

## **Stephen Butler, President and founder of Pension Dynamics Corp.**

**San Francisco Business Times - by Laila Kearney**



Stephen Butler, President and founder of Pension Dynamics Corp.

**What it does:** Designs, implements and runs retirement plans, such as 401(k)s.

**HQ:** Pleasant Hill.

**2009 revenue:** \$3.1 million.

**Employees:** 25.

**Founded:** 1978.

**Source of startup capital:** Sold an employee benefits business (health insurance).

**Background:** Went to Harvard College and UC Berkeley School of Business. Officer during Vietnam.

**Age:** 66.

**Residence:** Lafayette.

**Website:** PensionDynamics.com

## **Big picture**

**How's business:** Business is very good, especially compared to this time a year ago. Business owners have recovered enough that they have the time and interest to improve their retirement plans; our pipeline of prospective customers has opened up again.

**Biggest challenge for your business:** It has always been training people to operate what is a very complicated business given the multitude of rules (related to) operating a retirement plan. Beyond that, it's improving our level of efficiency.

**What will change at your company in the next year:** The congressional mandate to disclose all otherwise hidden fees in retirement plans. We've been disclosing them for 30 years, so that works in our favor.

## **Business moves**

**Reason for starting business:** Out of all the different employee benefits, we found retirement plans to be the most complex, and we found that to be a barrier to entry for competitors.

**Most difficult part of decision:** Getting enough plans, initially so that we created momentum and credibility as a retirement plan administration organization.

**Biggest business strength:** The ability to describe sophisticated, important financial concepts in simple, understandable terms.

**Biggest business weakness:** Organizing my time efficiently.

**Biggest mistake:** Failing to recognize soon enough when an employee was not becoming an integral part of our company culture.

**Smartest move:** Writing a book in 1996, "The Decision-Maker's Guide to 401(k) Plans." It created national recognition and led to U.S. Department of Labor hearings, where I testified on the subject of hidden fees.

**Biggest worry:** That (Washington) would change the tax laws or in any way discourage the future growth and popularity of 401(k)s.

## **Work routine**

**Most challenging task:** Getting through my long list of phone calls and meetings.

**Biggest frustration:** Making an effective sales presentation and (then) a competitor gets the business for one reason or another.

## **Dreams**

**First move with capital windfall:** Hire more sales and marketing people to help accelerate the growth of the company, along with more financial educators to spend more time with plan participants.

**Inducement to sell:** Some kind of a health problem. I enjoy what I'm doing so much that retirement isn't in my game plan right now.

**First choice for new career or venture:** I just can't imagine any other career that I'd enjoy more.

## **Personals**

**Most-admired entrepreneur:** John Bogle, founder of Vanguard Funds.

**Favorite pastimes:** Golf, skiing, sailing. I play acoustic bass violin.

**Favorite book:** "The Big Short" by Michael Lewis.

**Favorite film:** "Casablanca."

**Favorite restaurant:** Yoshi's in Oakland.

**Favorite destination:** My summer home on Isle au Haut, an island off the coast of Maine.

**What's on iPod:** Mostly jazz piano because I play in a jazz trio.

**Automobile:** Audi S4 convertible.