



# STRATEGIES AND BEST PRACTICES GUIDE FOR THIRD PARTY ADMINISTRATORS

## Ideas, tips, and guidelines for growing your business

Welcome to the fourth edition of Transamerica’s *Strategies and Best Practices Guide for Third Party Administrators*. We’d like to thank our TPA partners who shared ideas, thoughts, and suggestions to make their businesses (and yours) work better. We hope you’ll find this resulting guide practical and inspirational.

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# SALES AND MARKETING

## MOVING UP MARKET

**Offer free example plan designs** for plans considering moving from a SIMPLE IRA to a 401(k). This will help the employer determine which option is right for them and, even if they decide not to move to a 401(k), the advisor is thankful for the attention.

**Create a case study** (or two) detailing how you landed a larger asset/headcount plan (well above your average plan size). It will help demonstrate to larger prospects that they can benefit from working with a TPA in general — and you specifically.

**Proactively connect** with advisors and recordkeeper sales reps to create your own “up-market” narrative. Most advisors and recordkeepers don’t think about TPAs with larger plans, so this mindset is probably a grass roots campaign on some level.

**Create custom pricing solutions** and a large plan service model to help explain why your firm fits nicely in the space.

Be vocal and **tell people what they don’t know about you.** These steps can let large-market prospects know your capabilities:

- Post on social media
- Send emails with a one-page flyer
- Offer webinars for advisors in conjunction with a recordkeeper

**Reach for bigger plans** by demonstrating your value against bundled providers, regardless of plan size. Take steps rarely done by other TPAs — and almost never considered by bundled providers — to ensure accuracy of the data. For example, one TPA confirms that compensation data matches IRS Form W-3. This ensures no one is inadvertently left out with provable evidence to the IRS. This is a differentiator and a huge help to auditors. They’ll love your spreadsheets showing where census and all trust assets fully reconcile. All they need to do is their sampling!

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## SEE YOUR FIRM AS A PARTNER...AND SUCCESS WILL FOLLOW

**When quoting a new plan, be prepared.** Don't quote without understanding the plan's challenges. Many TPA firms partner with specific advisor groups that typically provide most of the sales force, so it may be tempting to just throw out a quote. Instead, bring ideas to the table to enhance your bid.

- Review the Adoption Agreement.
- Look at recent Form 5500 filings and see if you can offer solutions for any issues you notice.
- If you notice something in the 5500 or the Adoption Agreement, note it in your bid along with proposed solutions. Also show them the financial impact of solving the problems — lower fees, etc.

The prospect will be impressed and the advisor will likely come to you again when a client is unhappy with their current TPA.

### **Strive for organic growth.**

You can do that by training plan administrators to watch for indicators of change that could lead to modifications in plan design to enhance formulas, and to add other types of plans, like cash balance plans.



## TECHNOLOGY

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### CHANGES SEEM TO HAPPEN DAILY, SO STAY ON TOP OF THEM

**Artificial intelligence (AI) is not just coming — it's here.** Assign someone to find out how it may apply in your business and to share what they learn with your team.

**Be mindful of data security.** Make sure your team knows where security lapses can occur and how to prevent them.

**Program a spreadsheet macro to take over most of your manual census scrubbing.** The macro scans the file, highlights potential data errors, and moves them to the top of the file so your account managers can easily share with the client. This macro can save time on every client and even more time as the clients get larger.

**Use your client relationship management (CRM) software to its full potential.**

Create efficiencies by using blast email capabilities, secure file transfer, etc.



#### **BEST PRACTICE EXAMPLE**

**Our firm worked with a colleague who built a bot to extract specific reports from a recordkeeper partner and save those into unique file folders for each plan. It takes less than 20 minutes now, versus dozens of manual hours previously.**



# EMPLOYEE MOTIVATION, COMPENSATION, AND HIRING

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## HELP EMPLOYEES GROW — AND KEEP IT FUN!

**Cross train throughout the office.** The more functions people know, the more successful your business can be.

**Treat part-time staff the same** as full-time by providing as many benefits as you can legally give them. Consider pro-rating paid time off (PTO) and paid holiday time.

**Office theme parties** make working fun.





**Consider holding quarterly town hall meetings** for management to present topics that are important to staff. Recognize anniversaries, accolades, new business. And don't be afraid to discuss lost business. The staff may want to know why. Was it service? A merger? A competitor? A plan termination? Cover goals for the next quarter and upcoming initiatives. This can help staff understand what's happening behind the scenes. Learning about the firm's goals helps them focus on their own goals to align with yours.



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## GET CREATIVE TO MAKE MONDAYS (AND WEDNESDAYS AND AFTERNOONS) “LESS DREADFUL”

### TRY THESE TIPS FROM FELLOW TPAS:

-  We have required overtime during first quarter, so we created Manic Mondays. From January 15 through March 15, we provide Manic Monday treats for employees, including breakfasts and other meals, manicures, and massages.
-  In an effort to make Monday less dreadful, we have Monday Funday. For example, we have a Word of The Week: Every Monday we announce a new and interesting word with pronunciation, definition, and usage. Then we try to use it as we talk or message each other. We send upbeat messages in our chat group to keep us giggling and fight off the stress of the busy season.
-  We have a chat called “Good Times & Useless Trivia.” At 2 p.m. we meet via Teams for a much-needed brain break when everyone is a little drained. It makes us laugh and there are bragging rights for the winners. Plus, we gain a lot of useless information that may come in handy someday (or not).
-  Pre-Covid, we had a yoga instructor come in on Wednesday mornings for an optional hour-long yoga class. It was a wonderful stress break without leaving the office. We are looking for something similar that is Covid-safe. Management also encourages 15-minute walk breaks outside when weather permits. It’s good exercise and helps us get to know each other better.

## ... AND OF COURSE, REMOTE WORK CAME UP MORE THAN ONCE

**Workplace flexibility is important.** We have employees on a rotating work schedule, three days in the office and three days working from home. That way we have someone in the office to handle mail, deposits, etc. at all times. This gives employees who previously worked only in the office the opportunity to work from home. It also reduces the number of HR requests for days/times off for personal appointments as employees tend to schedule them on work-from-home days.

**Get your employees together live at least once a year,** regardless of how large you are or how many remote employees you have. The more remote employees, the more important it is.



## CUSTOMER SERVICE

### LISTEN TO YOUR TEAM FOR PROCESS AND SERVICE IMPROVEMENTS

- **Distributions** are key to happy customers. The more efficiently they are done, the better.
- Provide a **dedicated phone line** where participants can call for status updates.
- Make it easy to pull a **transaction history** to see if withdrawals are in the process of liquidating.
- **Streamline** the installation process.
- Assign a **dedicated representative** and support for each client.
- After answering all the TPA plan design questions on the website, **convert it to a .PDF** for easier review — instead of the current ‘print screen’ method.
- Help your staff **strengthen client relationships** by providing a budget that each can use however they wish with their clients. For example, if a client has a major life change, the admin can send flowers or a small gift.
- Try to make at least one **“happy call”** per day. Call a client just to check in and confirm things are running smoothly.



#### **Checklists! Checklists! Checklists!**

They are detailed and take extra time when doing administrative tasks like documents, Form 5500s, 1099s, contact changes, distributions, loans, and fee changes. But once you have a list, it leaves very little chance of missing something.

- **Think like the owner of the business.** When sending communications or changing processes, ask how it will affect the owner. Will it make things easier, harder, more or less complicated? If it won't make things easier, ask how necessary the change really is.
- Consider daily, weekly, and monthly **client "touches" by phone** — not email. It can keep you in front of the clients and remind them about what you do for them.
- **Request participant addresses, phone numbers, and emails** on each year-end census file from plan sponsors so your transaction team can verify the participant actually made the distribution or loan requests that come in. Create a report that shows unique data for that person so your team can ask the right verification questions when they call to confirm the request.



- **Emphasize responsiveness to emails.** While you may not be able to answer the question right away, make it a point to confirm receipt of the email and let the client know you're working on it.
- **Time management and prioritizing tasks.** During busy times it is absolutely necessary to make to-do lists and order them by priority. Try your best to get back to clients within a day.
- **Client relationships should be your bread and butter.** Make it a point to either call or arrange a meeting at least once a year. The more "touches," the more your clients will value what you do.
- Consider having one or two consultants handle **special services and plan types** — like combo plans, prevailing wage plans, and stock plans — versus having all consultants working on a sprinkling of each of these specialty plans.



# VENDOR RELATIONS

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## WORK TOGETHER, REAP THE REWARDS TOGETHER

**Create business plans with key advisors and vendor partners outlining mutual goals.** The plans should discuss individual annual goals for each party in terms of number of plans, total assets, and annual revenue. Identify joint goals relating to the amount of business you anticipate closing together and how to get there. Set an expectation for the number of joint proposals, new introductions, and joint meetings or training events throughout the year. Schedule 30 minutes each quarter to review the plan and progress.

**Take an active role in supporting advisors.** Walk them through each step of finding and nurturing opportunities and closing the business. This kind of support throughout the sales process can create strong advisor partnerships that lead to years of production together.

After onboarding a plan, **send a thank you email** to the advisor, and include the plan highlights and/or a two-page summary of plan design.





# OFFICE MANAGEMENT

## INVEST TIME TODAY TO SET UP SUCCESS TOMORROW

### Schedule internal quarterly meetings on a specific cycle

- Month 1 - Partners meet to create agenda, 'hot' items to discuss, and possible resolutions to issues and/or procedural changes, etc.
- Month 2 - Partners and senior staff meet to drill down on agenda items, get input on resolutions/procedural changes, etc.
- Month 3 - Meet with entire staff to review and implement the above and get any feedback

Small business owners tend to wear many hats and handle multiple tasks to make sure things are done the right way. However, at some point you must **determine the best use of your time and empower appropriate individuals** within the firm. Don't be afraid to delegate!

**Engage the services of an outside strategist.** While working with a consultant on succession planning, several tasks were brought to my attention as simply not a good use of my time, so we outsourced them — saving me over three hours per month and six hours at year-end.

**Create a management team and delegate staff supervision directly to them.** The management team can meet monthly to discuss office operations as well as future planning. These meetings can provide excellent suggestions that might otherwise have gone unheard, and improve the bottom line.





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Scan to access the  
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RS3 3173444 S 03/24

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