

For Immediate Release

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Anova Consulting Survey Shows Continuing Trend of 401(k) Plan Sponsors Remaining with Incumbent in Finals Situations

BROOKLINE, MASS., February 12, 2013 – Win loss survey data from Anova Consulting Group shows that the proportion of plan sponsors remaining with the incumbent after conducting full 401(k) provider searches has continued to grow for the fifth consecutive year. Anova is a leading provider of win loss and client satisfaction analysis in the financial services industry.

For the sales situations Anova researched in 2012, 31% of mid-large market finals with between \$20MM and \$500MM in plan assets resulted in the plan sponsor remaining with the incumbent recordkeeper, up from 28% in 2011 and 18% five years ago. This figure does not include non-competitive re-bid situations, which are an increasingly commonplace alternative to a full search / RFP process for plan sponsors who are not necessarily dissatisfied with their provider but conduct periodic due diligence reviews for fiduciary reasons. Anova has conducted over 1200 win, loss, and departed client interviews with mid-large 401(k) plan sponsors since 2007.

“Over the last five years, the percentage of plans conducting full-blown searches and electing to remain with their current providers has increased roughly 10% each year. If this trend continues, it will mean that in five more years, 50% of the plans conducting finals searches will remain with the incumbent,” said Richard Schroder, president of Anova Consulting Group. “While it speaks highly of industry-wide client service that so many sponsors are content to stay with their existing providers, this trend should not be discounted by sales and product development organizations.”

As search activity becomes increasingly competitive and 401(k) products and services become more commoditized in the mid-large market, retirement plan providers are striving to differentiate themselves and provide prospects with compelling reasons to leave their incumbents. A comparable product offering with comparable fees (or even a minor fee reduction) are infrequently sufficient to entice a plan sponsor to undergo the effort and uncertainty of a conversion to a new provider.

According to Schroder, “The sales teams that are beating the odds are doing a better job of creating immediate value and differentiating their firms’ offerings during the sales process. With increasingly informed buyers and the ever-growing involvement of sophisticated search consultants and retirement plan advisors, providers must clearly articulate their value propositions and offer a highly consultative sales process customized to a sponsor’s specific needs.”

About Anova Consulting Group, LLC

Established in 2005, Anova Consulting Group is a leading market research and consulting firm focused on win loss analysis and client satisfaction analysis. 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. Richard Schroder, president of Anova, is author of a book titled *From a Good Sales Call to a Great Sales Call* (McGraw-Hill), which details how learning from post-sale debriefing helps close more sales.

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