January Top Advisor by Participant Outcomes (TAPO)—William Hackler

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How Complacency Kills a 401(k) Business

Will Hackler never sat around waiting for things to happen. Maybe it stemmed from the three (three!) sports he played in college—golf, lacrosse, and cross-country. Whatever the reason, several companies he interviewed with upon graduation had an 18 to 24-month training period for what could have been a secure and lucrative career. Too long, Hackler thought.

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"What if I'm the best you've ever had? How fast can I move up?" Hackler, President of Central, Mass.-based retirement plan advisor and TPA Integrated Pension Services, asked. "Their answers were all the same, 18 to 24 months."

Instead, he took a job with his father's financial firm, earning $100 a week but with unlimited upside. "There's no ceiling or cap," the elder Hackler said, "So go find the rest.”

Living with his parents and several siblings meant work was an escape, and he stayed late to study and cold call, working hard to build his book. Initially a generalist, a chance meeting with a client led to an important epiphany, one that’s fueled his success since.

> “That specialization sent his business through the roof. It was a big ‘Aha!’ moment for me …”

“A landscaper also did irrigation work, and he could only meet in the winter,” Hackler recalled. “We’d allocate his money in various accounts—retirement, kids’ education, insurance, etc. One year he came in with a lot more money.”

The client had sold his landscaping business to focus exclusively on irrigation. Hackler wrongly assumed the extra money was the proceeds from the sale.

“The client said no; all the other landscapers who previously thought he was a competitor were now calling for irrigation work. That specialization sent his business through the roof. That was a big ‘Aha!’ moment for me because I like retirement plans, but not financial planning.”

Marketing himself as the "401(k) Fix-it" guy and a retirement plan specialist led to Integrated Financial Partners and the launch of Integrated Pension Services eight years ago. Almost three decades removed from his meager salary and family basement, Hackler's competitiveness hasn't waned, which is terrible news for complacent competitors.

"I tried to get a furniture manufacturer's 401(k) plan years ago, but the advisor-of-record was the chairman's cousin," he said. "I kept in touch with the CFO over time and did projects for the company here and there."

One of his employees, Mike Clark, eventually found the old file. Hackler had him work it up as if it were a new prospect. He then took the company's CFO to lunch.

"I explained the diagnostics we'd performed and everything wrong with his plan. I also mentioned it was the exact same plan from seven years earlier. There were literally no changes to it in the time since."

Turning to the fee disclosure page, he pointed to the $24,000 the current advisor made on the plan the previous year. A little math meant the advisor had made more than $125,000 over the course of the relationship, yet the CFO recalled meeting with him once.

"I said, 'Can I have that job?'" Hackler quipped. The CFO got the point, as did the chairman, who fired his advisor/cousin and hired Hackler. The plan also happened to be with the firm's payroll provider, and Hackler sent them a revised fund line-up as part of his corrective action, only to have the payroll provider say no because it cut into their revenue.

"The CFO had had enough," he said. "He lost it and fired the payroll provider from the plan as well."

Conducting onsite workshops, meeting with the HR department, and making changes to the auto-enrollment resulted in:

- an increase from 455 plan participants to 779 participants
- an average deferral rate at 3.23% to now 5.6%
- an increase in plan assets from $9 million to $24 million, and
- auto-enrollment starting at 2% that is now 5%.

At the time, there were also over 100 outstanding 401(k) loans averaging less than $1,000. Today there are 26 loans with no new loans taken since 2018.

"We increased participation, massively decreased costs and we're showing up," Hackler concluded. "They actually see us, which boosts participation and the overall plan's success."

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