Advisor Retirement Plan Update

NOBLE DAVIS CONSULTING, INC
PEACE of MIND

QUARTER 3 2014

Sales Tools

Technology is changing faster than ever. Here are some tools recommended to increase your sales.

Yesware "Want to know what happens after you click ***Send***?" **Yesware** software promises to help you with your sales process. Imagine being able to instantly see when your e-mail message was opened and be able to pick up the phone right as they are interested in your e-mail. The software also helps you to see when your contacts click on a link or download and attachment.	newsle **Newsle** promises to help you "never miss an article about someone who matters to you." The software alerts you if any of your contacts in e-mail, LinkedIn or Facebook are mentioned in the news. Newsle tries to get rid of the "social noise" of tweets and status up-dates to give you the real news. And the best thing is the price—it's free!
rapportive If you use Gmail, **Rapportive** might be the software for you. Rapportive works to bring Gmail and LinkedIn together to show you everything about your contacts right inside your inbox. You'll be able to see their picture, LinkedIn profile and your shared con-nections in a sidebar while you are typing your e-mail. And it is completely free!	TinderBox **TinderBox** is a sales automation tool. It allows you to leverage your existing data to automatically generate sales documents. It can then put your documents online to track prospective engagements and collect online signatures. After the sale, it can update your CRM software and help you bill. It makes life easier and integrates your information.

An Advisor Shouldn't Refer a TPA Just Because They're Cheap

Fees are all about reasonableness

Thanks to retirement plan litigation and fee disclosure regulations, there is a lot of focus on fees. The biggest misconception out there about plan provider fees is that plan sponsors have to pick the lowest cost plan providers. Plan sponsors only have a fiduciary responsibility to pay reasonable plan expenses, not the lowest costs. Fees can only be determined to be reasonable based on the services provided. Retirement plan sponsors have a fiduciary duty to pay reasonable plan expenses, but they also have a duty to hire competent plan providers.

Low can mean low frills and more work

There is a reason why some TPAs charge low fees and that's because they offer a low frills service. They can't afford the same type of service that the providers who charge more. The problem is that most plan sponsors don't have the background to properly administer their plan, so they need some hand holding by their TPA. Low cost TPAs don't hold many hands and they require the plan sponsors to do much of lifting the load. The problem by recommending a low frills TPA is that the retirement plan financial advisor who made the recommendation will end up lifting the load because when you recommend a TPA that doesn't hold up the end of their bargain, you end up the one who is going to catch the "ball" before it drops. A financial advisor has enough on their plate that they don't need to pick up the slack of a TPA who just offers too little in actual service.

Cheap TPAs rarely know the art of plan design

For the good TPAs that aren't just low-cost, one of their great selling points is their sophistication in what I call the "Art of Plan Design." A good TPA will not only handle the administration and recordkeeping of the plans that their clients delegate to them, they can also design retirement plan programs that can maximize employer contributions to highly compensated employees (which includes the owners), which maximizes tax deductions. Maximizing tax deductions puts more money in the financial advisor's clients' pocket through retirement savings (thereby assets under management) and less money in the pocket of government. So financial advisors should work with a TPA that understands the rules concerning plan design because there is a lot of creative thinking that can help maximize employer contributions and tax savings for your client.

Financial advisors can't lean on cheap TPAs for help

There are many good TPAs willing to help a financial advisor out with their current clients as well as offering the assistance when they are currently prospecting for clients. Cheap TPAs can't afford to provide help to financial advisors because they can't afford to hire the staff that could help financial advisors properly market their services. Financial advisors shouldn't be shy, there are quite a few quality TPAs that can provide them with help for client development and retention, all they have to do is ask.

A bad TPA referral could get the advisor fired

In the nearly sixteen years in the 401(k) plan business, I can tell you what the number one reason why financial advisors get fired from a plan. It's not because they failed to show up once in awhile or because they neglected to draft an investment policy statement. It's because they referred a bad TPA that caused the plan advisor headaches and the plan sponsor much grief. A financial advisor should make referrals to quality TPAs, not ones because they are just cheap.