



Interview with  
TIM WULFEKUHLE & SCOTT MERRIMAN

## NORTHWEST 'PASSAGE'

**N**WPS has been referred to as the “largest recordkeeper nobody has heard of”—though the retirement plan recordkeeping, administration, actuarial, consulting, compliance and participant services firm today provides support with a fully open architecture approach to more than 1,100 companies with 425,000 participants and \$45 billion in retirement savings across a wide range of organizations. Their size is a testament to their approach to the marketplace. Pure conflict-free solutions designed with a singular purpose of servicing advisors and their clients better than any of the bundled providers they compete with in the marketplace. NWPS serves and supports plans in a wide variety of sectors, including corporate, non-profit, Taft-Hartley, religious organizations, and tribal groups. They currently support managed account services, and offer a Pooled Employer Plan (PEP), expanded from an already established Multiple Employer Plan (MEP). The firm, a wholly owned subsidiary of Raymond James since December 2020, remains an independent business channel of that firm.

As the recordkeeping industry undergoes another wave of consolidation, NAPA Net sat down with NWPS CEO Tim Wulfekuhle and Scott Merriman, Managing Director—Financial Advisor at RBC Wealth Management, to talk about their partnership, consolidation’s impact(s), and the power of a customer-centric relationship.

**NNTM: Tim, is there a “typical” NWPS client? Or a type that is a really strong fit? What’s the average service tenure?**

**WULFEKUHLE:** We’re known for our ability to handle “messy” plans, those that are complex, customized, really outside the box, and we’ve done so while maintaining an average client tenure of more than a decade. While we’re not really in the start-up market

right now, that will change when we launch our Pooled Employer Plan, Star PEP. We’re actually converting our current open MEP into a PEP, and that will not only provide a smaller plan solution but allow us to do the recordkeeping and administration for other providers. We’re also a good partner for those plans and advisors that don’t want their participants monetized and solicited for other products.

**NNTM: Scott, are there areas that you focus on, plan type or size, location(s)?**

**MERRIMAN:** It’s primarily based on geography. Most of my clients are in the Pacific Northwest, what we’d consider mid-market: \$20-\$200 million in assets, with 1,000-5,000 employees. As of this interview, my team supports about 200 plans, and about a third of those are with NWPS. We have what I consider to be the luxury of exposure to about 20 different recordkeeping platforms, so we get to see who does what well, promises made versus promises kept. We support lots of plans that have complications, which have unique service needs. A consistent theme, however, is that they are clients willing to pay reasonable fees for extraordinary service.

**NNTM: We often hear that recordkeeping is a “low margin” business—some even disparage it as a “commodity”—how do you continue to make the investment(s) in people and technology to “keep up,” and still be profitable?**

**WULFEKUHLE:** It is fair to say that nobody really appreciates recordkeeping until it is wrong. We’re expected to be 100% correct, 100% of the time. We think people are the most important investment and you partner on technology, as we do with FIS, to pool development over multiple recordkeepers. As an independent, our competition really isn’t other independents, it tends to be

bundled providers, so partnering with other independents on technology makes sense.

**NNTM: Scott, as an advisor what do you look for in a recordkeeping partner?**

**MERRIMAN:** Everybody has great technology—the big shops might have more bells and whistles—more “bling”—and some plan sponsors like more gizmos, others more direct. We look for the people—the people behind the scenes, doing the administration—we get to see those people, and how they perform on a daily basis. With NWPS the “secret sauce” is they hire great people, and don’t have the revolving-door type of turnover you see in some shops. They also work to match similar type clients with the same relationship manager—and they are willing to make a change if things aren’t working out. Bottom line: people are what make the difference.

**NNTM: Seems as though every 10-12 years of so, a consolidation “wave” hits the recordkeeping industry, and we seem to be in one of those waves right now—in the midst of dynamic legislative and regulatory changes. Tim, how has NWPS navigated those challenges?**

**WULFEKUHLE:** We’ve been through two rounds of private equity and our latest acquisition by Raymond James. In all three of these transactions, our objective was to remain independent if at all possible, and we have been able to do that. Private equity allowed us to scale through acquisitions, which allowed us to invest more in the business and retain our advisor partnerships by not competing with them.

**NNTM: Speaking of consolidation waves, plans that have been subjected to a change in recordkeepers have arguably just made a fiduciary choice. Scott, do**



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**you find that those enforced changes spur plan sponsors to consider making a recordkeeper change, or do they simply “adjust”?**

**MERRIMAN:** I look at that as part of our responsibility—to review providers, and to make sure the plan sponsor client is happy with the service they receive. Consolidations are opportunities for us because they can create unhappy plan sponsors.

**NNTM: We all know that changing recordkeepers—like moving a home—can be a big undertaking, one that plan sponsors tend to put off in the absence of a service problem. When plan sponsors “discover” NWPS, what are they most surprised to learn?**

**WULFEKUHLE:** I think they discover that the service model is very different than they are used to. We have not gone down the

functionalization service model that I think most recordkeepers operate under today. We assign a few named people to each client, and they do everything for that client, from payroll processing to compliance testing, to client and advisor support. That means one phone call to a named person who knows everything going on with the plan, and can get you an answer.

**NNTM: Scott, what's the one big question advisors don't ask about their recordkeeping partner?**

**MERRIMAN:** As I said before, everyone seems to have good technology—that's the “commodity” in the space. It's the people that make the difference. NWPS brings in the person that will actually do the work. I think Tim's said that they involve the relationship manager in the conversion process so that if they do create a mess, they'll be the one to have to clean it up.

**NNTM: What are we going to be talking about 10 years from now?**

**MERRIMAN:** I think we'll look back at the continued push to automate action on behalf of those who don't take actions—things like automatic enrollment—and say, “why didn't we start that 10 years earlier?”

**WULFEKUHLE:** I think we'll be talking about how much market share PEPs have taken. After all, why isn't retirement like health insurance—sponsors choose a provider, send in their contributions, and the provider handles everything from there, including the liability? However, it's important to have a good advisor partner, because a bad advisor risks every relationship, not just their own. It's about people, about trust. You have to trust in the partnership—both the platform, and that the people working with that platform take their responsibility seriously.