



retirement
leadership
forum

Rethinking Retirement Plan Sales

The Immediate and Lasting Impact(s)
of Selling in a Pandemic

November 10, 2020
Virtual Event Report Out

Overview of the Report

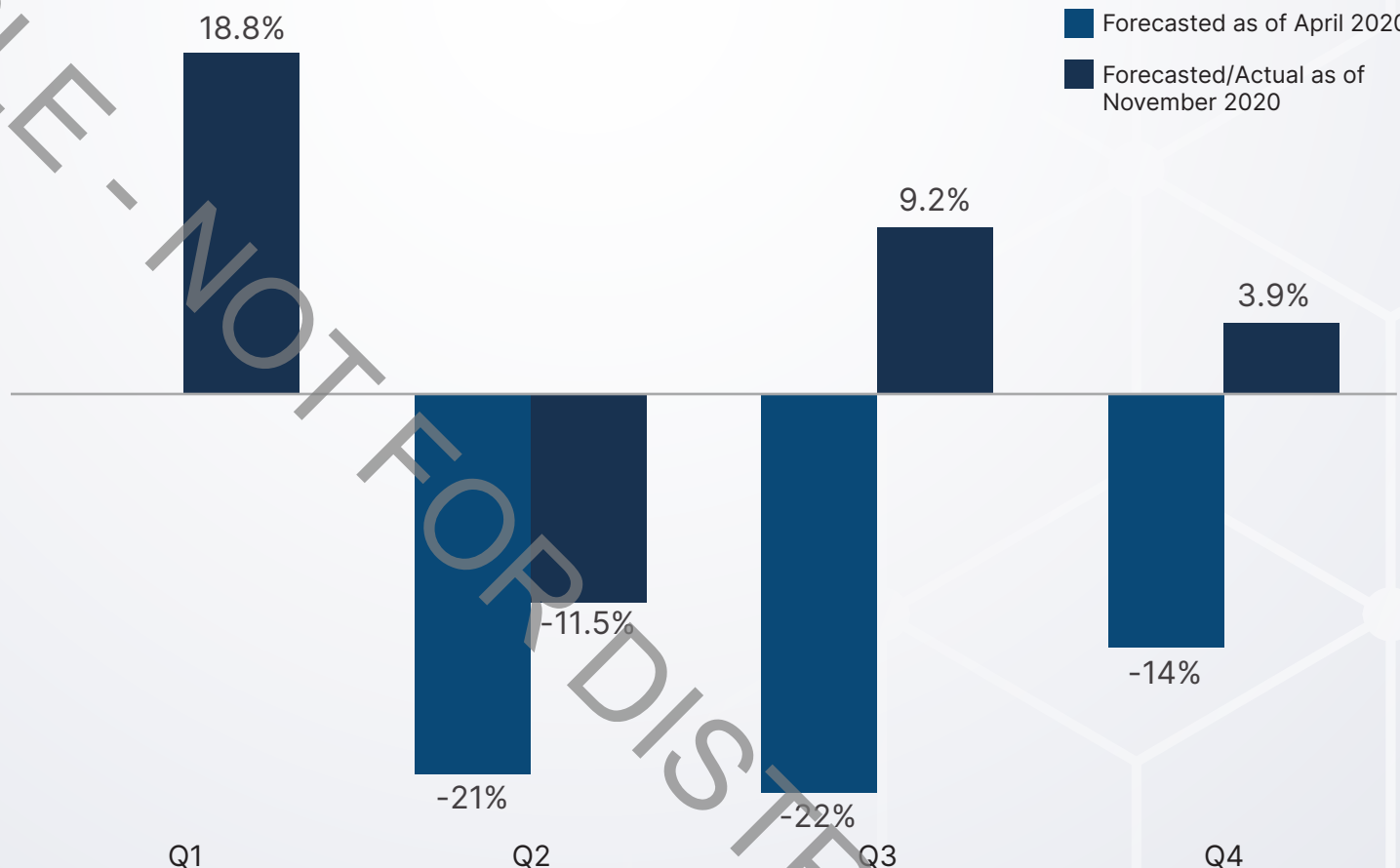
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In November 2020, the RLF (in partnership with SRI) surveyed leading recordkeeping firms to assess their sales successes and challenges during the pandemic. The RLF then hosted two virtual roundtables with sales leaders from top recordkeeping firms to discuss the findings. This report contains the survey results as well as key takeaways from each of the roundtables' conversation.

- **Small Market Roundtable:** for sales leaders focused on plans with less than \$50M in assets.
- **Large Market Roundtable:** for sales leaders focused on plans with more than \$50M in assets.

Meeting (Lower?) Expectations

Recordkeepers' Sales Expectations in 2020 Relative to Pre-COVID-19 Goals



n = 14, 13

Source: RLF and LIMRA 2020 DC Sales Survey, April and November

Median of November 2020 Responses

	Q1A	Q2A	Q3A	Q4E
	0%	-18%	-21%	-0%

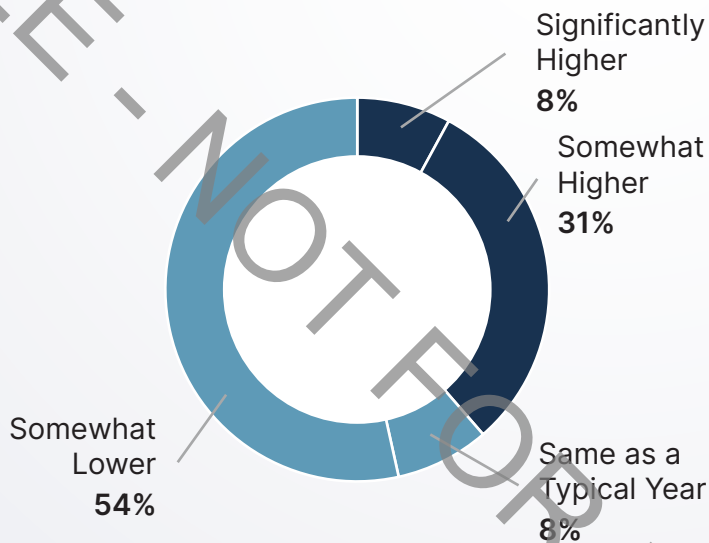
2020 has been anything but a normal sales year for retirement plan providers. After weathering a shutdown at the initial onset of the pandemic and learning how to navigate a new (mostly virtual) sales environment, sales results have suffered. Luckily, results have not been as bad as firms initially anticipated.

In April, the RLF surveyed sales leadership at recordkeeping firms to determine how they expected sales to fair relative to initial goals for the year. Their April expectations are represented by the lighter blue bars in the chart with most anticipating a 20%+ drop in Q2 and Q3, and a small reprieve in Q4.

We asked the same question of sales executives in November and most finished each quarter better than the April expectations. Q2 represented a low point for the group as firms finished an average of 15% below their pre-COVID sales goals. Respondents then experienced a rebound in Q3 and expected a similar lift in Q4. It is worth noting that a handful of participating firms experienced record-level sales despite the pandemic. To account for these outliers, we've provided the median for sales relative to pre-COVID goals.

A Modest Improvement

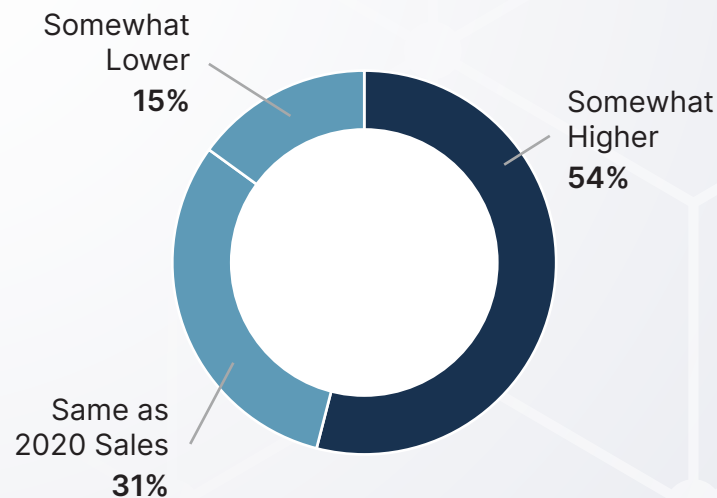
Recordkeepers' Expectations for 2021 Sales Activity Relative to a Typical Year, 2020



n = 13

Source: RLF and LIMRA 2020 DC Sales Survey, November

Recordkeepers' 2021 Sales Goals Relative to 2020, 2020



n = 13

Source: RLF and LIMRA 2020 DC Sales Survey, November

Looking ahead to 2021, recordkeepers are cautiously optimistic about sales. Thirty-three percent of firms expect 2021 sales activity to be higher than 2020 and as a result, a majority of firms are planning for higher 2021 sales goals (relative to 2020).

During our virtual event, the general sentiment around 2021 sales goals was that firms expect 2021 to be better than 2020, but not as good as 2019.

Small Market Takeaways:

- Some expressed greater concerns about 2022 than 2021. The main reason being the mandate to sell more with less, as budgets had been slashed (lower travel expenses, etc.).
- Another "lockdown" could really gut small businesses and permanently alter micro market sales.

Large Market Takeaways:

- Some recordkeepers discussed using ranges for their 2021 sales goals to provide more flexibility and enable salespeople to hit goals on a more equitable basis.

Split Decision

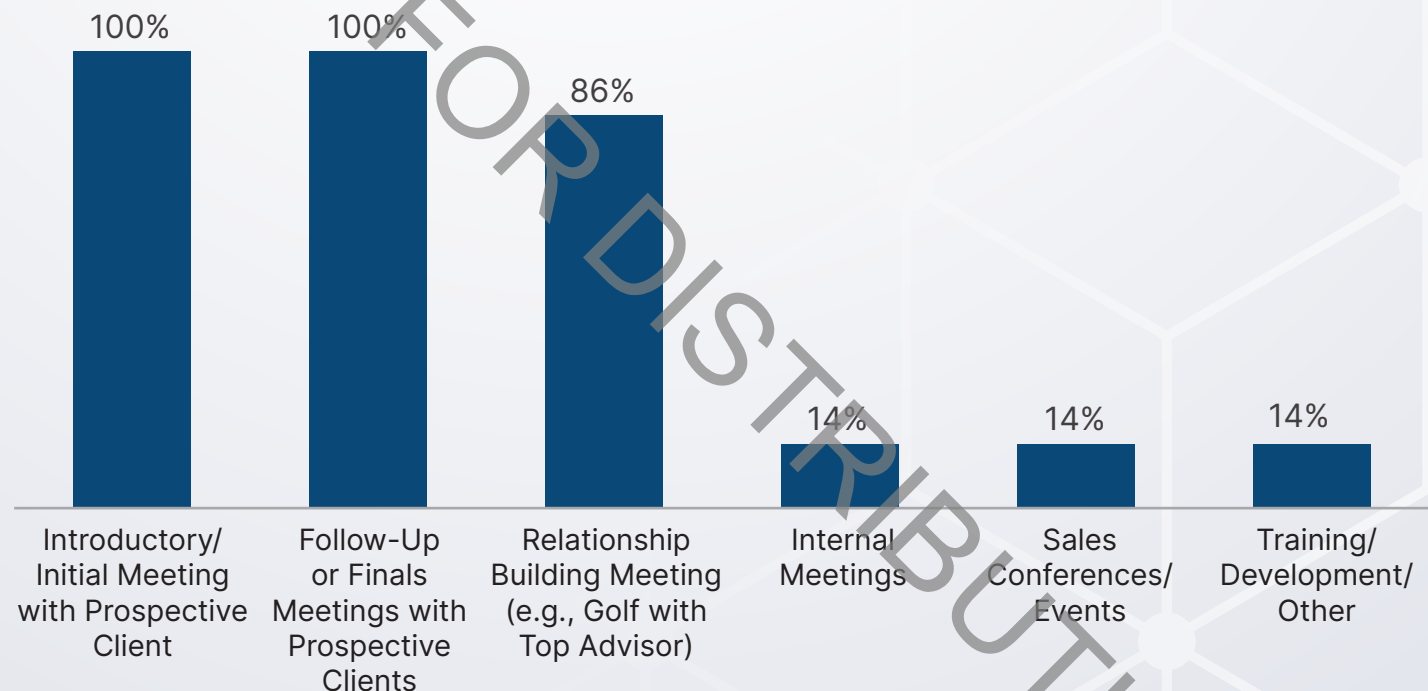
46% of Recordkeepers are not allowing business related travel for their sales team.

67% of firms not allowing travel have no set date for when travel will resume.

n = 13

Source: RLF and LIMRA 2020 DC Sales Survey, November

Circumstances Under Which Recordkeepers Allow their Sales Teams to Travel, Percentage of Firms, 2020



n = 7

Source: RLF and LIMRA 2020 DC Sales Survey, November

Although sales teams have adapted to a virtual sales model, many indicated that their teams are “chomping at the bit” to get out on the road. For most, however normal travel is a long way off. Salespeople at 46% of recordkeepers are grounded with no set date to begin traveling again. For recordkeepers allowing sales travel, it is mainly centered around client and intermediary meetings and rarely for conferences or training.

Across All Markets:

- Some require salespeople to sign a waiver if they are going to travel.
- For firms not traveling, the sign-off required to accommodate any exceptions to the travel policy is difficult and reaches high up the chain.