

The Elusive Value Add of Practice Support

February 1, 2017

Topics in 401(k) Distribution: ninth in a series

Providers often focus on practice support as a strategy to attract, retain or deepen relationships with advisors. Advisors often take a jaded view of these initiatives, not least because there are so many of them out there. We use the term broadly to cover everything from practice management and normative metrics on the one hand to thought leadership on the other.

In our most recent take on this hydra-headed topic, we ask about four types of tools or packaged support programs with which providers could equip 401(k) advisors.



By a meaningful margin, participant-friendly Social Security planning tools come out on top, followed by advisor-directed online participant workshops supporting retirement income planning. Tools to help advisors create custom model portfolios trail that, followed distantly by tools to help participants plan for health care expenses.

Surely specialist advisors (Medium and Heavy advisors in our parlance, those deriving 20% or more of their practice income from 401(k)) draw a more refined bead on this opportunity?

Not really. Heavy advisors, arguably the most jaded group in the channel, are generally less interested than Mediums or Lights in any of these initiatives. Social Security planning tools and packaged online participant workshops pop with Light advisors, but that's about it. Measurable participant anxiety surrounding health care expenses in retirement notwithstanding, neither specialist nor generalist advisors pick up on health expense planning tools with enthusiasm.



Whether advisors are voicing skepticism about the credibility of providers to equip them with meaningful tools or the utility of these tools themselves is hard to conclude from these findings. What we can say with confidence is that these initiatives don't seem to provide anything especially exciting to 401(k) advisors.

About the Research

Our first *Retirement Services Intermediaries* study launched in 2000; these findings are based on selected waves carried out between 2005 and 2015. *RSI* studies are conducted by telephone, typically among a representative cross-section of 600 or more advisors deriving income from 401(k) plans. *RSI 10* is scheduled for delivery in the spring of 2016.

By [NMG Admin](#)