

## *From The Corner Office*

Dear Valued Readers,

As we step into a new year, Enterprise Iron proudly reflects on the incredible journey we've shared together. Each year brings unique challenges and opportunities, and as we look ahead to 2025, we are filled with optimism and excitement for the impactful work that lies before us.

The dawn of a new year is a time for renewal—both personally and professionally. It's an opportunity to set ambitious goals, reevaluate our strategies, and recommit to the values that drive our success. We are thrilled to bring you thought-provoking articles from some of the brightest minds in our network.

This issue contains a writeup by Jeff Evers on Data Integrity, plus a Compliance update from Margie Brown. We also introduce our latest whitepaper, *From ERISA to Innovation: Harnessing Data Modeling for Modern Retirement Services* authored by Sergio DuBois and Robert Holman. Each of these reflects our commitment to thought leadership and our dedication to equipping you with the knowledge needed to thrive.

We want to extend our heartfelt thanks to our loyal clients, partners, and team members for being an essential part of our journey thus far. Together, we can embrace the opportunities that 2025 presents, turning challenges into stepping stones while continuing to strengthen an industry that fosters growth, innovation, and trust.

Please reach out to us with any questions—we would love the opportunity to discuss how we can support you in achieving your business goals!

Best regards,

**John Crocker**  
Co-Founder & EVP  
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## ***From Boots to Data Integrity: Tackling Challenges in the Retirement Industry*** By **Jeff Evers**, Senior Principal Consultant

My career began with boots, a badge, and a patch - specifically a 1st Cav patch while serving in the U.S. Army in Ft. Hood Texas. Granted, working accident investigation, drunk driving suppression, and radar enforcement is a lifetime away from financial services and Defined Contribution plans. However, my journey also included time as a high school math and computer software teacher, experiences that provided a unique foundation for my current role as a consultant in the retirement plan industry. Being a cop and a teacher honed my ability to tackle challenges head-on, skills that are invaluable in this ever-changing, yet unchanging field like ours.

Defined Contribution plans may seem simple at first glance. A plan document, a payroll file, a recordkeeping database, a custodial account, and some reporting capabilities appear to be all that is needed. Once the plan document is signed and the custodial account set up, everything else seems straightforward: sponsors send payroll files, recordkeepers process them, custodians complete trades, and participants receive quarterly statements and year-end reports. Simple right?

### **The Challenges**

Not quite. What complicates the process (that I didn't mention above and in no particular order), are the numerous variables and unforeseen issues: distributions, loans, beneficiaries, transfers, QDROs, payroll inconsistencies, and a host of interface challenges—to name a few. Add to this the ever-changing regulatory requirements that create more complexity with each act that's passed and the simple isn't so simple after all, and we aren't finished yet - there is this not so little thing often referred to as "data". No, not the android from *Star Trek: The Next Generation* (and yes, Kirk is the superior captain every day of the week), but the data provided by plan sponsors, vendors, custodians, and others.

The backbone of the Defined Contribution industry is data, and it's amazing that in the midst of ever-changing regulations and technology, data is the never-changing

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instrument of frustration that makes all of the above more complicated than one could imagine. Combine this with the constantly increasing need for more and more data, and this never-changing “instrument of frustration” becomes overwhelming. You may be thinking, “If we need more and more data, how can it be ‘never-changing’? That’s a great question.



Data needs change based on systems, experiences, regulations, and other factors. What doesn’t change is the quality of the data. Plan sponsors still send census and payroll data that isn’t correct, participants provide incorrect information, advisors provide incorrect information, fund companies provide incorrect prices, and even prior record keepers provide insufficient and incorrect information.

These are just a few of the means by which the data integrity of most recordkeeping systems is compromised. The struggle to maintain data integrity is real and complex and, based on my experience, is the root problem of most issues we see in the recordkeeping industry today. And if I were to venture a guess, incorrect data is the cause of most errors experienced in any recordkeeping environment, whether daily or balance forward (yes, some of these plans still exist). Data gathering, analysis, and validation are where most time is spent by those in the recordkeeping business (aside from keeping up with the never-ending regulatory changes).

### The Impacts

The risks created by bad data are substantial and the associated costs enormous. **A 2022 [whitepaper](#)**, authored by DCI out of London, indicates that poor data

costs organizations \$12.9 million per year, and with our ravenous need for more data, this number is growing. However, cost is not the only factor associated with bad data, nor the most important. Risk, in all of its forms, is the most important factor, whether it is a Fiduciary risk, Staff Maintenance risk, or that most important risk of all – Reputational risk. The risks associated with managing poor data are significant so let’s look at how these risks are realized, their impacts, and some associated costs.

The following are some real-life examples from my career as an *Implementation Manager, Director of Operations, Pension Administrator, and Consultant.*

### Example 1: Plan Sponsor – About Your Payroll File

**Background:** A new client with 26,000 employees and a high turnover rate faced significant challenges due to incorrect and inconsistent payroll files. The plan sponsor struggled to provide accurate data, with issues such as bad dates of birth (DOBs), incorrect dates of hire (DOHs) and termination (DOTs), incorrect salaries, and incorrect Social Security numbers (SSNs). This steady stream of bad data led to ongoing problems, including DOP issues, vesting issues, testing complications, processing delays, and reporting inaccuracies.

**Risks & Costs:** The financial costs to the plan sponsor were substantial. The service agreement included time and expense (T&E) charges for addressing these consistent errors, resulting in an annual bill six times higher than what it would have been with clean data.

**Solution:** Collaborating with the sponsor and their payroll team, over two years, including onsite support, resolved the data inconsistencies. Once accurate data was provided, T&E costs dropped significantly, and the plan began operating smoothly with minimal issues.



**Example 2: Vendor – We’ve Always Done It That Way**

**Background:** An onshore vendor assumed processing duties for the recordkeeping company. During this time, the vendor incorrectly processed forfeitures for approximately 1,500 plans, erroneously forfeiting the non-vested account balances of all terminated participants in the system. This error led to incorrect trades totaling ~\$670 million.

**Risks & Costs:** The incident caused severe financial and reputational damage. The vendor was financially responsible for funding losses to plans that experienced them and lost significant revenue as client fees were impacted. The recordkeeper bore high staffing costs to resolve the issue and suffered a 15-20% loss of business due to reputational damage. It took two years to correct all impacted plans, further straining resources.

**Solution:** A comprehensive recovery effort. This was a boots-on-the-ground scenario where we worked to identify and restore impacted participants who were erroneously forfeited immediately. Once that was done, we had to calculate the financial impact on 1,500 plans. This was done by reconciling the cash for each plan before and after the correction and allocating gains as earnings and funding losses.

**Example 3: Fund Company – The Price Isn’t Right**

**Background:** A fund company transmitted incorrect pricing for their underlying assets unitized into various investments. This error affected all trades involving the unitized funds, including distributions, contributions, loans, and transfers. The resulting errors required extensive manual corrections and plan reconciliations to identify gains or losses.

**Risks & Costs:** The financial burden fell entirely on the recordkeeper, including increased staffing costs and responsibility for funding losses caused by pricing errors. Reputational risk also loomed, as such errors undermine trust in operational reliability.

**Solution:** All transactions involving the impacted investments were reviewed and corrected. System-wide price and balance corrections were implemented, and participant records were updated through trading and non-trading transactions for distributions, transfers, and contributions.

**PMCS: Preventative Measures Checks and Services**

I began my career with boots, a badge, and a patch, tackling challenges head-on sometimes literally – in the line of duty. Transitioning from those experiences to teaching math and ultimately consulting in the retirement industry has been a transformative journey. Each step has built a depth of expertise that allows me to address one of the industry’s most understated and critical issues: data integrity—the elephant in the room.

In the Army, we used PMCS: Preventative Measures Checks and Services, to mitigate equipment failure. This process includes routinely checking equipment to identify and resolve issues on a regular basis before it fails. Similarly, in the retirement industry, bad data originates from numerous sources – not just plan sponsors. In a field driven by an insatiable appetite for data, an ounce of prevention is worth tens of thousands of dollars in cures.

As highlighted in the examples above, poor data quality leads to financial, operational, and reputational risks. However, there are proven solutions to mitigate these risks, and none are more essential than preserving reputational risk. At Enterprise Iron, we are dedicated to helping our clients tackle data challenges head-on. By offering tailored solutions for Plan Sponsors, Recordkeepers, and Vendors, we enable businesses to achieve the data integrity needed to optimize operations and drive success!



**Case Study:**  
**Retirement Services Data Modeling**  
With our Agile approach and technology expertise, the first-ever canonical data model was produced by this Retirement Services LOB.  
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**WHITEPAPER**

**Unlocking the Future of Retirement Services with Data Modeling**

By **Sergio DuBois**, Director of Solutions Architecture

**Robert Holman**, Enterprise Solutions Architect

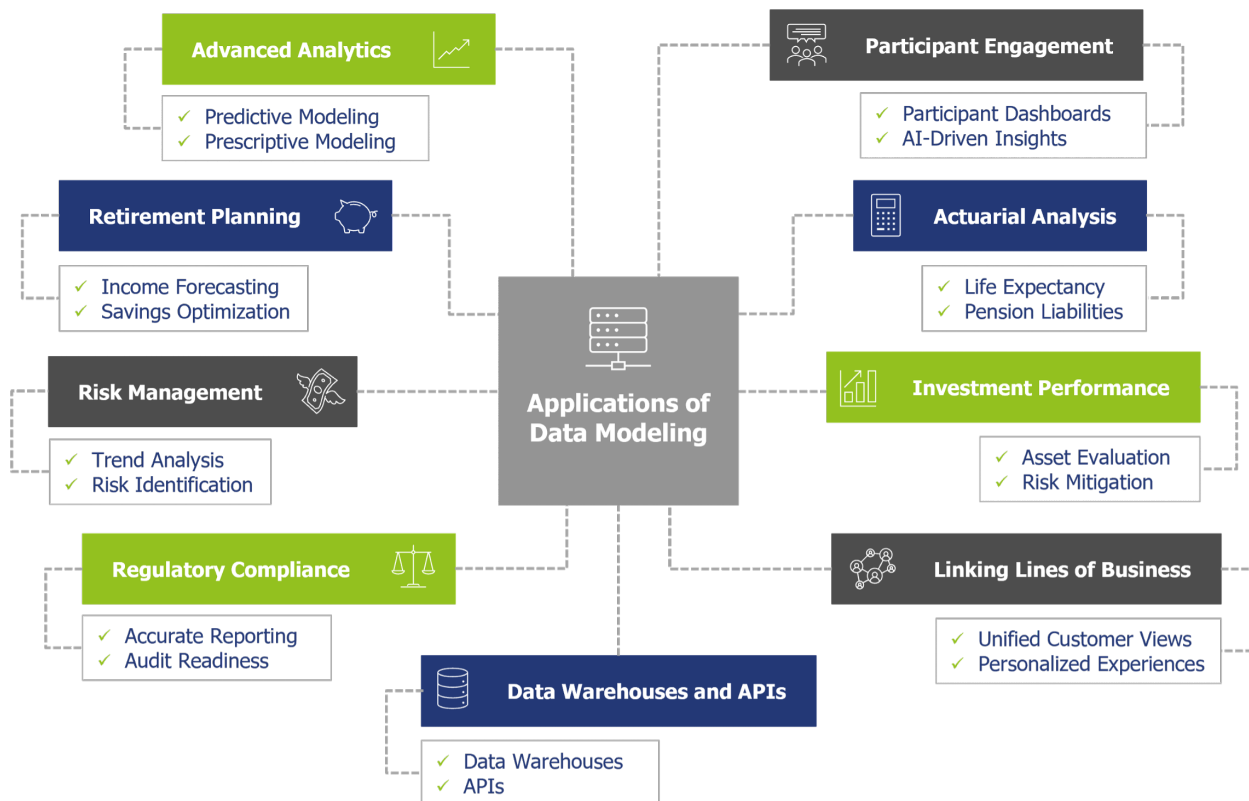
The retirement landscape has evolved significantly since the introduction of ERISA in 1974, transforming from simple manual processes to sophisticated, data-driven strategies. We're thrilled to introduce a brand-new whitepaper from two of our IT experts—Robert Holman and Sergio DuBois—as they explore the transformative power of Data Modeling in retirement services. Dive in to discover how Data Modeling simplifies complexities, enhances participant engagement, ensures compliance, and drives innovation.

**Key highlights include:**

- Streamlining operations and boosting efficiency
- Leveraging advanced analytics and AI for personalization
- Ensuring regulatory compliance and mitigating risks
- The essential role of data integrity in creating reliable, actionable insights

Gain a competitive edge with real-world applications, an implementation roadmap, and success stories from industry leaders. **Read the full whitepaper** on our website and contact our team to discuss how Enterprise Iron empowers retirement service providers to harness Data Modeling for growth and participant satisfaction!

Ready to transform your retirement strategies? Call 888.242.4682 or email [info@enterpriseiron.com](mailto:info@enterpriseiron.com)





## Revolutionize Retirement Plan Document Systems for 2025

By **Margie Brown**, Principal Consultant

Now that we begin the New Year 2025, what better time for a change to revolutionize and improve your fast-changing evolving business. Are you considering switching retirement plan document systems?

Due to ongoing regulatory updates and plan restatements impacting plan documents, we are noticing a growing trend in the retirement plan industry. Plan providers are taking this as an opportunity to explore changing their plan document systems as a solution to improve compliance demands. Setting the framework to change software or methods used to create plan documents can sometimes seem like an arduous endeavor. However, the need to meet regulatory requirements, reduce costs, improve efficiency, and desire for improved service support are big motivators for this decision.



Below are some key tips to consider when in the market for a new plan document system provider:

- **Ensure Compatibility:** Verify that the new system supports all your document types (e.g., pre-approved defined contribution plans/ESOP/403(b)/457(b)/defined benefit).
- **Communication Capabilities:** Check for the ability to produce participant communication and notices like SPD, safe harbor notices, and annual communications, with batch generation where applicable.
- **Regulatory Update:** Confirm the system will provide you with regulatory document updates and amendments.
- **Error Checks:** Look for data entry safety measures to avoid costly mistakes.
- **E-Signature Support:** Ensure the system allows for electronic signatures and delivery for cost-effective operations.
- **Ease of Transition:** To lessen disruption, verify that the new system is user-friendly enough for staff to ease into a seamless transition.
- **Support and Training:** Assess the level of customer support and availability of training resources.
- **Client Benefits:** Consider whether the new systems improves service delivery for your clients.
- **Additional Features:** If needed, explore if the same system will support nondiscrimination compliance testing and annual 5500 reporting support.
- **Pricing Transparency:** Discuss the cost structure to ensure alignment with your budget.

There are several firms in the industry to choose from that support plan document creation. So before making a final decision, pick a few, set up a time for them to show you a demonstration of how the system operates and get to know the firm. Take this opportunity to ask questions and explore what system will best benefit your firm and clients.

### Transitioning with Enterprise Iron

If you're ready to upgrade your document creation system, Enterprise Iron is here to help. Whether you're developing a proprietary system or partnering with a service provider, we ensure a smooth transition through collaboration and expert guidance.

### Streamline Compliance Today!

Our tailored solutions integrate seamlessly with your team to bridge knowledge gaps, enhance efficiency, and reduce costs. Email [compliance@enterpriseiron.com](mailto:compliance@enterpriseiron.com) to chat with one of our Compliance Experts and browse our **Case Studies** to learn more about our measurable impact that can prepare your firm for success in 2025 and beyond!