

## Sales and Service Checklist

Clearly articulating and demonstrating your value as a retirement plan financial professional is critical to maintaining and winning business. This three-step checklist can help you build a framework that clearly showcases the services you provide to your plan sponsor clients and prospects.

The purpose of this checklist is to help you implement a disciplined approach to presenting the scope of your services for the compensation you receive. In doing so, you can create a strong foundation for practice management, ultimately driving business retention and growth. Below are some industry best practices to consider.

### STEP 1

#### Catalog your services

You have spent considerable time developing a winning sales and service model. When reviewing your services with plan sponsors, don't forget to cover all the activities where you add value.

##### 1. Plan Design

Ensure the plan serves the needs of the business, the plan sponsor and the participants.

- Educate plan fiduciaries on new legislative changes and how they impact the plan.
- Make sure the plan continues to meet the client's goals as their business needs change.
- Present, as appropriate, various enhancements to the plan (e.g., safe harbor features, automatic participant enrollments, automatic participant contribution increases, etc.).

##### 2. Investment Reviews

Make sure the plan's investment menu options are appropriate for the plan and participants.

- Provide resources that assist with the investment selection process.
- Help identify Qualified Default Investment Alternatives (QDIAs) appropriate for the plan.

- Monitor investment performance according to the client's Investment Policy Statement (IPS) on an agreed upon frequency.
- Provide appropriate alternatives when investments no longer meet IPS terms.
- Provide analysis on how participants are using the investments in the plan.

##### 3. Employee Communications

Communicate the benefits of the plan, help employees navigate investment options and provide employees with education.

- Design a communications program and develop an annual communications calendar.
- Coordinate and deliver regular enrollment meetings.
- Coordinate and deliver educational seminars.
- Assist employees as they are hired or leave the company.

##### 4. Plan Committee Support

Conduct vendor management and benchmarking (as appropriate), audit and compliance reviews and facilitate metrics reporting.

- Maintain a file of important documents in case of an audit (e.g., plan document, Summary Plan Description (SPD), committee meeting minutes, IPS, etc.).
- Schedule and conduct periodic plan reviews.
- Facilitate request for proposal process every three to five years to ensure services are competitive.
- Act as the liaison between plan sponsor and service providers.
- Evaluate plan costs against applicable benchmarks.
- Review participant activity and key plan success metrics.

## STEP 2

### Deliver regular reporting

Prepare an annual report for plan sponsors that includes the following items.

- Plan Documents**—including the most recent plan and adoption agreements, SPD, sample notices, latest Form 5500, certified annual trust statement and key audit reports.
- Committee Activities**—such as a roster of committee members, a schedule of meetings, meeting minutes and any distributed materials.
- Employee Communication Program**—including a schedule of employee meetings and seminars, an overview of employee contacts with the plan (by web or by phone), samples of employee materials delivered throughout the year (including paper, electronic media and any statements and notices).
- Plan and Participant Report**—a summary of activities and trends over time, including plan and participant success metrics.
- Investment Summary**—a report of key investment results, trends, recommendations made and actions taken on adding or changing investment options.
- Key Projects**—a summary of activities such as vendor reviews, plan design changes, plan conversion activities and plan merger or spin-off activities.

## STEP 3

### Discuss compensation utilizing a worksheet approach

Since every type of compensation arrangement will now be disclosed to your plan sponsor clients, be proactive with a positive discussion.

#### 1. Don't Be Surprised

Find out how compensation information will be reported to your plan sponsor, either on the Form 5500 Schedule C itself or by reference through reporting and/or disclosures provided directly to the plan sponsor. Will they use a dollar amount or a formula? How will the dollar amount be calculated or the formula presented? How will the services you provide be described?

#### 2. Perform a Fee Review

Work with each plan sponsor to make a record of all compensation being paid by the plan. *iShares in 401(k)'s Sample Compensation Worksheet* can serve as a guide to determine which providers fall into the categories of direct, indirect or eligible indirect compensation. This exercise will show your expertise, help in communicating with service providers and serve to reconcile your compensation as a retirement plan financial professional. Going forward, this worksheet can provide background and documentation to support Form 5500 Schedule C reporting.

#### 3. Provide Education and Clarity

Illustrate your willingness to be transparent—you know you deliver value for a reasonable price. Help your plan sponsors feel educated on their duties to utilize all available information to protect themselves as fiduciaries and demonstrate that you are a valuable partner.

As you create a more disciplined method of showcasing services and discussing compensation, don't forget to use this same technique with prospects. You can use these tools to demonstrate your value in a very tangible way and set yourself apart from other retirement plan financial professionals.

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