

Keith J. Gredys

On Kidder Advisers' approach to personalized wellness

As founder of Kidder Advisers Inc. in Clive, Iowa, Chairman and CEO Keith J. Gredys wants his clients to know that his advisory and consulting firm is there to answer all questions. "That's where our branding of 'Ask Kidder' came from," he says. "If there are questions, you can ask Kidder, and either we'll have the answer, or we'll find someone who does." Managing Editor Judy Faust Hartnett spoke with Gredys about customizing wellness for plan clients.

PLANADVISER: What comes to mind when you think of personalized wellness?

Keith Gredys: Personalized wellness is a combination of financial, physical and emotional/mental wellness. At Kidder, we prefer to use the term "financial health" because most people understand and have a personal reference point relating to "health" versus "wellness," which can be more abstract. While our expertise is in financial health, we need to understand where a client may be in terms of physical or emotional health. Otherwise, how do we prepare a personalized plan?

PA: Do you see the trend toward personalized wellness growing, and, if so, why?

Gredys: Personalized wellness has always existed and been utilized to some degree by advisers. The "know your customer" rule, for many higher-end retirement and wealth advisers, incorporates personalized recommendations that consider a holistic view of the client's life. Looking back to my trust company days, managing not just retirement plans and investment accounts but also personal trusts, we needed to understand the trust beneficiaries' circumstances in order to make sound discretionary fiduciary decisions. The retirement and wealth adviser world needs to incorporate more of the methods we used with personal trusts in regard to client relationships.

For many, the issue with "personalized" is profitability. Does personalized mean face-to-face communication, or is it the use of personalized technology? How personalized is it for a client with a small account balance? How does the adviser charge? An asset-based fee may not produce sufficient revenue. And an hourly fee may be too costly for smaller-balance clients.

As a result, there's a limit on truly person-

alized wellness involving human interaction. To reach profitability, a certain degree of standardization and use of technology will be necessary. That takes away from observing cues and having that client open up and reveal true needs and goals. So, there's a give and take, and presumption that some personalized wellness is better than none.

PA: How does retirement savings fit?

Gredys: It's part of the financial accumulation stage of life to hopefully get you to the point at which you're financially secure and enter the decumulation stage, where you can choose to retire or continue to work, as compared with have to work. Each person/couple/family is unique. There may be general standards that can be followed, but they need to be adjusted to meet the situation each person has.

PA: What tools and programs can be used to provide personalized wellness?

Gredys: The starting point is getting someone to create a balance sheet and an income and expense statement, and then put down his needs and wants or goals. From there, he can determine how much savings he will need and when and what additional services or products are required to accomplish those goals. This is what basic financial-planning-type services cover. Various programs and apps are available, some of which we have utilized. However, as our clients are in the smaller-plan market, an Excel spreadsheet may not be pretty, but it is straightforward and can be adaptable.

In the defined contribution [DC] space, most recordkeepers have easy-to-use planning tools that can incorporate DC plans and outside assets, and also include budget planning. This may be sufficient for the masses, but most people need guidance on how to use and interpret the results. From a wealth-planning perspective, gap-analysis-tools as well as life-insurance, disability-insurance and other insurance needs analysis are also available.

I'm a proponent of KISS—keep it simple, stupid. Clients' eyes can glaze over if you get too complex. A big, comprehensive, personalized wellness plan might be good one day, then something happens that will change the whole thing. We want to build flexibility into plans.



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