

DOL Fiduciary Rule Policies, Procedures, and Support: Obtaining Advisor Perspectives and Sentiments

Greenwald & Associates
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Background

- The new DOL Fiduciary Standards, pending SEC fiduciary rules, and the emerging digital advice/marketing evolution are creating an difficult to challenge to broker-dealers: developing policies that both protect the firm against fiduciary risk and also help attract and retain advisors and maximize their opportunities for success.
- Broker-dealers must develop a balanced approach to implement the Fiduciary Standards' regulations rules, policy's and procedures, while still maintaining a competitive advantage.
- An overly rigid approach could place a broker-dealer at risk in terms of advisor retention and recruitment. It could be perceived as too restrictive by advisors compared to peer and competing firms. Too flexible a policy could make advisors feel exposed and at risk from compliance and regulatory scrutiny. It can also place the broker-dealer at unacceptable risk.
- We recommend that before a policy meeting the Fiduciary Standards' regulations is finalized, that it be tested with financial advisors through focus groups and in-depth interviews. Further, we recommend that this testing be conducted with a broker-dealer's advisors and other advisors. This extra step of due diligence will provide further guidance that can lead to refinement of the policy and information that will make the roll-out and communication of the policy more effective. This testing can be done without identifying the broker-dealer sponsoring the research. This can allow broker-dealers to obtain reaction to a variety of ideas without raising concerns.
- Following is a brief description of the approach we recommend. This approach can clearly be customized to meet each firm's needs.



Understanding Advisor Perspectives

Service Objective:

Greenwald & Associates and GDC Research are teaming up to assist firms in developing and implementing their DOL approach and strategy and help them better understand potential advisor perceptions, receptivity, and reactions to specific policies, procedures and support.

Approach:

- Customized feedback on a firm's initial DOL strategy and related changes impacting advisors. Input can be obtained a early or late stages of policy development.
- This approach can allow the testing of several ideas under consideration,
- Attitudes and perceptions can be obtained through a combination of Focus Groups and In-Depth Interviews with Advisors
- Insights can be obtained from a wide range of advisors across channels, broker-dealers, production level, level of advisory assets, etc.

- Criteria for advisor participants will be tailored for each firm and research can be conducted on a disclosed and/or undisclosed basis.

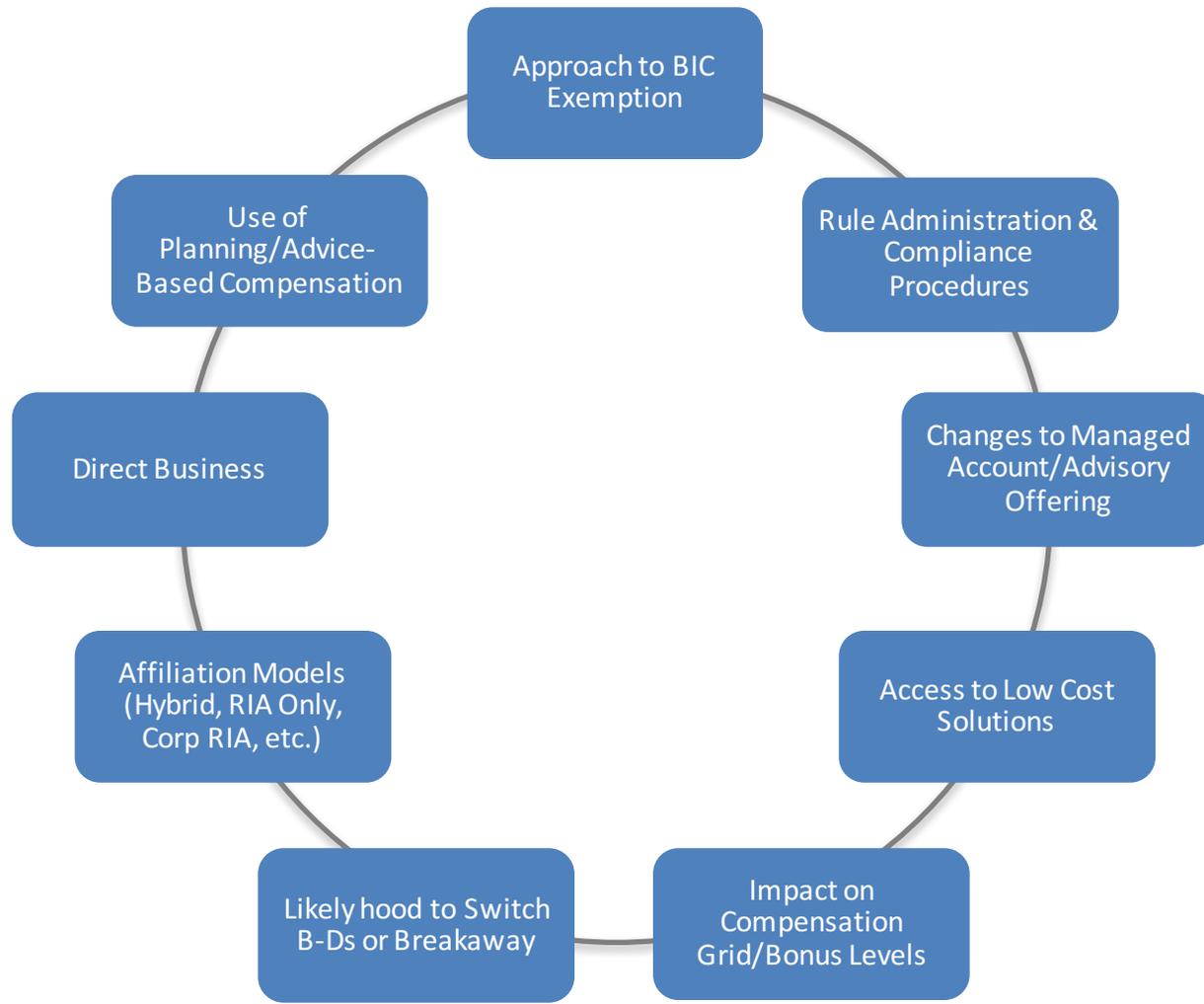
Benefits:

- Create a balanced strategy
- Get input on several alternatives prior to finalization
- Anticipate topics and areas of concern
- Minimize disruption and craft a more effect rollout and support plan
- Enhance advisor understanding of the strategy and related policies and procedures
- Estimate the impact on advisor recruitment and retention



Topics That Can Be Addressed

Topics to address in the focus groups and IDI's cut across a broad range of advisors services and support. Potential topics include the following, but a final list will be customized and developed jointly for each firm:



Research Design

- The research design will be customized to meet the specific needs for each company in obtaining advisors perspectives, reactions, and concerns regarding a firm's pending policies developed in response to the Fiduciary Standards regulations. The customized research will assist with:
 - Understanding Advisors Initial Responses
 - Learning What Questions Advisors Have
 - Obtaining The Advisors Evaluation Of The Policies
 - Finding Out How Advisors Perceive These Policies Will Affect Their Practice:
 - The impact of the policies on products and solutions utilize
 - What support needs and materials will need to be provided
 - How they believe it would affect the future success of their practice
 - Learning what these policies could impact advisors loyalty to the broker-dealer
 - Understanding the effectiveness of the communications of the policies
- Research information can be obtained through a variety of approaches including **In-Depth Interviews** and/or **Focus Groups** with advisors, as well as a **Lunch & Learn** like session to obtain feedback on pending policies and procedures.
- Research can be conducted on a undisclosed basis to maintain confidentiality in obtaining input on controversial policies without raising concerns before the policies are finalized.
- This research can:
 - ✓ **Help a broker-dealer refine its policies**
 - ✓ **Help in estimate the likely impact of these policies**
 - ✓ **Help the broker-dealer perfect the communications of its policies**

Cost – Varies based on the research design chosen and tailored to each client's needs and budget



Research Team

Greenwald & Associates

Greenwald & Associates is a premier public opinion and market research company that specializes in serving the needs of the financial services industry. We have conducted customized research for more than 200 organizations, including many of the nation's largest investment, insurance, mutual fund, and pension companies.

Matt Greenwald has more than 30 years of research experience and is a recognized expert in financial services research, having served as a delegate to the 1998 and 2002 National Summits on Retirement Savings. He has also testified before the Senate Committee on Aging, and has been interviewed on many occasions by the media to discuss retirement and retirement savings.

GDC Research

GDC is a research and consulting firm providing applicable, actionable and customized solutions for the financial service industry. Dennis Gallant, President of GDC Research is an industry expert with over 20 years of diverse experience in market research, competitive analysis, tactical and strategic planning, business development, market validation for asset managers, insurance firms, broker-dealers, banks, clearing firms, and custodians, as well as various third party service and technology providers. Dennis has recently written several reports on retirement income, covering trends of consumers nearing and in retirement including consumer needs and challenges. He also makes numerous presentations and conducts many workshops for client and industry conferences.



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