10 tips to help financial professionals grow their small plan business

You're busy running your practice. We want to help you make the best use of your time. Use these quick tips to help reach small business owners looking to start or improve their plan.

1 Get outside of your comfort zone

You've likely contacted your professional and personal networks for referrals. Don't stop there. And get creative as you look for new contacts. Research entrepreneurial and networking groups like 1 Million Cups, local small business groups, and non-profit boards. Consider joining and asking to get on the agenda for a future meeting. Or propose an article or series of columns for their member publications.

2 Connect and reconnect with influencers

When's the last time you looked around your office? A great referral source may be sitting across the hall. Check in with other professionals (wealth management and employee-benefits colleagues, CPAs, and attorneys) to see if you might be able to cross-refer to one another. If you aren't already, get connected with top third party administrators (TPAs). Many focus on custom plan design, plan compliance testing, and loan administration—areas that may fall outside of your expertise.

3 Do your homework

Search websites like efast.dol.gov and freeerisa.com. Or use Pension Planet, Judy Diamond Associates, BrightScope, or Larkspur for Form 5500 data on corrective distributions, highly compensated employees, and provider searches. While some of these have a cost, you may find the services of value. Cross reference different sources to look for pain points and uncover valuable information. For extra insight ask a TPA to review along with you.

4 Use multiple touch points

To stay in front of prospects, you'll generally want to use more than one approach. Consider hosting a webinar and invite local small business owners. Or better yet, hold an in-person event. You may also want to start a blog or give your social media strategy a boost—always driving them to your website. Whatever you choose, don't go longer than six months without connecting in some way. And be sure to follow your firm's social media guidelines.

5 Update your approach

Create a standard approach by clearly defining roles within your team and determining your value proposition. Develop efficient ways to manage your pipeline and prospects. Then segment your clients and prioritize based on how you want to spend your time—not just their size. If your least profitable clients are getting the biggest chunk of your time, should they be?

6 Lean on third parties

Many successful financial professionals take a highly collaborative approach to their practice. Look for functions in your practice you might outsource to third parties, independent contractors, and interns who can boost your capacity and efficiency. Consider tasks that are in technical and operational areas like HR and bookkeeping, IT software and support, ERISA compliance, and marketing.

7 Leveraging SECURE 2.0 Act tax incentives

Small employers with 50 or fewer employees may now apply 100% (maximum $5,000 a year) of their qualified start up costs toward the start up tax credit formula.* While cost continues to be one of the biggest reasons why small businesses don't add retirement benefits, this incentive can help reduce start-up costs associated with retirement plans.

8 Make it automatic

Automated plan features and services can help make your clients' and prospects' plan administration easier. And most important, automated plan features often help participants, which may increase plan outcomes, plan sponsor loyalty, and—depending on how you're compensated—your profitability. Look for service providers that make automated feature functions available so you can use the same features across multiple plans.

9 Run the numbers

Starting with a data-driven approach can help you get your foot in the door. For instance, ask prospects to let you take a look at their current plan. Benchmark the results, then show how a new plan design approach can encourage greater enrollment and higher saving rates. Then compare plan costs to prove you can add more value and possibly save money.

10 Understand small businesses

You may need to change up your sales process for small businesses. Most times the sale will happen with the owner. But those owners wear a lot of hats and may not have the time to understand the ins and outs of benefits. Keep it simple by helping employers understand why benefits may be a better investment than a pay raise.

* Employers with 51-100 employees may apply 50% of qualified start-up costs (as originally established in the SECURE Act of 2019) up to $5,000 per tax year for the first three years.

A new tax credit is available for small employerswho include an employer contribution when they start a defined contribution retirement plan. The tax credit is equal to a percentage of the employer contributions made to employees -up to $1,000 per employee a year if the employer has no more than 50 employees (for employers with 51-100 employees, the credit is reduced by 2% for each employee in excess of 50). The tax credit gradually grades down after five years. This credit only applies to contributions made for employees with FICA wages of $100,000 or less which this amount will be adjusted in the future for cost-of-living increases.

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