

Advisor Prospecting Guide

Business-building
ideas and conversation
starters





Build your retirement plan practice by connecting with the right clients — and by being ready to lead effective conversations.

To cultivate relationships with prospects and clients, it helps to have a smart strategy that includes professional networking tools like LinkedIn, insights into businesses' current retirement plans, including their publicly available Form 5500, and conversation starters to help you lead effective discussions.

With ADP at your side, you get perspectives and proven techniques that make it easier to grow your business while optimizing your time and effort.



State-mandated retirement plans and the SECURE 2.0 Act: A growing opportunity

Many states in the U.S. are now considering legislation that requires businesses to offer retirement benefits — and several have already signed their proposed programs into law.

And with the SECURE 2.0 Act of 2022 legislation targeting small businesses and encouraging them to offer retirement plans by making them more cost effective, the Act will have sweeping effects on the retirement industry as a whole.

Now is an excellent time to talk to business owners about ways ADP can help them meet and exceed these requirements — making their companies more competitive and helping to create better retirement planning outcomes for their employees.

Part 1: Focus on the right clients for your practice

Whether you're pursuing your first retirement plan client — or your hundredth — one way to increase your success rate is by focusing on clients whose needs you understand and are already set up to serve. Start by thinking about your best clients today and use the space below to write down answers to the following questions.

- 1. What do your top clients have in common?** Think of specific attributes and characteristics that make them a good fit for your practice.
- 2. Are there particular qualities you would try to avoid when seeking out new clients?**
- 3. If you have retirement plan clients today, think of your best ones. What demographic attributes do they have in common?** Can you create a profile based on company size, industry, or location? (e.g., I'm interested in serving the retirement plan needs of mid-size medical practices in my area.)

Part 2: Start with people you already know

One established way to find new business is to start with the people in your current network of clients, friends, and colleagues — especially those who understand and appreciate the value you provide.

For instance, if you're looking to build up your retirement plan practice, one obvious place to start is by combing through your book of current wealth management clients.

Are any of them business owners or C-suite executives? If so, reminding them of challenges you've recently helped them address, and pointing out that you can do the same for their business and employees, can be a good way to start the conversation.

Conversely, talking to business owners whose company retirement plans you're serving today — and reminding them that you can also provide assistance with their individual wealth management and planning needs — can be an effective way to expand current relationships.

Further, asking for an introduction to clients' fellow business owners and colleagues can be another way to start productive business-building discussions. To get started, review your current book and consider the following.

For clients who have not yet introduced you to a friend or colleague, consider:

- Do you know who is in their network? Asking for an introduction to a specific person makes it easier for clients to make a referral. (See part 4 below for ways to see who your clients are connected to on LinkedIn.)
- What have you helped that client achieve? Use those details to highlight your value and ask for introductions to others whom you can help in similar ways.

Think of clients who recently referred you to friends or colleague. What specifically lead to that referral? Consider reminding them about those details and ask for an introduction to others who may also benefit from your services.

Starting the conversation:

- I'm very appreciative of the relationship we have, and the ways I've been able to serve you and your business, including [...]. If you know of others like yourself who have similar needs, I would appreciate meeting them.
- Thank you again for introducing me to [...]. I've had the opportunity to help them [...], similar to the ways that I've assisted you and your business. If you know others like [...] who could also use help with their company's retirement plan, I'd be grateful for the introduction.

Part 3: Use 5500-SF pre-qualification tools to gather useful information

One method for researching potential new business owner clients is reviewing public information about their retirement plans. Their company's Form 5500-SF can be a useful source for those insights. Here are a few items to look for when reviewing a 5500.

A Form 5500-SF can provide details about the basic contours of the current plan, including:

1. What are the plan assets and financials? Knowing details like these, including the size of the plan and the types of investments the plan offers its employees, can provide you with valuable context.

6a	Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.)	<input type="checkbox"/> Yes <input type="checkbox"/> No
b	Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.)	<input type="checkbox"/> Yes <input type="checkbox"/> No
If you answered "No" to either line 6a or line 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.		
c	If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____ (See instructions.)		
Part III Financial Information		
7	Plan Assets and Liabilities	
		a) Beginning of Year b) End of Year
a	Total plan assets	7a
b	Total plan liabilities	7b
c	Net plan assets (subtract line 7b from line 7a)	7c

2. What is the number of participants with account balances? Low plan participation may present an opportunity for you to talk about the value you bring to getting employees enrolled engaged, and educated on ways to get on track with their retirement planning goals.

5a	Total number of participants at the beginning of the plan year	5a	
b	Total number of participants at the end of the plan year	5b	
c	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	5c	
d 1	Total number of active participants at the beginning of the plan year	5d 1)	
d 2	Total number of active participants at the end of the plan year	5d 2)	
e	Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	5e	

3. Have they set up automatic enrollment for eligible participants? In the section known as Plan Characteristics, you will find all the applicable two-character plan characteristics codes that applied during the reporting year. Code "2S" let's you know if the plan offers automatic enrollment for eligible participants. If not, there may be an opportunity to talk with the plan sponsor about ways they can more effectively serve the needs of participants to help get them on the path to retirement readiness and to ensure their plan is SECURE 2.0 Act ready.

For a complete list of applicable codes and features visit: <https://www.irs.gov/pub/irs-pdf/i5500ez.pdf>

Part IV Plan Characteristics	
9a	If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
b	If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

Further, the Form 5500-SF can also reveal issues and challenges the business may be experiencing with their retirement plan, including:

4. Has the plan been flagged for failure to transmit contributions, or have they needed to make corrective distributions? If so, this may be an indication that the business is experiencing systemic issues that are keeping them from meeting the Department of Labor requirement to make contributions "as soon as administratively feasible." They may benefit from a holistic review of how the plan is currently being administered.

8	Income, Expenses, and Transfers for this Plan Year		a Amount	b Total
a	Contributions received or receivable from:			
1	Employers	8a(1)		
2	Participants	8a(2)		
3	Others (including rollovers)	8a(3)		
b	Other income (loss)	8b		
c	Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	8c		
d	Benefits paid (including direct rollovers and insurance premiums to provide benefits)	8d		
e	Certain deemed and/or corrective distributions (see instructions) ..	8e		
f	Administrative service providers (salaries, fees, commissions)	8f		
g	Other expenses	8g		

5. Have participants taken out a high number of loans? This may be an indication of financial distress — in which case, the company's participants may benefit from the kind of financial and retirement planning education and support ADP helps you provide.

10	During the plan year:	Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? (See instructions and DOL's Voluntary Fiduciary Correction Program)			
b	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.)			
c	Was the plan covered by a fidelity bond?			
d	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?			
e	Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service, or other organization that provides some or all of the benefits under the plan? (See instructions.)			
f	Has the plan failed to provide any benefit when due under the plan?			
g	Did the plan have any participant loans? (If "Yes," enter amount as of year-end.)			
h	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
i	If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3			

6. Does the plan need fidelity bond coverage? Insufficient coverage can lead to penalties, fines and loss of qualification. The good news is that ADP can arrange for bond coverage on behalf of clients, helping to reduce risk and making it easier for businesses to stay compliant with ERISA rules.

c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c			
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d			
e	Was this plan covered by a fidelity bond?	4e			
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f			
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g			
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h			

Starting the conversation:

In reviewing some publicly available information about your company's retirement plan, I noticed:

- You may be having some challenges with [...] (e.g., filing deadlines, transmitting contributions, etc.). I would be happy to conduct a thorough review of your current retirement plan and how it's being administered, and to provide recommendations on how to better address those challenges going forward.
- You may be able to benefit from additional support and resources to get more of your employees to actively participate in your plan. If you're like most plan sponsors, you're probably concerned about helping employees create better retirement planning outcomes. That's something I specialize in doing.

Part 4: Use LinkedIn to explore your connections

LinkedIn offers free tools you can use to explore your professional network and uncover potential new business leads. They help you see who your clients know, and filter those connections based on demographic and other attributes you listed above.

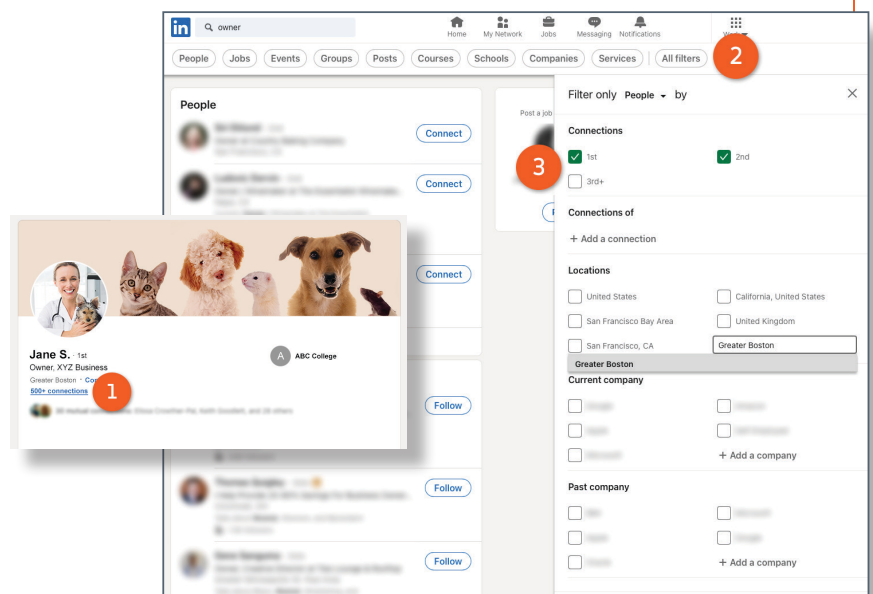
To use the features, however, you need to be connected to your clients on LinkedIn (if you're not, now is a good time to invite clients to connect with you). Here are some simple steps you can follow to identify potential business leads using LinkedIn.

Step 1: Search for your client on LinkedIn and click the link on their profile to view their connections.

Step 2: Select All filters at the top of their connections list.

Step 3: Adjust the filters to narrow the list based on location, industry, company name, and other key characteristics.

For example, imagine your client owns a technology company in Austin, TX and you want to see if they can introduce you to business owners to whom they are connected — in the same industry and city. To search, you would follow the steps above and filter the potential new business leads based on those criteria.



Starting the conversation:

- I was recently on LinkedIn and noticed you're connected to [...]. It looks like you have a few things in common with that individual. I'd welcome the opportunity to meet them and talk about ways I may be able to help them [...], like how I've been able to assist you and your business.



Turn these pro tips into action

Use the steps outlined in this guide to help you identify five prospects and make a plan to cultivate those leads. If you would like assistance reviewing your current book of business, reach out to your local ADP Retirement Services Plan Specialist.



For more valuable insights, our ADP Accelerate value-add program offers you a powerful combination of practice management, tools and resources, as well as thought leadership that empower you to learn new skills and move your clients' businesses forward.

Visit adp.com/Accelerate for more information.

Unless otherwise agreed in writing with a client, ADP, Inc. and its affiliates (ADP) do not endorse or recommend specific investment companies or products, financial advisors or service providers; engage or compensate any financial advisor or firm for the provision of advice; offer financial, investment, tax or legal advice or management services; or serve in a fiduciary capacity with respect to retirement plans.

ADP, Inc. and its affiliates do not offer investment, tax or legal advice to individuals. Nothing contained in this communication is intended to be, nor should be construed as, particularized advice or a recommendation or suggestion that you take or not take a particular action.

ADP, the ADP logo and Always Designing for People are trademarks of ADP, Inc. All other trademarks and service marks are the property of their respective owners. 99-6886-ADV-0323 ADPRS-20230307-4267
Copyright © 2023 ADP, Inc. All Rights Reserved.

FOR FINANCIAL PROFESSIONAL USE ONLY — NOT FOR DISTRIBUTION TO THE PUBLIC.

