



## **For Immediate Release**

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### **Service Team Role Clarity Key to Small Market 401(k) Plan Sponsor Satisfaction, Anova Consulting Group Study Shows**

BROOKLINE, MASS., September 7, 2011 – According to a new survey by Anova Consulting Group, LLC, a leading market research firm in the financial services and human capital management sectors, small-market 401(k) plan sponsors who have a clear understanding of the roles of their service team members are 31% more likely to be satisfied with their providers than those who do not understand the distinct responsibilities of each team member.

Of over 2,000 small market plan sponsor survey respondents (with less than \$10 million in plan assets), a full 34% said that they did not clearly understand the roles of their service team members. Those who said they fully understand service team members' roles and responsibilities reported an 83% overall level of satisfaction, compared with 63% overall satisfaction level reported by sponsors who were confused by service team roles.

"Our survey shows that the most successful retirement plan providers are those who have clearly defined roles across service team members and proactively communicate these roles to plan sponsors," said Richard Schroder, president of Anova Consulting Group. "Service team role clarity is especially important in the small-plan market, where sponsors tend to be business owners (or appointed personnel) for whom administering the 401(k) plan is only a small part of their job description. They need to know whom to call to get their issues resolved quickly, and they have little time or patience to be re-directed after an initial inquiry."

Another way in which having well-defined roles and responsibilities helps sponsor satisfaction is by setting clear service level expectations. The two areas in the survey in which satisfaction ratings suffer most when sponsors don't understand service team roles are "treats me as an important client" and "employee education materials and meetings". Sponsors who clearly understand service team roles are 57% more likely to feel like they are treated as an important client and 55% more likely to be satisfied with their provider's employee education offering. "In situations where sponsor expectations have not been managed by the plan provider, sponsors are more likely to feel that their provider is not being proactive or helping as much as they could." said Schroder.

An additional challenge in the small market is the prevalence of unbundled plans, in which the presence of TPAs can further complicate the service picture. According to Schroder, "It is especially critical for plan providers to have clearly defined service roles in unbundled situations. 'Finger-pointing' among TPAs, FAs, and plan providers is a sure recipe for sponsor dissatisfaction." Survey results show that unbundled plan sponsors are 24% less likely to clearly understand service team roles than their bundled counterparts.

In summary, Schroder stated, "This is an important finding because it is relatively easy for 401(k) plan providers to address. This survey shows that establishing clear roles in the service organization and communicating them to plan sponsors can be a cost effective way to significantly improve client satisfaction and retention."

### **About Anova Consulting Group, LLC**

Established in 2005, Anova Consulting Group provides customized market research, sales training and consulting services to leading firms in the financial services and human capital management markets. By helping its clients understand why they win, lose and retain business, Anova provides strategic perspectives to its clients, driving better decision-making, product development, sales effectiveness, client service, and continuous improvement. Last year, Richard Schroder, president of Anova, released a book titled [From a Good Sales Call to a Great Sales Call \(McGraw-Hill, October, 2010\)](#), which details how learning from post-sale debriefing helps close more sales.

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