

Four Ways an Independent Recordkeeper Benefits an Advisor

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Your clients understand the competitive value of offering a retirement benefit and, naturally, they want a plan that helps them and their employees take full advantage of the opportunity to save on a tax-advantaged basis. Today, starting a new 401k plan is relatively easy. That doesn't guarantee, though, a plan optimized to a client's unique situation and goals or structured to provide flexibility or cost efficiency. And the difference between "any" plan and "their" plan can make an enormous difference in how much they may eventually save towards a comfortable retirement.

Advisors have a primary choice between partnering with companies who sell insurance or investments and offer 401k plans as part of their financial services lineup (and business model to gain assets) and independent recordkeepers who tend to be local or regional specialists who focus on actively collaborating with financial and tax advisors to design and operate retirement plans tailored to their clients. "Independent" recordkeepers focus on retirement plan expertise and supporting, rather than competing with advisors. This is what independence really means — to be free of conflicts of interest around investment products and advice.

"I tell clients this is such a specialized area that I myself need an expert partner to do this right for you. [ABG] has the size and skill I need."¹

Retirement plans create long-term value for clients and advisor opportunities to earn recurring revenue for providing excellent service. Naturally, plans are also asset gathering vehicles that reflect the larger investment picture of company owners and employees, many of whom may already be (or may become) ideal wealth management clients.



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Here are four ways an independent recordkeeper can help you grow your retirement plan practice:

1. Working closely with you and your clients to design plans that fit
2. Supporting a wide universe of low-cost investments rather than proprietary products
3. Presenting a high-quality experience that encourages active participation
4. Delivering a highly cost-effective program that helps you deliver more value

Financial services companies, especially larger ones, tend to offer retirement plan products that work best for them. That means limited plan design options, investments, and standardized services that simplify their work. It may be efficient for them, but it's definitely not optimized to your client. If anything, it's the other way around. A well-designed retirement savings plan considers a company's unique situation as well as their short- and long-term benefit goals to help optimize the potential to reach their financial goals.

1 *Working closely with you and your clients to design plans that fit*

Perhaps the single most important factor in plan success is starting with a tailored design that reflects an owner's personal and corporate goals and that maximizes opportunities for long-term tax and savings benefits. It's anything but a one-size-fits-all answer.

Key: An independent recordkeeper can help design a plan that optimizes for owner goals as well as employee savings opportunities. For example, Safe Harbor 401k designs allow owners and other highly compensated employees to maximize their savings potential while assuring that rank and file employees broadly benefit as well. For owners who have invested years of capital and energy in building a profitable business, Defined Benefit and Cash Balance plans allow for six figure contributions and can be paired with a 401k.

“It’s about problem solving and an attention to detail. They’re great at working through problems created by prior providers and plan designs that were not really ideal for the client.”



2 *Supporting a wide array of low-cost investments rather than proprietary products*

Some retirement plan companies are first and foremost insurance or mutual fund companies or related entities that prefer their own brand investments.

Key: The word “independent” is key. An independent recordkeeper does not sell proprietary investment products and is free of such conflicts of interest. Instead, they offer an “open architecture” approach to supporting a universe of cost-efficient mutual funds, ETFs, CITs, and other choices that flexibly serve retirement plan needs. This independence means more than transparency, it means you have access to broader and more cost-effective choices.

3 *Presenting a high-quality experience that encourages active participation*

A flexible, well-tailored plan is obviously desirable, but the true value of a 401k or other retirement plan lies in the results it helps drive. It’s about plan success – and that means maximizing participation and helping your employees get the most out of their opportunity to achieve the income they will need through retirement.

Key: Employees who are financially fit are more likely to retire on time and cost a company less. An independent recordkeeper presents a modern, mobile-friendly user experience along with financial education and wellness to help participating employees get out of debt, manage a budget, save for emergencies, and ultimately, put themselves on a path to saving more for their financial future. That’s all part of helping create better long-term outcomes. And that’s good for everyone.

4 *Delivering a highly cost-effective program that delivers more value*

While some companies look for a retirement plan solution simply based on cost, many seek a partner that takes the time to understand their goals and is focused on delivering real value over time. Cost is always a factor, but an inexpensive plan that does not meet owner or



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corporate needs or that limits the ability to optimize tax and savings benefits can wind up being very expensive in the long run.

Key: An independent recordkeeper is a collaborative, expert organization that focuses on mission over product and client over transaction. This model is built to support advisors and to deliver a differentiated quality experience that wins and retains business.

“We have the utmost confidence in them. We know the people and their capabilities. We go in with a high degree of confidence we win the business—and keep it.”¹

The 401k or other retirement plan a company sponsors will represent one of the most important opportunities they may ever have to save for future income security. Consider partnering with an independent recordkeeper that focuses on optimizing the potential of your clients’ financial success.

“They’re more than a vendor. We view it as a partnership.”¹

¹ Quotes are of independent financial advisors asked about their experience with Alliance Benefit Group.

About the Author, Alan Gross

Alan Gross is an ardent advocate for 401k’s and an expert content creator on retirement plan topics. He is also the founding partner of [GSM Marketing](#), a team dedicated to helping financial advisors, retirement plan recordkeepers, and TPAs “Stand Up and Stand Out.” His trademarked expression, “It’s not lead generation, it’s relationship generation®” sums up his philosophy and advice to clients.