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Recordkeepers Take Different Paths to Reach Similar Objectives

The major recordkeepers are focusing on the same four areas to build their businesses, but they are going about it in very different ways. **Cynthia Hayes**, principal at **Oculus Partners**, shared this insight from interviews her firm made with executives from 12 of the top recordkeepers in defined contribution at the *2017 SPARK Forum* at the Breakers in Palm Beach, Florida. The conference is Monday and Tuesday and claims nearly 400 attendees.

"Different firms are approaching these problems in different ways," explains Hayes. The research is published in a Oculus Partners study titled: "The research, titled *The New Normal: Achieving Success through Enriched Participant Experiences*". Oculus interviewed senior executives at 12 retirement firms, representing 6 of the top 10 recordkeepers and more than 38 million participants.

The four areas where recordkeepers are spending time and cash to find innovation are:

- Achieving financial wellness
- Overcoming participant inertia
- Incorporating new investment preferences

- Creating post-retirement support

"All four of these take firms past the traditional recordkeeper firm," says Hayes. She adds that firms may need to redefine who they are, perhaps calling themselves outcome providers.

She also found during the interviews that how recordkeepers look at financial wellness is colored by how they make money, Hayes points out. For example: Mutual funds focus on investing wellness while banks focus on credit wellness.

The four areas represent massive investments and cultural changes for recordkeepers, says Hayes. One way that firm's tackling the challenge is to build and rely on customer experience (CX) engines that provide automation and scalability.

"Everyone is trying to rethink the human touch. We went through the phase of focusing on how long call times were. Now there is a focus on influencing what they are calling about and the richness of the interaction," said Hayes.

Ultimately, recordkeepers are being funneled to start with the participant and not the plan, predicts Hayes.

"I can guarantee you that someone standing in front of the bathroom mirror in the morning does not see a participant looking back at them," says Hayes.

"Personalizing customer experiences leverages the premise that the more you know about your customer, the better able you are to predict their preferences and behaviors," explains Hayes. "As a result, you can design experiences that are more likely to delight them and improve long-term loyalty."

These changes in focus and using current CX technology are also stressing the talent and technology platforms in the industry, necessitating the retying of the recordkeeping business with its larger organization, she explained.

Finally, Hayes sees a race among recordkeepers to find ways to prove the value of what they are creating to their organization. How you measure the success of these measurements over the long term is going to determine whether they are seen as successful, warns Hayes.

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