

## ► Philadelphia Law Firm Finds a Better DC Solution: Fiduciary Protection in a High-Touch Model

### Organization:

Philadelphia-based law firm with approximately 650 employees and 14 locations.

**Solution Provided:** Full service defined contribution program featuring SEI and outside mutual funds, trustee, recordkeeping and education services.

### Key Benefits:

- Fiduciary protection through a lineup of continuously monitored, institutional investment options
- High-touch, personalized client service
- Proactive, customized education programs

In late 2003, the head of Human Resources of a Philadelphia-based law firm began evaluating her company's 401(k) plan. Her firm's program had been with a large brokerage firm for 5 years, and she was beginning to feel like a "small fish in a big pond." The law firm's plan, with about \$35 million in assets, was not getting the attention and personalized service she felt it deserved, especially for what she felt were premium fees in the industry.

Client service from her current provider consisted of visits from the service director a few times a year, and there was seldom any other contact unless she contacted them. In terms of participant education, the current provider did the initial enrollment meetings and hadn't recommended much else since. Education communications were also limited to participant statements and an occasional newsletter.

As a member of a law firm, the head of HR was also sensitive to need for a model that limited risk and offered fiduciary protection. Given the fiduciary issues facing plan sponsors, she was concerned about the integrity of the funds and the firm's fiduciary liability. Ensuring the appropriate level of participant education was also critical.

In early 2004, she decided it was time to look at other providers to see if there was more the law firm could be getting for its participants. She was primarily looking for a strong service model with more personalized attention, solid investments with good performance, and a comprehensive participant education program, all at similar or reduced costs.

SEI was one of the providers the firm liked immediately. SEI's comprehensive program offers full service recordkeeping, administration and participant education, as well as both SEI's Manager-of-Manger mutual funds and select brand name outside funds. In addition, SEI was able to demonstrate how it could offer a high-touch service model for with a lot of individualized attention.

SEI's program included only investment management fees, and the firm would be charged no additional fees for recordkeeping or other services, which made SEI more reasonable than the previous provider.

After completing their due diligence process, the law firm decided to convert the plan to SEI in 2004. The firm has been with SEI for about 18 months, and the head of HR is enjoying the benefits she was looking for.



## HIGH SERVICE, HIGH TOUCH

SEI's model not only includes quarterly visits to deliver comprehensive plan reports, but at each visit, the SEI relationship manager provides legislative updates, insight into participant behavior and ideas for the firm to better educate employees. In addition, the SEI relationship manager frequently calls to update us on industry news or just to touch base.

“Our relationship managers act as a partner in looking out for the best interests of the plan and participants.”

— Roger Messina  
*Director of Client Service  
SEI Institutional Group*

“Our client service model is very flexible, enabling us to provide customized, hands-on service regardless of the size of the client,” says Roger Messina, Director of Client Service for SEI's Institutional Group. “Our relationship managers act as a partner in looking out for the best interests of the plan and the participants.”

## PROACTIVE, CREATIVE PARTICIPANT EDUCATION

SEI's approach to participant education was refreshing for the firm. SEI surveys participants to understand their needs and better tailor education initiatives. Most recently, SEI identified that many participants were not comfortable making asset allocation decisions, and completed a course from the SEI Institute that focused on determining the appropriate assets allocation.

“Our goal is to make sure participants are educated in areas that are specific to their needs. We perform research to understand what those needs are and tailor our approach accordingly. The result is better participation, plan appreciation and a more secure retirement for the participants,” says Messina.

## SOUND INVESTMENTS OFFER FIDUCIARY PROTECTION

Investments were an area where SEI really differentiated their program. SEI's defined contribution professionals assist plan sponsors in identifying an appropriate investment lineup, and then provide continuous monitoring of the managers and funds. As a result, SEI can act as co-fiduciary to plan investments, relieving the sponsor of certain types of liability. This gave the law firm a significant amount of comfort.

“The level of monitoring and protection we provide to plan sponsors is unique in the industry. We apply the same level of rigorous monitoring that is part of the SEI Manger-of-Manger mutual funds to the outside investment we offer through the program,” according to Messina.

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The head of HR is glad she didn't settle for being a “small fish in a big pond.” Now she can offer her participants customized service and education combined with reduced risk and fees for her firm. That's called a win-win!