401(k) Sales Champion

A Guide For Financial Advisors
To Acquire And Retain 401(k) Plans©

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3rd Edition

Introduction

We are pleased to present to you the third edition of *401(k) Sales Champion, A Guide For Financial Advisors To Acquire And Retain 401(k) Plans*. We have continued our 401(k) sales journey and we are eager to share our progress with you. We wrote the book to be used by Financial Advisors as a resource which could provide a long term perspective of 401(k) sales while serving as a reference guide for day-to-day progress along their 401(k) sales journey.

Since the first edition was published in January of 2001, the investing public has participated in unprecedented financial market upheaval and uncertainty. 401(k) Sales Champions have risen to the daunting challenge of serving the 401(k) market and as a result of delivering trusted counsel, they and their plan sponsor and plan participant clients have benefited. The best friend to a plan participant besides working with a quality Financial Advisor is their continued participation in their company 401(k) plan and dollar-cost-averaging.

Experienced plan sponsors, having participated in the past calamity, have clear vision as to how they want their company 401(k) plan to be enhanced. Investments, fees and features have taken a back seat to service to them and their plan participants.

Your experience is a great asset for you and it becomes more valuable every day. Besides luck, whether you are prospecting individuals or institutions, a well thought out strategy is necessary to not only enhance the probability of you acquiring the relationship, but also to speed the time from initial contact to initial compensation. **Put in place defined processes which are persistently implemented to acquire and retain your 401(k) plans.**

When we first published, *401(k) Sales Champion* in 2001:

- Unemployment was at historical lows
- Expectations of irrational returns of stocks was high; and
- Plan sponsors and plan participants questioned the need for the services of a quality Financial Advisor

The third edition publication In 2011 finds:

- Unemployment is at historical highs,
- Expectations for returns on stocks has been muted, and

- After coming through terrorists' attacks, wars, financial scandals, disputed elections and the "Great Recession" plan sponsors and plan participants realize they need the support of a quality Financial Advisor to assist them, and **there will never be an "app" for that.**

Change has certainly occurred since first publishing *401(k) Sales Champion*. Through all the highs and lows of the past decade has emerged an environment more conducive for you to acquire your share of the perfect business - servicing 401(k) plans. Since the first 401(k) was put in place in 1980, you can believe that there perhaps has never been a better time to pursue and service 401(k) plans. But we think that all the time.

You, as a Financial Advisor, have an unprecedented opportunity to guide and counsel thousands of Americans in preparing for the retirement they've dreamed of. Having serviced the 401(k) marketplace for over a combined 50 years, our rewards have been numerous. Our contributions to *401(k) Sales Champion, A Guide For Financial Advisors To Acquire And Retain 401(k) Plans* have come as a result of countless hours spent "smiling and dialing," profiling, and presenting and servicing to thousands of 401(k) plans and many more plan participants.

You will find in the following 10 chapters, 135 questions we answer, as well as 60 Action Ideas to enhance your 401(k) knowledge and ability to prospect, sell and service 401(k) plans. You will find a Website Resource Section, indexes for the Action Ideas, Graphics we illustrate and Glossary of Terms.

What we originally wrote in 2001 about how to succeed in 401(k) sales has been proven true not only by our continued efforts but also by the tens of thousands of Financial Advisors over the past ten years who followed the strategy found within. We know what works to enhance your 401(k) sales success:

- A Plan
- Persistence
- Patience
- Professionalism

In 2010 the 401(k) plan celebrated its 30th anniversary. Still in its infancy, there are far more 401(k) plans and plan participants to be serviced than 401(k) Sales Champions to service them. Your opportunity is clear, join in!

Three important points.

1) Whether you are a Registered Representative, Registered Investment Advisor, Consultant, Employee Benefit Broker or Producing Third Party Administrator (TPA) – if you generate your compensation in whole or in part by serving 401(k) and other employer sponsored retirement plans we refer to you in the book as a Financial Advisor.
2) Throughout the book we reference the term "Program Provider" to mean any organization that provides a product which is used in a 401(k) plan including

products for the plan document, plan administration, investments and ERISA attorneys.

3) This body of work is not meant to provide technical information on qualified retirement plans. When we do mention technical information it is to make a sales or service point. We are reverent of the need to have a separate focus on technical knowledge and encourage you to review the resources we illustrate throughout the book as well as in the web site resource section to enhance your technical understanding of qualified retirement plans.

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The purpose of this book is to provide a general resource guide and reference manual for the Financial Advisor. Neither the authors, KnowHow 401(k) LLC, their affiliates, subsidiaries or agents make any express or implied warranties regarding the information supplied herein. Anyone who decides to acquire 401(k) plans must invest a lot of time and effort as this is not a “get-rich-quick” scheme.