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Current Topics & Trends in DB Retirement Plan Management

Part 2 - Five Things to Avoid

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Review

Last month, we discussed key issues related to challenges in defined benefit retirement plan management. The skills, perspectives and business agendas of consultants, advisors and service providers were suggested as potential conflict fulcrums, along with the distraction of the markets and the challenges of running the core business of the plan sponsor.

We also addressed the challenges of a traditional DB decision model which may fail to align business, liability and asset issues into a combined and integrated strategic

plan. The result? Lost opportunities to better manage the employer/sponsor's risks while pursuing the objectives of the plan.

2. Poor Strategic Planning – Inertia can lead to complacency and failure to “keep it fresh.” How can you efficiently and effectively

NATIONAL WEBCAST

DB / Pension Plan Management: Crisis or Opportunity?

Thursday, June 25th (one hour)

FEATURED SPEAKERS

Phil Leader, Actuary - Principal Financial Group

Bill Small, Principal – Highland Capital Advisors

Glenn Jensen, Managing Director – New England Retirement Consultants

Online attendance is complimentary for *Washington Healthcare News* subscribers. Please call or email Ward Harris for your electronic ticket:

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Top 5 Pension Mistakes

With the help of many contributors from the “buy-side” (plan sponsors and professional staff) and from the “sell-side” (consultants, advisors, vendors and related professionals), here is our list of most often seen risks to plan and sponsor health:

1. Sponsor Inertia - Many DB programs predate the current management, staff and business realities of healthcare plan sponsors and their participants. How do you keep your plan aligned with your organization's current business objectives?

stay focused on the long game?

3. Overreliance on Trusted Advisors – No one is good at everything. Are you asking your professional advisors or vendors to perform in roles outside of their core competencies or business models?

4. Resource Mis-Allocation – We believe that 80% of the expense, effort and time invested by plan sponsors and their staff produce (at best) only 20% of the risk adjusted return available to the plan. How can you get the “best” risk-adjusted return on your investment of time, money and effort?

5. Failure to Execute – Example: Two years ago, many plans were overfunded. Today the reverse is true. How do you walk the line between strategic and operational decisions to take advantage of opportunities and circumstances?

Subscriber Webcast: On June 25th, McHenry Partners will host a national Webcast on defined benefit plan management – “Crisis or Opportunity?” Guest speakers will include Phil Leader, a consulting

actuary with Principal Financial Group; Bill Small, an investment consultant and advisor with Highland Capital Advisors (Seattle); and Glenn Jensen, an investment consultant and advisor with New England Retirement Consultants (Boston). Attendance is complimentary for subscribers, but reservations are required. Call or email Ward Harris for your electronic ticket.

Next Month: “DB Retirement Plan Management: Part 3 – “How Do

You Measure Success?”

Ward Harris is Managing Director with McHenry Partners, a national investment consulting firm. A Seattle native with 30 years of experience in investments for corporate and not-for-profit organizations, Ward has served clients in consulting and management roles at Union Bank of California, Schwab Institutional and Rogers-casey, Inc. He can be reached at 1-800-638-8121 or ward.harris@mchenrypartners.com.

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