, it takes time and the people who try to take things a little too quickly will end up cutting their nose to spite their face by losing out on making some great relationships in the retirement plan industry. The purpose of networking is to meet other people who you can work with in trying to develop opportunities for the both of you. There are many providers who mistake networking for solicitation. As an example, I met a financial advisor a year ago at a reception for the accountant-attorney networking group that I belonged to on Long Island. The financial advisor told me about his practice and I told him about my national ERISA practice. A year later I get a call from the advisor out of the blue. He tells me how he would like to meet me and I tend never to turn down the opportunity to meet someone because I believe that networking is all about possibilities. So rather than taking this opportunity to meet as a networking opportunity, this financial advisor told me how he works with accountants and lawyers on their financial needs and that he could possibly help me. Clearly, this advisor wasn't interested in networking; he was interested in selling me something. How did I know? After telling him that my financial needs were met, he no longer had interest in a meeting. As an ERISA attorney, I don't try to solicit any plan provider directly to be my client. There's no need because these plan providers know what I do for a living and if they need an ERISA attorney, they'll call me. The idea behind networking is that the people you network with, will eventually become referrers for your business and that takes time and that takes trust. Being so blatant about solicit-

ing these potential referrers of business will cost you these potential avenues of business because overt solicitation doesn't build trust. It's like spam email and people just want to delete spam email.

Doing it alone

While you are protective of your client base, the fact is that no plan provider can do it alone. Fact is to properly serve your



clients; you need to work with other plan providers. So you need to find competent, quality plan providers to work with because referring clients to incompetent plan providers will only blow up in your face. Quite honestly, a nice reason why a plan provider gets fired is a referral to an incompetent plan provider that causes their client harm. Working with competent plan providers can help you maintain your book of business, but they can help you in working on potential clients. For example, good TPAs are an excellent resource for financial advisors, as well as ERISA attorneys (cough, cough) as they point out issues for the potential plan sponsor client.

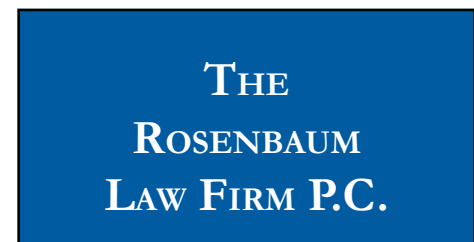
Stick with one provider

They always say that you shouldn't put all your eggs in one basket. As a plan provider, you know that you service only one portion of the marketplace. So do other plan providers. So when referring clients to plan providers, why always refer the client to the same provider? If you're a financial advisor, you should know the same TPA isn't the right fit for every client. The same goes with TPAs referring work to financial advisors or even ERISA

attorneys. It's good to spread the work between 2-3 providers in every category because it makes sure that your client gets the provider that's the right fit as well as making sure all your clients are with one provider in case things go wrong with that provider.

Thinking you know everything

The worst thing to have in this business is arrogance. Even if you've been in this business for 30 years, you don't know everything and if you think you do, you're wrong. I am proud to say that even after almost 15 years, I learn something new everyday. Being arrogant is a deadly sin in this business, it clouds your judgment and it closes you off to new ideas that are taking shape in the business. You either change with the times or the times will change you, arrogant people in this business usually get swept away by change. The most successful plan providers out there have their head to the ground and adapt to the changes that take place, these were the folks who adopted to a full transparent fee disclosure model before it was even being required. So one of the most important things you need as a plan provider is an open mind.



Copyright, 2013 The Rosenbaum Law Firm P.C.
All rights reserved.
Attorney Advertising. Prior results do not
guarantee similar outcome.

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