

## Retirement Planning Online

### A look at TheOnline401K.com

By Colleen O'Connor Grant

Advisors who want to grow their business in a cost effective manner need to adopt an offensive strategy when it comes to the Web—one that puts the Web to work for them. On that note, check out [TheOnline401K.com](http://TheOnline401K.com). Launched in 1999, this online resource caters to financial advisors. The site offers a soup-to-nuts approach to managing 401(k)s, with the benefit of speeding up the flow of information.

Many fee-only advisors are hesitant about moving into the 401(k) universe, thanks largely to the administrative burden required in managing these plans for their clients. What if much of the chronic paper work maintenance was more easily managed and the monitoring process streamlined?

That's the concept for TheOnline401k, which grew out of CEO Chad Parks experience running a financial planning practice as a fee-based RIA. Parks says he found that he had certain organizational and administrative-related needs pertaining to 401(k)s and was frustrated by the lack of products available for advisors. He made the leap from RIA to entrepreneur in the 1990s when spied a growth market in the 401(k) universe.

"The under-50 employee businesses are a great market opportunity," says Parks, noting the onus on retirement planning has fallen much more on the backs of the individual employee as well as the employer in recent years but the needs of these communities are underserved.

"We have a hands-on approach. We can help a trustee choose funds if they need assistance, as well as with ongoing education. However, we don't put our hands on the assets and that's significant," Parks adds.

TheOnline401K divvies up its customer base depending upon the number of employees tied to the plan: 2-10, 11-30 and 31-50 employees. It also has a product called the "Single K" aimed at folks who are flying solo. The platform offers both customized mutual fund lists and pre-packaged mutual funds from about 15 different mutual fund companies and advisors have a choice of three custodians: Charles Schwab, Matrix or TDAmeritrade. Designed with co-branded approach in mind, TheOnline401K will create customized Web pages—featuring the advisor's logo for example—for use by the plan participants.

So how does this all play out? Say a plan participant wants to tap his/her 401(k) savings for a loan to purchase a first home. Parks says that by using his system the loan request, the appropriate paperwork and the approval process could be executed in less than a week in many cases. All the while, the client and the financial advisor are kept in the loop via automatically generated emails.

Charges for TheOnline401K start at \$145 per month for the 2-10 employee group and increase from there. Parks stressed that TheOnline401k.com does not charge any asset-based fees nor does it earn any commissions from fund sponsors.

#### The Power Points:

**Who:** TheOnline401k.com.

**What:** Web-based 401(k) management system for advisors aimed at their small- to mid-sized clients.

**Where:** Scalable, password protected platform available to both advisors and plan participants.

**When:** Launched in 1999.

**How (Much):** Charges start at \$145 per month and increase depending upon the number of plan participants.

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