

Tailoring Your Plan to Your Participants ***Creating the Flexibility & Variety They Want***

Presented to:

The Plan Sponsor Defined Contribution Summit

Presented by:

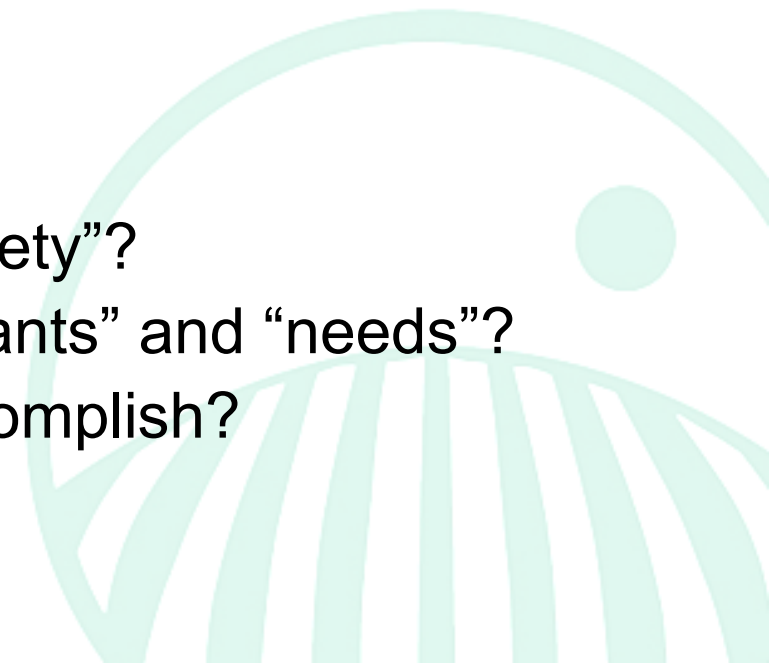
Tony Verheyen, MA, CEBS

November 18, 2008



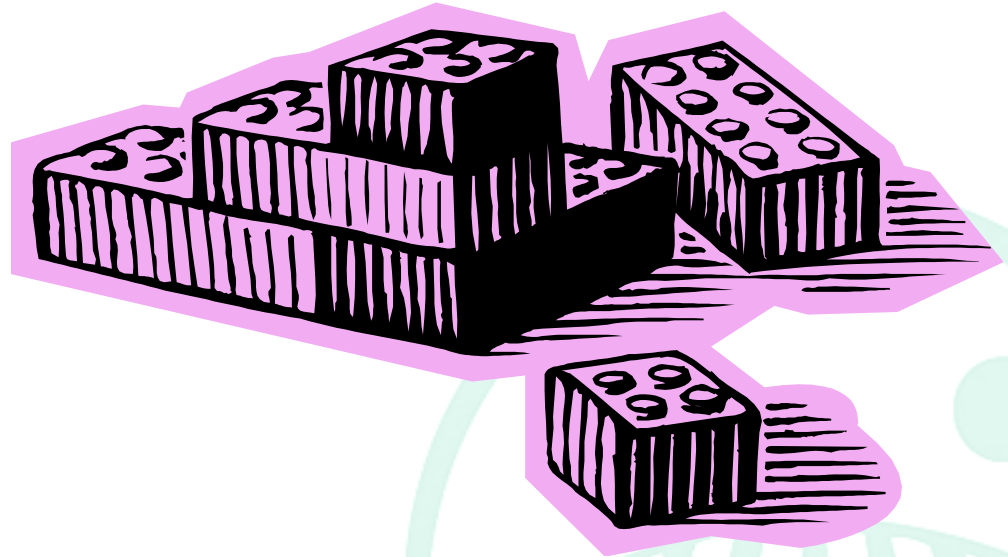
Tailoring Your Plan to Your Participants *Creating the Flexibility & Variety They Want*

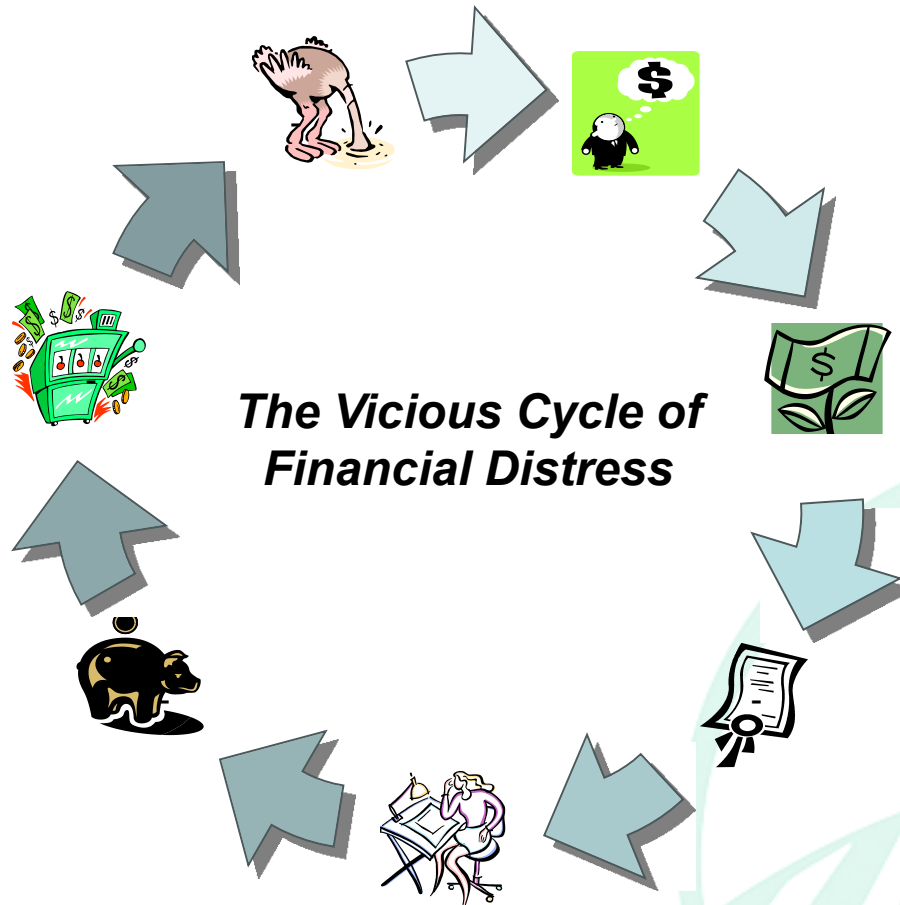
Dissecting the Question:

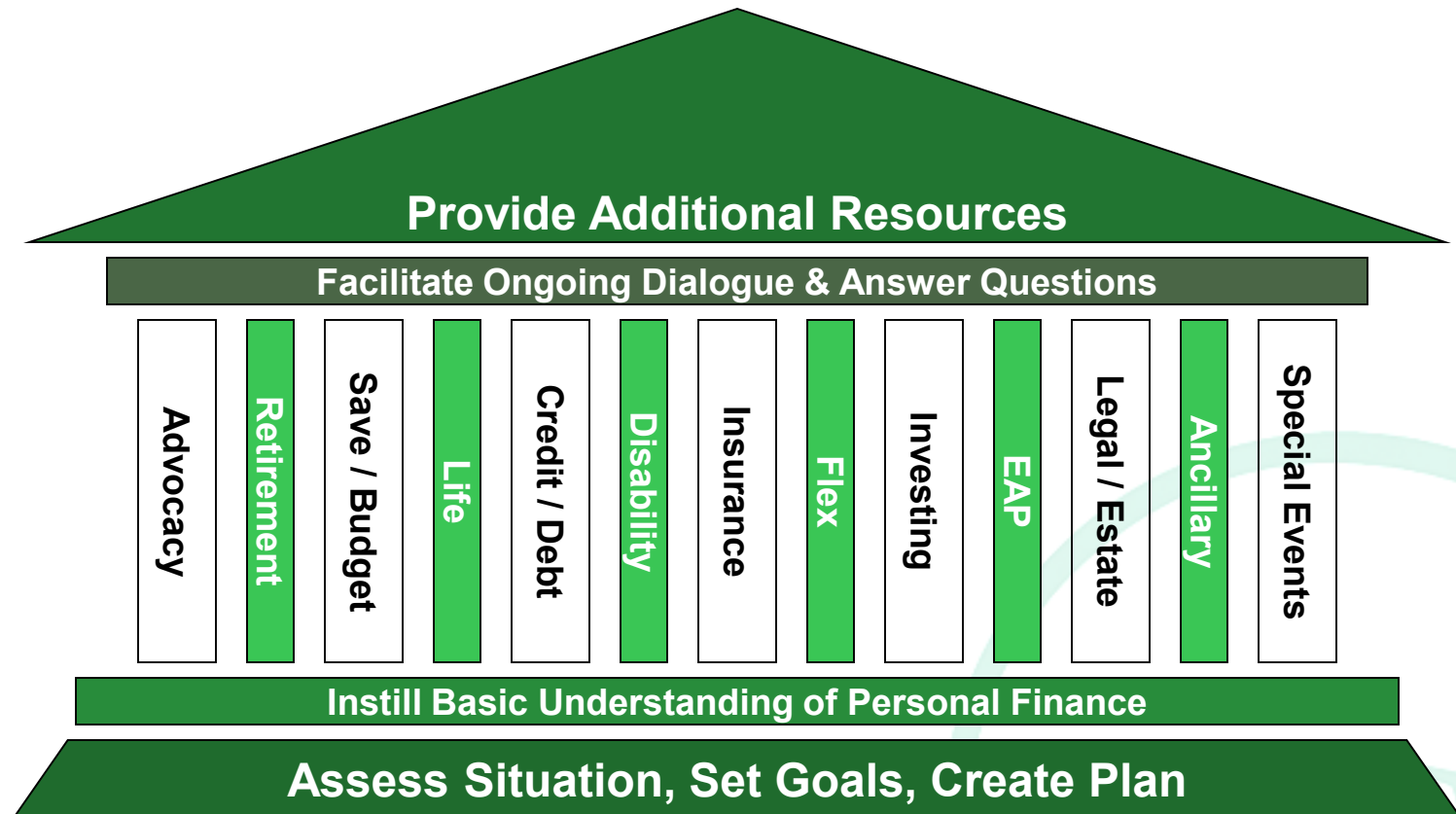
- ☐ How far do you go to “tailor” your plan?
 - ☐ Who are you targeting:
 - ☐ “non-participants”?
 - ☐ “participants”?
 - ☐ Who defines “flexibility” and “variety”?
 - ☐ How do you discern between “wants” and “needs”?
 - ☐ What are you really trying to accomplish?
- 

Somebody forgot to teach us some important lessons about money.

- ☐ Saving
- ☐ Borrowing
- ☐ Investing
- ☐ Insurance
- ☐ Taxes
- ☐ Estate Planning







How Well Do You Know Your Participants?

Before you answer this question, ask yourself how well you know your organization's:

- ☐ Leadership
- ☐ Goals & Priorities
- ☐ Benefits Philosophy
- ☐ Employee Benefit Vendors
- ☐ Internal Resources
- ☐ Employees



How Well Do You Know Your Participants?

Mine your data to identify cohorts, characteristics and trends:

- ☐ Payroll & HRMS/HRIS
- ☐ Retirement Plans
 - ☐ Participation
 - ☐ Investment Allocation
- ☐ Flexible Spending Plans
- ☐ Voluntary Benefit Plans
- ☐ Employee Survey Feedback



How Well Do You Know Your Participants?

Conduct quantitative and qualitative data analysis:

- ☐ Raw Observations
- ☐ Basic Statistics
- ☐ Regression Analysis
- ☐ Correlation Analysis
- ☐ Cluster Analysis
- ☐ Factor Analysis



Why do participants discuss plan options with investment professionals?

- ☐ Diverse Financial Needs
- ☐ Life Planning Decisions
- ☐ Tax & Estate Planning
- ☐ Lack of Knowledge & Direction
- ☐ Poor Planning & Results
- ☐ General Financial Worries
- ☐ Change In Marital Status
- ☐ Aggressive Sales & Marketing

How do you tackle foreseeable problems?

- ☐ Create Holistic Financial Education Program
- ☐ Educate Participants about “Hiring Advisors” & “Investment Fees”
- ☐ Promote Public-Domain “Hiring Advisors” Resources
- ☐ Offer Comprehensive “Life Stage” Resources, Training & Tools
- ☐ Craft Response to Most Common Questions
 - ☐ Can I pay my advisor from plan assets
 - ☐ Can we convert to Roth 401(k)
 - ☐ Can we expand retirement distribution options
 - ☐ Can we add a new fund

How can you make your investment professional help you?

- ☐ Include employee benefit advisors
- ☐ Secure data and information
- ☐ Benchmark participation data
- ☐ Understand clusters, cohorts and patterns
- ☐ Inventory resources
- ☐ Create holistic communication program
- ☐ Hold vendors accountable and recalibrate plan
- ☐ Target improvement among cohorts
- ☐ Take work off your plate