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GROWTH PLATFORM

Mark Skinner's quickly expanding advisory firm offers clients a sophisticated ben admin system that tightly integrates health and retirement products

A proven brokerage growth platform: Unifying health, retirement and technology

BY ELIZABETH GALENTINE

Waiting at the gate for a recent flight, Mark Skinner heard his name paged over the loud-speaker. “Uh-oh,” he thought. “That’s not good.”

But rather than the bad news he was bracing for, Skinner was surprised with a round of applause from a United Airlines manager who wanted to recognize his more than 2 million miles of flying with the airline. A similar fete followed on the flight when the pilot came out of the cockpit to shake Skinner’s hand.

Skinner may have been a little embarrassed by the public gestures, but he wasn’t surprised by the reason behind them. When you’re the hands-on president and CEO of a successful national firm with 34 partner offices across the country — and several new ones in the works — it’s not difficult to rack up the miles.

His company, U.S. Retirement & Benefits Partners, has been growing more than 20% per year, thanks in large part to cross-selling services to organically growing existing customers, and acquisitions. “We expect that growth to accelerate in 2017 to be above 25% and continue to build at that level for the next five years,” says Skinner, whose home base is in Iselin, N.J.

Skinner is eager to spread the company message, which centers around the value behind breaking down the longstanding barriers between the retirement and health divisions of employee benefits. A national independent employee benefits and retirement plan provider specializing

in the K-12 educator marketplace, USRBP emphasizes the need to integrate retirement and financial concerns into overall benefits practice.

Having been in the business for decades working on both sides of the field, Skinner knows it’s been the nature of the industry to keep retirement and health benefits siloed, even within major carriers that offer both types of products. “They’re so invested in the silo structures,” Skinner says. “That’s how people are trained and that’s how they rise vertically.”

But that’s not how USRBP does business and it’s not what employees want. For example, the company did extensive surveys on client concerns and needs, and found saving for children’s education to be among the top anxieties for educators in the K-12 sector age 40-55.

As a result, USRBP has developed a fully integrated financial wellness program — available as a microsite through USRBPpartners.com, but also as a white label product for clients — that provides a set of 92 tools in five broad categories spanning the benefits spectrum.

It provides information on saving for college, retirement planning, personal finances, insurance and other protections as well as Social Security and Medicare. The microsite is complimented by 16 workshops and a custom curriculum available to employers, along with one-on-one counseling opportunities and more in-depth calculation tools. “There is a growing realization that long-term planning requires an understanding of the dynamics and relationships between retirement planning and benefits

planning,” Skinner says. “As the shift in responsibility continues to require employees to make more benefit choices, they need to be able to do that in the context of other long-term priorities.”

United by technology

USRBP’s service model is based on providing a single source solution using the firm’s three business groups: benefits, retirement and technology — with technology serving as the binding agent, says Skinner. It offers three primary technology platforms:

1. OMNI, a Rochester, N.Y.-based 403(b) and 457(b) compliance TPA. “They are the largest TPA in the United States and serve over 3,000 school districts across the country,” he says.
2. InRollPlus, a Dallas-based online benefits administration firm that provides employers with a secure portal to enroll and administer all their benefits. The system is accessible by desktop, tablet and smartphone and can be converted to Spanish with one click. “The only system we are aware of with that capability,” Skinner says.
3. DC Engine, a Nashville-based defined contribution recordkeeper. The company provides ERISA plan TPA compliance services as well as full recordkeeping for any DC-type plan. “They have achieved through scale a low-cost model where they actually provide outsourcing for other TPAs,” Skinner says.

Kevin Dunn is USRBP's chief information officer and responsible for all platforms, including local office technology across USRBP's dozens of offices. Joining the firm two years ago and based in Texas, he was drawn to the company's dispersed technology platform. "I find that quite exciting because it allows you to leverage the strength of each organization," Dunn says. "It's really all about coordination."

Dunn has direct responsibility over USRBP's internal firms, but many of the company's tools, such as InRollPlus, are also used by external brokerages. Skinner's driving principle of blending retirement and employee benefits "features heavily in all of our product roadmaps," Dunn says.

Gene Tyler, a managing partner at USRBP and an independent brokerage owner whose company joined the firm six and a half years ago, emphasizes that breaking down those silos between retirement and health is driven by technology. And there's no one better to lead that change than those with a benefits background, he says.

"What makes us unique is that we're not a tech company that got into the benefits business, we're a benefit business that got into the technology business," Tyler says. "Being in that order, it ... puts things in the proper perspective because we are first and foremost an employee benefits organization."

Shaping a philosophy

Skinner has been forging links between health benefits and retirement since he first entered the field. Soon after graduating from the University of Maine in 1974, he went to work for Unum in its group benefits division before crossing over to the retirement side.

"In hindsight, it was really a blessing because for most — particularly insurance companies — that would be anathema to them," he says.

Skinner was with Unum for six years before joining a company called Copeland, moving up the sales ranks to national sales manager and then eventually becoming president of the company over a 25-year period. Built up to 1,200 employees, Copeland was eventually sold and split up.

It was no longer the kind of environment Skinner wanted to manage, so he and partner Bob Dughi founded USRBP in 2007, working largely in the same niche they did with Copeland: the K-12 education market.

"From the very beginning our focus was on the fusion that we believe exists between retirement and employee benefits," says Skinner.

Having gained "deep domain experience" in the education sector with Copeland, Skinner and Dughi — who is now executive chairman in charge of strategy at USRBP — were eager to continue providing a much-needed service to educators. Most school districts in the U.S., except in a few states such as Maryland, Virginia and Florida, are quite small. New Jersey and Pennsylvania, for example, each have more than 500 districts.

At that time in particular they were struggling to comply with regulations around 403(b) plans and unfunded mandates such as No Child Left Behind.

"Schools were scrambling and they were looking for any way they could to become more efficient, to reduce their costs," Skinner says. "For someone to be able to come in and say, 'We can provide you with a bundle of solutions from a single source and provide you with benefits consulting; we'll do the benefits administration, we can do your ACA compliance, we can do the compliance on your 453 and 457 plans, and can give it to you for one-stop shopping,' that's a really compelling message. It's the message we've been bringing into the marketplace and quite frankly one of the reasons we've been so successful."

USRBP currently has more than 5,000 school district clients, as well as 4,000 governmental, non-profit and corporate clients.

Many as one

Managing those clients is the task of USRBP's 34 partner firms. Although USRBP retains 100% ownership of the companies, Skinner refers to them as "partners" with a purpose. "These people have been very successful because they're entrepreneurs. So if we're going to be successful by bringing them together, I want them to feel when they walk in the door of their firm that it's

their business, even though we own it," Skinner says.

The partner firms have multiple offices clustered in New York, Pennsylvania, Texas and Florida. California is "a growing market" for USRBP as well, Skinner says, along with Oregon, Utah, Arizona, North Carolina, South Carolina, Tennessee, Michigan and Ohio.

"Our primary interest in any business we talk to is seeing if there is an alignment of values, a desire to grow and a leadership team that will remain [at the firm] to continue to lead the business," he says.

USRBP performs two types of acquisitions: strategic — "a service model or technology that we don't currently have or a geographic market that we want to enter" and tactical — "where we are 'tucking in' to a geographic space where we currently have a presence or a firm that could compliment a partner firm that is currently a part of USRBP," Skinner explains.

In 2016, USRBP purchased The Retirement Plan Company, a full-service defined contribution recordkeeping business that also provides defined benefit plan services, as a strategic acquisition. "This will allow us to provide full recordkeeping in the school, government and corporate markets, where they serve over 4,000 corporate clients alone," Skinner says.

Also in 2016 but falling under the tactical category, USRBP purchased Hillendale. The company serves more than 40 school districts in Pennsylvania, which is also the home of USRBP's largest K-12 403(b) specialist, Kades-Margolis. "By working together, they can maximize their relationships and market presence," Skinner says.

Since joining USRBP in 2010, Tyler, who is based in Texas in the same office as Dunn, has seen his business triple.

He didn't take the decision to join another firm lightly, he says, especially having successfully run his company, United Specialty Benefits, for 22 years. Tyler was first attracted to the opportunity to quickly expand his clientele beyond Texas and the surrounding states, but was also drawn to Skinner's management philosophy.

"We still run our businesses as if we were independent, but yet we have the security and the wherewithal now of a national

organization versus just a small, independently owned operation,” he says.

Future growth

As for what will drive USRBP in the future, there are three trends Skinner sees shaping the market.

First, “We think that there’s going to be an acceleration of breaking down some of these silos between retirement and voluntary and core benefits,” he says. “Fidelity getting into the benefits business, that was a wake-up call for a lot of people. We think that trend is going to accelerate.”

Second, technology overall “is going to play an increasingly important role,” he says.

And third, “The insurance industry is going to be very challenged to think differ-

ently about their organizational structures,” Skinner says.

Insurance companies currently don’t have national account initiatives to identify firms like USRBP that are excelling in both the retirement and benefits spaces. “They’re going to need to break down and look at their own structures differently.”

All advisers, Skinner says, must be collectively prepared for a move toward defined contribution on the benefits side, just as has happened in retirement. Part of that will be a greater collaboration between employees and employers about what benefits will look like going forward, he says.

Giving employees more decision power under a DC structure will “put a premium on educating,” Skinner says, so employees

“can make informed decisions and not make some uninformed or short-term decisions that may hurt them in the longer run.”

Once again, it comes back to the fusion of retirement and health benefits. “We in our markets have to really think about, what is the value delivery? That’s why things like our financial wellness center will become increasingly important,” Skinner says.

It would be a challenge to find anyone in a better place to make that connection than Skinner, says Dunn. “As a leader, Mark is not only extremely well-read and extremely well-versed in what’s going on, he ... is constantly seeking people’s input and seeking their ideas,” he says. “It’s really exciting to me to be part of it because I don’t see any limit as to where we can go and what we can deliver.” ■