

Beacon Strategies

DOL Boot Camp

Compliance As Opportunity

Are you ready for the most significant regulatory change in a generation?

Department of Labor Fiduciary Rule Change Top 10 List

Beacon Strategies, LLC's **DOL Boot Camp** provides an intensive, two-day program that guides your leadership team through answering these questions and building the plan you will need to flourish in the post fiduciary environment.

1. How will the DOL fiduciary rule impact your firm?
2. Can changing your business model maintain your value proposition as a trusted advisor?
3. What are the alternatives you should consider to protect your value proposition?
4. How will the product and revenue mix of your firm be altered?
5. What operational changes to your business will be required?
6. Can you transform the required defensive investments into a proactive business strategy?
7. What does your "new" compliance regimen look like?
8. Where will higher compliance costs in tandem with reduced product revenues have the greatest impact on client profitability?
9. Can you create a new value model around expertise and AUM tailored service levels?
10. What are the critical strategic decisions that you need to make now to begin the transformation?

Beacon's DOL Boot Camp is an intensive two-day, on site exercise that provides your leadership team the opportunity to assimilate the impact of the fiduciary rule change and create a strategic framework to prosper in a dramatically changed business environment.



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Beacon's Boot Camp is a highly interactive exercise, not an abstract discussion. Tailored specifically for your business, the sessions integrate defining your regulatory obligations with creating a value proposition as a fiduciary. Beacon provides the expertise, structure and tools you need to formulate a competitive business strategy for thriving in the post-fiduciary rule change world.

Group exercises tailored to your firm include:

- Prior to Boot Camp-completing the DOL data profile
- Understanding/Integrating your legal team's guidance
- Identifying and quantifying the revenue impact
- Identifying and quantifying the operational impact
- Rule Exemption decision tree
 - » What rule exemptions are useful for our firm
 - » Cost-Benefit of adoption
 - » Incorporating the impact of adoption
- Calculating your current value proposition
 - » Current firm capabilities, utilization/adoption & perceived value
 - » Your current value score
- Your Value Deficit – How much of your current value proposition is lost under the new rule?
 - » Your client profitability heat map
 - » Your perceived value matrix

Creating Your New Expertise and Value Proposition

- » Rebalancing - What are the alternatives to rebalancing your value proposition?
- » Expertise Inventory & Value Added Balance Sheet

Building a firm strategic framework to achieve a new value proposition

- » What will these rebalancing changes require?
- » Prioritizing the decisions that must be made
- » Starting an execution roadmap –next steps



Discussions you will have at Boot Camp:

- What happens to our annuity business (variable vs. indexed)?
- Should we create an "accredited" investor class (BICE eligible)?
- Do we need to create a "lowest cost" product menu?
- What will it take to build a "non-conflicted" compliance framework?
- Is a self-directed platform a viable service strategy?
- Do we need a robo-advisor product?
- How do we segment our customers to understand de-marketing?
- How do we justify the costs of our products and services?
- Is universal risk scoring of clients practical? What do we gain?
- How does the change impact our fee-based business?

Boot Camp Schedule/Timeline

3-4 weeks prior to the On-Site: Initial Conference Call with the Boot Camp Sponsor to:

- Review DOL Boot Camp flow & On-Site logistics
- Define any specific business issues that you need to have addressed
- Gain an initial understanding of the organization and begin to identify group participants
- Review the On Site logistics (interview schedules, etc.)

Beacon will send you a DOL data profile and a supplementary information request based on the information you provided on the initial call. The profile and any additional information needs to be completed no less than 2 weeks prior to the On-Site.

2 Weeks prior to the On-Site:

- Draft Agenda provided by Beacon
- Follow-up on DOL data profile and supplementary requests

1 Week prior to the On-Site: Second Sponsor call to:

- Review DOL financial & business volume impact derived from DOL profile
- Review draft agenda
- Finalize attendees
- Finalize On-Site Logistics

Day 1: On-Site (8:30–5:30) Understanding the DOL Rule Change Impact

- Meet with Sponsor to Review any Specific Goals & Objectives
- Convene Boot Camp (through working lunch)
 - » Intros/Objectives
 - » DOL Fiduciary Change Rule Overview
 - » Quantifying the Impact to Your Firm
 - » Understanding the Rule Exemptions
 - » Calculating your current value proposition
 - » Calculating your value deficit
- Day 1 review with Sponsor
- Dinner with participants

Day 2: On-Site (8:30–4:00) Creating your DOL Rule Change Roadmap

- Convene Boot Camp Day 2 (through working lunch)
 - » Review any outstanding questions
 - » Creating Your New Expertise & Value Proposition
 - » Building a firm strategic framework to achieve a new value proposition
 - » Summary/Housekeeping
- Day 2 review with Sponsor

1 Week after On-Site

Receive Beacon summary comments and recommendations

The Boot Camp is designed to be interactive and open—Beacon will facilitate and foster participation

Model On-Site Agenda/Schedule

Day 1

A. Introduction & Objectives

B. DOL Fiduciary Rule Change

- The Basics
- DOL Rationale
- What is Effected
- Firm Impact Discussion/Summary
- Outstanding Issues

C. Quantifying the Firm Impact

Exercises

- Identifying and quantifying the revenue impact.
- Estimating the change in revenue mix
- Estimating the change to advisor compensation
- Understanding the legal impacts
- Identifying and quantifying the operational impact
 - » Operational Changes
 - » Compliance Changes
 - » Sales Practice Changes

Form/Worksheet: Utilize DOL Data Profile
(completed prior to Boot Camp)

D. Understanding the Rule Exemptions

Exercises

- Which rule exemptions are useful for our firm?
- Cost-Benefit of adoption
- Incorporating the impact of adoption
- Building an exemption roadmap

Form/Worksheet: Rule Exemption Decision Tree

E. Calculating your current value proposition

Exercise

- Current Value Proposition-current core business platform
 - » Current Service & Expertise Inventory
 - » Reviewing firm capabilities, utilization/adoption

Form/Worksheet : Current Value Score

F. Calculating Your Value Deficit

Exercises

- Customer Segmentation: which customers are most and least valuable to us
 - » Economically
 - » Strategically
- How much of our current value proposition is lost under the new rule?

Forms/Worksheets:

Customer Segmentation Worksheet
Your Client Probability Heat Map
Your Perceived Value Matrix

Day 2

G. Creating Your Fiduciary Expertise & Value Proposition

Exercises

- Rebalancing - What are the alternatives to our current value proposition?

Forms/Worksheets:

Expertise Inventory
Value Added Balance Sheet

H. Building a firm strategic framework to achieve your new value proposition

Exercises

- What operational changes do the rule change require?
- What changes will our rebalancing require?
- Prioritizing the decisions that must be made
- Highlighting the legal questions that need to be addressed
- Starting an execution roadmap –next steps

Working lunch both days



Contact Us

Beacon Fiduciary Change DOL Boot Camp

Contact us today to discuss how we can tailor the DOL Boot Camp exercise to help your firm prosper in the new fiduciary environment.

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