



Innovative

MYTH SERIES

#3 MERGERS AND ACQUISITIONS ARE SIMPLE

With Innovative They Can Be

THE PROBLEM:

Innovative was retained to provide Merger and Acquisition support involving the qualified plans of a multi-state company with an aggressive acquisition strategy. The client contacted Innovative after the purchase of two companies and then later to consult on the divestiture of a third company. With multiple subsidiaries and more than 500 employees in five states, the company faced significant administrative challenges and costs in dealing with the different types of plans and various service providers. The client needed guidance on how to best merge the various retirement plans.

THE SOLUTION:

The Innovative Engagement:

1. Compliance Review

- Retained outside counsel to confirm that all plan documents were up to date.
- Performed an analysis of the testing results of the past 3 years to confirm accuracy.
- Form 5500 filings review.

2. Overview of Existing Plans

- Next Innovative conducted an analysis of the different plan features.
- Highlighted the differences between plans and the important items to consider when discussing the new plan.
- Recommended that the client establish a plan committee to design the new plan. Innovative led the development of the plan committee which included establishing by laws, committee appointment and acceptance letters and fiduciary training for the committee.
- Innovative worked closely with the newly formed committee to design the new plan.

3. Establishment of New Plan

- Once the committee approved our design recommendations, we drafted an RFP and circulated it to potential vendors.
- Innovative organized the RFP responses, highlighted the differences and strengths/weaknesses of each proposed solution.
- Utilizing the findings from the RFP, Innovative was able to negotiate a price reduction while adding additional testing that was needed for the new plan.

After presenting the findings, the client decided to stay with the incumbent vendor. Innovative then worked with the vendor to integrate the recent acquisitions, which included a robust communication and education strategy at the various locations. **By the end of the process, Innovative was able to consolidate the plans, reduce overall fees by more than 40%, and implement data feeds that supported consolidated, yet customized reporting across the various entities.**

Our consulting expertise relating to the merger and divestiture of plans enabled us to provide this level of complete end-to-end service. When you face complex benefits decisions, feel free to contact Innovative for a no obligation review.



FAST FACTS

- 500 employees in five states
- Private equity-owned corporation
- Mergers and acquisitions consulting

HOW WE HELPED THE CLIENT



Eased their administrative burdens



Reduced client fees by over 40%



Added fiduciary oversight services



Streamlined operations



Consolidated reporting



Designed a system with customized data feeds



PARTNERING WITH YOU TO PROVIDE SOLUTIONS

Employee Benefits | Retirement Plans | Wellness | HR Consulting

Innovative Visit us online at ibpllc.com | Call us at 888.427.7383