

PLANS PONSOR



The Team: FFOA,
an NRP Firm,
Pearl River, NY

RETIREMENT PLAN ADVISER TEAM OF THE YEAR

Retirement Plan Adviser Team of the Year



Photography by Hugh Hartshorne



The Team: **FFoA, an NRP Firm**

Barbara Delaney, Cathy O'Halloran, Martha Kelly, Kiley Hall
Pearl River, NY

“Our company has worked with Barbara [Delaney] for more than 19 years and I have personally worked with her for 13 years,” one client says. “We are a mid-size company without many administrative internal resources and Barbara understands this and makes sure we have the resources and information available to provide a solid plan for our employees.”

Among an extraordinarily strong field of finalists, FFoA, led by President Barbara Delaney, stood out in receiving a record number of client nominations, as well as nominations from provider partners, TPAs, CPAs, and others. The accolades heaped on the team were noteworthy, as was the tenure of many of the relationships.

“I believe the reason our clients have been so loyal to our firm is we really do care. We have developed relationships that go beyond business to friendship and mutual respect,” explains Delaney about why her average client has been with her for more than a decade. “Our caring and passion carry over to customer care.”

Delaney has been working with employer-sponsored retirement plans for more than 20 years. On her own at FFoA since 2000, late last year Delaney announced a partnership with Avenir Equity, another National Retirement Partners firm, and its principal Bob Goldstein. The two firms also jointly purchased the book of business from another advisory firm, Wall Street Access, and have brought on one of that company's employees. The new firm is operating under the name StoneStreet Equity.



Delaney says she serves as a counselor of sorts, negotiating the occasional tensions between HR and finance, and acting as an advocate for the plan sponsor in negotiations with vendors. Luckily for the negotiations, those in the TPA and provider community have high praise for the adviser team as well. “Having participated in quarterly invest-

more of a fee structure,” she explains.

The ability to tackle difficult situations is important, especially in a changing regulatory environment, and, although many of her clients sing her praises, Delaney admits there have been some trying times: “One of our clients that is publicly traded recently had to restate earnings and, as a result, all of the investment committee was replaced,” she explains. “We developed a new strategy in 2007 whereby, in the beginning of each review, we have a section on best practices for fiduciaries. By the time we

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ment reviews and annual pension valuation meetings with Barbara [and FFoA], I am amazed at their level of knowledge and consulting provided to their clients. They are able to translate the complex definitions and terminology into easy actionable takeaways and key decisions that the Executive Committee needs to address. The client has told me numerous times how happy they are with Barbara and her team’s services,” comments one TPA firm.

Having developed the depth and expertise to advise on multiple plan types, some of FFoA’s clients utilize their services as a total retirement adviser: “FFoA is an extremely professional and knowledgeable group of people who are responsive to our needs as a company. They are excellent at assisting us in managing our service providers for our retirement plans (defined benefit, 401(k) and 457),” explains a client; “They provide us with independent advice and assist in managing our costs. They provide informative one-on-one sessions, as well as group sessions with our employees regarding our retirement plans and individual retirement goals. Overall, they have provided excellent guidance and service.”

In fact, this approach to advising on multiple plan types is a priority moving forward. Although it might sound a bit contrarian, Delaney says that the firm currently is focused on expanding its focus on defined benefit plans, which currently represent about 20% of the practice. Goldstein has a background as an actuary and, paired with Delaney’s strong background in asset management, they position the firm to offer an even more fully consultative approach to such plans. In fact, they already have been receiving referrals, she says.

Another change to the business is taking place in the area of fees. Although, traditionally, the majority of its fees have been from commissions, with a smaller portion coming from fees based on assets, Delaney expects those proportions to shift in the coming year. “By switching broker/dealers [to NRP Financial], we now are exploring

went through that, the committee was all on board as we reviewed all prior meeting summaries and we were able to provide the documentation on how we arrived at the plan design and lineup.” Did it make a difference? You bet, she explains. “Going into the meeting we were almost told we would be fired. We have the client a year later and they are very happy.”

In regard to working through the changes of the Pension Protection Act and its implications for automatic enrollment and deferral increases, FFoA has been proactive in encouraging plan sponsors to adopt automatic enrollment and has succeeded with more than three-quarters of clients. In fact, Delaney encourages all her clients to budget for 100% participation, so they are always prepared for the cost.

FFoA manages to balance that focus on the future with a solid awareness of each plan sponsor’s needs and appetite for change. As one plan sponsor acknowledged, “[FFoA] at all times strives to understand our company culture and employee needs and, consequently, can provide a broad-based view of options and opportunities for our plan in an individualized manner. In fact, our plan is considered a retention tool in our competitive market and area of the country.”

Overall, the success of FFoA likely can be attributed to the breadth and consistency of sentiments like the plan sponsor client who said: “From the time we began working with Barbara and her team at FFoA, the quality and integrity of our company plan has improved dramatically. Our investment options are well-balanced and the awareness of our employees and their participation in our plan has greatly improved. I would also say that the trustees of our plan feel that the plan is being managed more responsibly than it was before the team at FFoA came to our rescue.” —**PA**

Participating in the interview were:

Retirement Plan Adviser of the Year finalists: Gregg Andonian, Baystate Fiduciary Advisors, Inc., a Member Firm of NRP, Milford, MA (top right); John Barry, JMB Wealth Management/National Planning Corporation, Torrance, CA; John Leeson, Investment Research & Advisory Group, Inc., Atlanta, GA; Tom Noble, Noble Retirement Group, a Member Firm of NRP, Sugar Land, TX; and James Sampson, Telamon Insurance & Financial Network, Newton, MA.

Retirement Plan Adviser Team of the Year finalists- were represented in the interview by: Barbara Delaney, FFOA, a Member Firm of NRP in Pearl River, NY; Brett Howell, The Howell & Sharp Group at Merrill Lynch, Grand Rapids, MI; Mike Hudson, CAPTRUST Financial Advisors, Raleigh, NC; Kendall Storch, Longfellow Benefits, a Member Firm of NRP, Boston, MA; and Blake Thibault, Heffernan Financial Services, a Member Firm of NRP, San Francisco, CA.



Pictured: Mike Hudson, CAPTRUST Financial Advisors (lower left); Tom Noble, Noble Retirement Group, (lower right); Barbara Delaney, FFOA, (middle left); John Leeson, Investment Research & Advisory Group, Inc. (middle right); John R. Prichard, Sr., Heffernan Financial Services (top left); and Gregg Andonian, Baystate Fiduciary Advisors, Inc. (top right)

Talking Points

Insights from *PLANSPONSOR*'s Retirement Plan Adviser of the Year finalists

For the past four years, *PLANSPONSOR* has undertaken to identify the nation's leading advisers to retirement plans, and it has been our great pleasure not only to get to know these advisers, but also to share some of their stories—and insights—with you. In our January issue, we introduced the finalists for *PLANSPONSOR*'s Retirement Plan Adviser of the Year and *PLANSPONSOR*'s Retirement Plan Adviser Team of the Year award. Following are excerpts from a “virtual” interview conducted with each of those finalists earlier this year.

PS: What are the most important issues that your plan sponsors face with their company retirement plans, and what specific actions do you take to assist them in overcoming those issues?

NRP Delaney: The most important issue is the determination of an adequate employee savings rate. I am convinced that participants think that, if they save 6%, they are saving enough. PPA is really helping with auto-escalation and I think, when we look back at this, this will be bigger than ERISA.

Leeson: Most of the plan sponsors that we bring on as clients need help in the structure of overseeing their retirement plans. Most of them have a committee already established. We bring in the structure of reviewing investment options against an Investment Policy Statement, making changes when needed,

making sure that the proper asset classes are offered, etc. Also, with the Target-Year Portfolios that we develop for our plans, it makes educating employees much easier. The worksheet that we have developed for our Target-Year Portfolios has become a staple in our clients' new-hire packets. One proof statement that we monitor is the number and dollar amount of rollovers into the plan after our services are implemented. This tells us and the plan sponsor that the participants are pleased with the enhancements made to the plan's investment offerings and that our education efforts have been successful.

NRP Storch: In our opinion, the biggest issues sponsors face are making sure they are adequately protected from a liability standpoint, ensuring that their employees are going to retirement comfortably, and feeling comfortable that they are administering their plan correctly. We work with sponsors to craft investment policies, establish/moderate investment commitments, and perform investment due diligence. While this may not be revolutionary, there are still plenty of companies that have little or no processes or procedures in place. Much of our time is devoted to encouraging enrollment and trying to make employees see that saving for retirement is critical and that their company's plan is a fantastic benefit. Lastly, we help sponsors confirm that the operation of the plan actually fits with what

Talking Points

their document says. Typically, this is done through a plan audit where we review the plan design and then try to determine if it is being administered correctly. With the step-up in audit requirements and the higher degree of scrutiny retirement plans are receiving, making sure the i's are dotted and t's crossed makes a lot of sense these days.

NBP Andonian: Uncovering fees and expenses related to the plan that are being charged either directly or indirectly to participant accounts coupled with a lack of understanding over prudent procedures to mitigate fiduciary liability while enhancing participant benefits. One of my initial tasks for a new client (and then every three years) is to perform an executive summary of the current plan (features/expenses/fees) side-by-side against five platforms in the marketplace.

Barry: Now more than ever, proper retirement planning is paramount. The days of the gold watch and pension are gone. Educating employees is the most important thing we can do. Having them understand how valuable their 401(k) is for them and how important it is to start saving is the difference in retiring at their chosen age and not the age chosen for them.

Sampson: The bottom line is, people just don't save enough for retirement. We have implemented auto-features at many of our clients and recommend it to almost all of them. We also offer a Certified Financial Planner Practitioner to all employees of our client companies at no additional cost. He's a salaried employee who takes a holistic approach to retirement savings and isn't pushing product on people. His goals are strictly to increase savings and help participants to build an appropriate asset-allocation strategy.

NBP Thibault: At this time, I feel that the most important issue facing our plan sponsors is their fiduciary responsibilities. They need to understand their role and have a good process in place to make sure they are fulfilling it. Nothing says that they must have the least expensive costs in their plan, nor the best-performing funds, but they do need to know what the plan's expenses are and have a process in place to pick and monitor. We feel that this is going to be the year of fee transparency and disclosure.

PS: What do you expect from your plan sponsor clients? What do you expect from your 401(k) plan providers?

Howell: We expect our plan sponsor clients to be clear with us about their goals and expectations for their retirement plan and the services they'd like us to perform for the plan. We also hope they will engage in an ongoing dialogue with us to ensure we are continuously measuring—and meeting—those goals and expectations. Ultimately, we really enjoy working with plan sponsors that are committed to helping employees have the best possible chance to create a successful retirement plan. From our 401(k) plan providers, we expect a robust platform capable of meeting the complex needs of sponsors and participants alike. We

expect to have access to tools that allow us to service the diverse needs of our clients, and to be able to draw from the breadth and depth of the provider to enable us to provide consultative services—and, of course, reasonable fee structures and best-in-class investment choices are essential.

Sampson: I expect that my clients understand that I am their trusted adviser for their retirement plan. Similar to their accountant or their attorney, when they have a question about their retirement program, I want them to come to me first. I work for them, not the various providers, and I want them to allow us to do what is most important, and that is get in front of their employees to help educate and motivate them to take control of their retirement. I want plan providers to make it easy for me to do business with them, and keep me in the loop when communicating with my clients. I expect them to keep me up-to-date on industry trends, and to be thought leaders in the industry. I want them to provide quality products and services to my clients and provide clear information to me and my clients, so we can do the best we job we can to give them the tools they need to succeed.

NBP Storch: The most successful relationships we have with clients are when they view us as “partners.” If we do not have a partnership with our clients, the relationship never seems to get off the ground. The minute we get the sense that a plan sponsor is looking at us like a commodity, we know it is not going anywhere. Our expectation of 401(k) providers is primarily that they service our clients well. The service end of things is really what separates the different providers from one another, and it is also the hardest part for 401(k) providers to deliver on. Return phone calls, quick responses, a can-do attitude, go a long way.

NBP Delaney: I expect our clients to be honest with us about the services they are receiving from both the vendor and us. If there is a problem from any perspective, we and the vendor should have an opportunity to fix it. I would expect the same treatment from the vendor. If the vendor sees that the client is getting frustrated, we would expect a call and vice versa. Honesty is everything in this business.

NBP Thibault: We put all of our expectations in writing. We have a document that spells out all the roles and responsibilities of the client, provider, and Heffernan Financial Services. We feel that, if all of the expectations are in writing, then each party can be held accountable. We expect a lot from our providers. We are their client and expect prompt service and a full partnership on behalf of the client. When it is a bundled plan, we want a dedicated client relationship manager along with prompt, accurate, and courteous service. Proactive communication with all parties is essential.

PS: What are you most passionate about?

“The most successful relationships we have with clients are when they view us as ‘partners’.”

Howell: I am most passionate about helping employees prepare for retirement. All too often, we meet with people and find out that they really don't have a clear understanding of how much they need before they can retire and, worse yet, that they haven't set a retirement goal. By taking the time to help employees gain a better understanding of what they need to do today, we can help increase the likelihood that they will be better prepared for retirement.

Thibault: We are most passionate about working with plan sponsors to help them maximize their retirement plan benefit offering while fully understanding legislative requirements and all fees associated with their plan. We help plan sponsors understand their fiduciary responsibilities and develop fiduciary best practices while implementing an effective employee education program. Additionally, we help the plan participants understand the importance of saving versus investing. We show them the tools available to help them overcome the anxiety often associated with investing.

Storch: The members of our team tend to get excited by two things: employee education and technical challenges. On the educational front, everyone enjoys and feels rewarded by helping people plan for and achieve successful retirements. The interaction with employees is one of the best parts of the job. However, our team also seems to really enjoy the intellectual challenge of

understanding and applying new regulations as well as brainstorming how to handle strange or unusual questions from our clients.

Leeson: The thing that really gets me excited about doing what I do and is the greatest sense of satisfaction for me is when participants begin to understand the process of investing over time. You see the light bulbs go on, and you can see them saying to themselves, “Now I understand it!” Once they see the process working for them, they begin to talk to their co-workers about their successes, and that's when I begin to smile, because of the potential large impact this has on fellow Americans' financial well-being in their retirement years.

Barry: I truly love the feeling of helping others. It is great to sit down with a couple that have worked hard for their money and show them how to invest for the future. What is an even greater high is to sit in a room of employees whose income can range from a factory worker to executive and to teach them how to invest toward retirement and then show them that, by slowly bumping up their investment, they can help their retirement grow. When you have a plan that has grown over the years, and you see in the audience those factory workers you sat down with three years ago talking proudly about how they have saved toward their retirement, you know you've done something right. —*Alison Cooke*