**2-1-24 PRODUCTS & SERVICES Agenda**

Since Amy is new and Pat has missed a number calls due to health issues, let’s go back and look at each idea to make sure we all understand what each one is so we’re all on the same page. Once we have done that, let’s nail down how we will prioritize our top 3 ideas. We had talked about how long the project would take and how much of an impact would it have on the firms. We also need to take cost into account.

**Electronic Fiduciary Toolkit**

* Pat has already created one.
* We can build an e-book that includes work by various authors.
* We can monetize this- we’d have to look at how that would impact our non-profit status.
* Would be a compilation of best practices.

*Discussion*

* Marketing for TCG is the primary goal.
* Could be used to educate plan committees.
* Content can come from ERISA Attorneys, independent fiduciaries, TCG members, RKs.
* Who will put this together? We can hire someone or have staff members of TCG put it together.
* Can we sell this. How will that impact or non-profit status. Should be ok if each firm sells it and not TCG.
* Not sure how long this will take but we expect it should be short-term project.

**Trust Company**

* CC is already actively looking at this.

**3(16)**

* Unbundled and Bundled

*Discussion*

* Should we create a TCG 3(16)?
* What about firms who already offer this?
* How do we handle liability?
* Who in TCG has a 3(16) solution that another TPA can use?
* If a member outsources 3(16) to another member, does the referring members get a referral fee?
* Would this fall under the Trust Company project?
* Long lift-off
* Complex and not great profit margins

**Payroll Integration**

* Look at the Service that Joe has created- could this be adopted across all of TCG.
* Outsource it- Payroll Integration Inc.- they are the backbone for JH’s payroll integration solution. Could also consider STAX.Ai and Bench.

*Discussion*

* High priority
* Long-term- build this ourselves
* Short-term- partner with STAX or Payroll Integration, Inc.
* Ask Jordan to attend one of our calls to tell us about Joe’s payroll integration solution.

**Outsourcing Within TCG**

* For when a firm needs help getting something done- trust accounting, technical corrections etc.
* For opportunities that a firm would like to take on but doesn’t currently have the bandwidth

*Discussion*

* This could be a mid-term solution.
* Need to understand liability if a member outsources work to another member’s employee.
* Need to define a specific set of duties we would use this for
* Technical- Corrections, VCP
* Regular Admin- Trust accounting
* One Time Events- Document Restatements

**Employee Survey**

* Survey our staff’s experience working with the various RKs.
* This would be a great vehicle to give feedback to the RKs.
* Create a standard list of questions.
* Prefer to have drop down response with ability to add comments.
* Start with RKs where we have the most business.
* Use our staff to create these questions.
* Could Business Health create the survey and reports for us?
* Would this help- us create Industry Standards?
* Could we brand the report and sell it to other TPAs?

*Discussion*

* Ann to ask RKs what kind of info they would want.
* What do their Ops, New Biz, Sales, TPA teams want to know about how they perform.
* Need to ask our folks what they are concerned about with respect to RKs.
* We could do 2 types of surveys- quick, one-offs about specific transactions , for example and Broader surveys about “Standards.”

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**PEP, MEPS, GoPs**

* Ann will send the team the notes from the previous work done by a sub-set of TCG.
* We need to figure out of this even makes sense.
* How would doing one of these impact what we’re looking at for Cerrado Corp.
* Need to get market intelligence from various providers on how it would with them.

Discussion

* If we were to do this, GoPs would be the place to start.
* We would need to understand exactly what the 3(16) element is within a GoP.
* We recommend that this committee does not pursue this.
* There are a number of issues we and questions we’d need to resolve to do this. See the notes at the end if this section.
* We don’t have the bandwidth.
* This would be the only thing we could work on in 2024 and we are not convinced we could get it done in 2024. We are focusing on projects we can complete this year that will have a positive impact on TCG.
* If others in the group feel passionate about this, they can pursue it. Or does it fall under The Cerrado Corp?

**Issues, Concerns and Questions**

Distribution

* Who sells it? Transamerica RVPS are all over this. Parrish is doing a MEAP with Lincoln. We will have to be clear on Distribution in order to move forward.

Audits

* Group of Plans- every plan has a 5500 and every plan is audited. Secure 2.0 should give final guidance on this but that won’t be until late in the year.

Existing Blocks

* If we move forward with such an arrangement, how do we make sure we don’t put our existing block of business in danger?

Current Success

* Have not heard any PEP success stories.

Other

* How does one change funds for a plan within this type of arrangement?
* How are the wholesalers paid on these?
* Can the RK support multiple FAs?
* Are we concerned about alienating the RKs we don’t choose to work with us on this?

1. **Internal Issues**

* What happens of a member leaves? All their plans leave the GoP. Does that impact the pricing? Question for the RKs.
* It would be easier to handle liability if all TPAs use the same contract.
* Participating members will have to sign a contract with the terms of the agreement and indemnifying all TCG members.
* How many malpractice insurers will we need? One for TCG, one for each TPA or both?
* Legal fees- Ilene indicated the fees will be $15,000 - $20,000. Fees will increase to $25,000 if we carve out a 3(38)

**Employee Staffing**

* Create our own, private label or make a deal with a recruiter.
* The TCG firms are spending a significant amount annually on recruitment ($175,000- $200,000). Could we hire our own recruiter?

*Discussion*

* Nexus uses Claudia St. John but has not had much success.
* Parrish has had success with Claudia.
* Nick uses CPS and has had success.
* We will ask TCG to tell us who they use and if they have had success.
* Goal is to see if we can make a deal with a recruiter for all of TCG and hopefully get a price break due to scale. Also ask if they work with other associations and how that works.
* Would prefer to pay to have someone on retainer versus paying them a % of salary on new hires.
* Will need to look at a national firm since we are spread across the country.
* How do we prioritize who gets the candidates? How do we avoid getting into a bidding war against each other
* We need to document what we need for hires new to the industry and those who are experienced. Do we even need to use a recruiter for entry level positions? Should also take into account positions such as CFO, Director of Ops, Director of Sales etc.
* In order to ask for a price break, we’ll need to determine how many placements TCG needs per year.

**Outsourcing**

* Should TCG do this?
* Tom uses ASGF- Costa Rica

*Discussion*

* Parrish uses TRPC and it works well for him. They have built tech to work with Relius. It’s been a good partnership.
* Tom uses ASGF- still a work in progress and he has been increasing the number of plans he is sending to them. Started at 25 and will be up to 400 in 2023. Expects to see savings in 2025. They do everything from A-Z on the plans with a review by Tom’s team.
* Other solutions are provided by July Business , Relius and Congruent. July seems to be growing and Congruent charges a per/person cost versus a per plan cost.
* This project would look to find a solution that all of TCG would use and see if we can get a discount. Not sure if any of them would even be open to making a deal, even if we are willing to consistently give them business.
* A lot of the solutions have scalability issues- hard to get new folks and get them up to speed quickly.

**Employee Development**

* For Managers and Leaders- existing and ones we want to develop
* Need employs to transition from an “employee” mindset to an ownership one.
* Negotiate a volume discount fee.
* We could consider sing Vistage.
* Customer Services Training- American Funds has a good one as does JH.

*Discussion*

* We need to offer these to our employees. It’s especially important for the further development of key people.
* Want to empower people to “step up.”
* Are there any pre-packaged programs we can buy?
* Does Vistage offer this?
* We can ask TCG if they currently use anyone for this- who are they and what do they provide?
* Also, who in TCG has developed a training program for new employees?

**Programmer- this falls under the Tech Committee**

* Should we hire a programmer for all of TCG?
* Technology Track is considering this.

**Group Insurance**

* Can we get a TCG discount?
* Need to also think about mental health support.

*Discussion*

* Health Insurance
* Cyber Security Insurance
* E&O
* General Business Liability
* Directors and Officers
* Need a non-regional broker for this.
* Looking for economy of scale for pricing
* Tom will ask Risk Strategies if they would be one t a deal with TCG, given their relationship with NIPA.

**Brand Ourselves as Consultant to Bundled Plans**

* Pat has a Fiduciary HealthCheck we could look at.
* Create a TCG package to promote this.
* See 3(16) point above.

*Discussion*

We often get asked to get involved as a consultant on Bundled Plans

* There is money to be made here- Parrish gets asked to do this and changes a lot for it.
* First step would be to find out which TCG firms want to be included.
* Then we create a list of services
* Can asl Lynn Roy and Heather Windjue to help us create the list of services.
* Ask Peter to create a brochure so it’s packaged up nicely.
* We could extend this to large CPA firms.
* This is not a heavy lift and will focus strictly on compliance ( not 3(16)).

**Create a TPA Benchmarking Tool**

*Discussion*

* What would we benchmark- pricing, services?
* This is a complex project that requires a heavy lift with a lower return.
* We run the risk of pitting TCG firms against each other with respect to pricing.
* We will not pursue this project.

**General**

* We are a big player and need to determine what levers we should use to make the industry treat us like one.
* How do we make our mark to make all of our firms more profitable?
* Should we ask the RK for deals wth B/Ds
* Need to build our value proposition directly with B/Ds

**Next Steps**

* Ann send doodle for next call for some time in the first 2 weeks of Jan.