

PLAYING THE MARKET

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JUNE 2006

# CENTRAL IOWA BUSINESS



**Midwest Region  
Business Center**  
*Giving Business Owners An Edge*

**Inside This  
Issue!**

**Whiteline Lofts**





## COVER STORY

# Insurance From The Principal Giving Business Owners an *Edge*



By Jill Brimeyer

When CEOs and HR professionals lie awake at night, often the inner dialogue goes something like this: In today's employment market, how can we recruit and retain the key personnel we need

to be competitive? And with ramping health care costs and an unpredictable market, how can we continue to look after the security of employees and their families without compromising the bottom line?

The answers are complex. So complex, in fact, that more and more business owners are turning to companies such as the Principal Financial Group® (The Principal®) to serve as a one-stop shop for everything from 401(k) plans to executive benefits and exit planning strategies.

"Most business owners don't have time to think about or worry about these things, because they're so busy running the business," says Larry Reelitz, Regional Managing Director of the Midwest Region Business Center of Principal Financial Group. "All of these issues for a business owner are very complex, and it's impossible for one person to know everything about all of them."

The Principal Financial Group has been dedicated to the small and medium business (SMB) market—typically 500 employees or fewer—for decades, and is also a long-time leader in employee benefits. The Midwest Region Business Center, which has been operating in the Des Moines area for 60 years, caters to Iowa, Illinois, Missouri, and Kansas. The Midwest Region Business Center ranks in the top 50 insurance and financial services firms in the United States designated as a National Masters financial services firm by GAMA International (mostly recently awarded in 2005).<sup>1</sup>

## THE TEAM ADVISOR APPROACH

There's no scarcity of offerings available in the insurance and financial arena geared to the SMB market—especially in the Des Moines area. But what has been missing, says Reelitz, was the combination of a high level of expertise in all specific areas and consistent customer relationship management. So the Midwest Region Business Center embarked on a business model that's discussed in the industry, but seldom implemented: the team specialist approach. Three years ago the Midwest Region Business Center formalized a working model, in which seven "key producers" (featured on the front cover) from the Midwest Region Business Center were identified to

<sup>1</sup> The Master Firm Award (MFA) is designed to recognize those agencies or firms who have reached a minimum of \$4,800,000 in first year production credit during 2005.

**Kendall S. Kruger,**  
Principal Life  
Financial  
Representative,  
Princor Registered  
Representative

- Specializes in key person benefits and personal planning
- 18 years of sales and marketing experience

• 9 years with the Principal Financial Group  
"My passion is to put together plans centered on the business owner with ways for him to reward and retain key employees," says Kruger.



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**Robert G. Burmeister, CFP®, CPA\***  
Principal Life  
Financial Representative,  
Princor Registered  
Representative

- Specializes in wealth management and key employee benefits
- Graduate of The University of Northern Iowa, Accounting

• 13 years with the Principal Financial Group  
"I am dedicated to helping my clients design and manage a portfolio that best suits their particular needs and financial objectives," says Burmeister. He adds that in the employee benefits arena, as well, he strives to "develop solutions for clients and their key employees that will benefit the organization." \*CPA does not provide tax or accounting services on behalf of the companies of the Principal Financial Group®.



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**Sean P. Mullane,**  
CFP® Principal Life  
Financial Representative,  
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Representative

- Specializes in wealth management and retirement planning
- Graduate of Drake University, Business Administration – Insurance

• 17 years with the Principal Financial Group  
"I ask my clients a lot of questions to have a clear understanding of their goals and objectives," Mullane explains. "Then I make recommendations to help them reach those goals and objectives. Together, we monitor the progress and make enhancements as needed."



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collaborate by drawing on one another's specialized knowledge.

"Each of [the seven key producers] developed their own business models and decided that they wanted to specialize in the business market," explains Reelitz. "They saw that the best way they could serve business owners from a broad perspective was to have relationships with other producers who specialize in a wide variety of specific areas, and bring them in when it was appropriate."

These financial professionals maintain their own client base, but meet with each other at monthly board meetings and often pull each other onto client teams as circumstances dictate. "It's like a group consulting concept, where one is the relationship manager, and depending on the specific need to the client they'll bring in someone with specific expertise in an area," says Reelitz. "If the person that's qualified on wealth management has a client with a 401(k) plan issue, then they would bring in the 401(k) plan specialist to work with their team."

#### EXPERTISE, WITH A DIFFERENCE

The group pools its approximately 120 years of combined experience in financial services to work with business clients in three main areas:

- Business planning: group benefits, key person, exit strategies, and retention and rewards for key employees,
- Executive personal strategy: retirement, wealth and risk management strategies, estate planning, and tax liability strategies, and
- Employee personal strategy: retirement planning, risk analysis, investment strategies, financial literacy, and asset allocation modeling.

Again, these are all factors that can be handled by any good business specialist. But the major differentiator for the Midwest Region Business

*continues on next page...*



Above: The Principal Financial Group—Midwest Region Business Center Team specializes in serving the small and medium size business market. (Sitting, left to right): Sean P. Mullane, David MJ Hebert, Joel M. North (Standing, left to right): Kendall S. Kruger, Robert G. Burmeister, Michael B. Shumway, Bruce E. Breeding.

*"In the Midwest, it's all about integrity and reputation..."*

LARRY REELITZ,  
REGIONAL MANAGING DIRECTOR OF THE  
MIDWEST REGION BUSINESS CENTER OF  
PRINCIPAL FINANCIAL GROUP

**David MJ Hebert**  
Principal Life Financial  
Representative, Princor  
Registered Representative

- Specializes in executive compensation and estate planning strategies
- Graduate of Drake University, Investment Finance
- 13 years with the Principal Financial Group

"Most business owners are so busy doing the things necessary to make their business successful they haven't taken the time to plan," says Hebert. When he meets with a client, he evaluates their existing plans and explores new strategies, while working in tandem with their existing advisors. "This leads to creative, custom solutions that are efficient and effective in addressing their specific needs."



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**Joel M. North, CFP®**  
Principal Life Financial  
Representative, Princor Registered  
Representative and Financial  
Advisor

- Specializes in executive compensation strategy and personal planning
- Graduate of The University of Northern Iowa, Marketing and German
- 16 years with the Principal Financial Group

"I help responsible, forward-looking people and businesses create, accumulate, and preserve wealth," says North, who adds that he strives to offer creative solutions to help clients gain confidence about their financial future. In compensation strategy, he keys in on the select group of "high impact" employees who are instrumental to the success of the business. "I specialize in the design and help with implementation of programs to recruit, retain, and reward those key employees," he says.



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**Principal**  
Financial  
Group™



COVER STORY *continued from previous page...*

## HOW WOULD YOUR FINANCIAL STRATEGY FARE?

Michael B. Shumway, Principal Life Financial Representative and Princor Registered Representative, specializing in qualified plans and employee benefits, and Bruce E. Breeding, Principal Life Financial Representative and Princor Registered Representative, specializing in exit planning and estate planning strategies, weigh in on financial faux pas they're seeing in Iowa businesses.

- Retirement plans that have not completed a fiduciary review for several years, or ever.
- Companies that are receiving less than adequate service and benefits in return for their fees.
- Lack of an investment policy statement.
- Very little investment menu diversification.
- High investment management fees.
- Sub-standard returns relative to benchmark and peer group averages.
- Little or no plan participant education or personal contact.
- Not planning far enough ahead for a business exit strategy, potentially compromising the quality, or even possibility, of retirement.
- A full 48 percent of employees have never even tried to determine how much money they'll need in retirement.

Center of the Principal Financial Group, says Reelitz, is in the process that is used as much as it is the depth of expertise that is available.

"Most of our clients find that the thing they appreciate most is that we don't approach them with a solution looking for a problem" he says. "We help clients identify the problem by defining objectives and helping quantify where they are short or where they need a new strategy. And then we start to formulate the solution based on their particular situation."

Another advantage for clients comes through the Preferred Product Network, Inc. (PPN), which gives Principal Life access to a full range of products from more than 200 different carriers. This allows our producers the independence and objectivity to make the best selection possible based on a client's particular needs, and also offer their clients the choices they demand.

In the years that this team concept has been implemented, results have been extremely positive, says Reelitz. This group has worked together to help companies retain and reward key employees, create comprehensive employee benefit packages, reduce income tax liabilities, assess risk, and create business exit strategies. But they also offer another key ingredient that's especially important in the market the group serves.

"In the Midwest, it's all about integrity and reputation," he says. "People say what they mean and they mean what they say, and that's what we build our relationship on—trust, integrity, and doing the right thing for the client. It's all about making recommendations that you would make for yourself in the same situation." ■

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**Michael B. Shumway, Principal Life Financial Representative, Princor Registered Representative**

- Specializes in qualified plans and employee benefits
- Graduate of Creighton University
- 23 years of sales and sales management experience
- 11 years with the Principal Financial Group

"I have a strong desire to help people and I am committed to discovering and understanding my client's needs," says Shumway. "My dedication to personalized service brings experience in developing and maximizing planning strategies that help provide innovative solutions with flexibility and choice. My goal is to provide a framework to successfully minimizing guesswork, while earning trust, and adding value to the complete solution."



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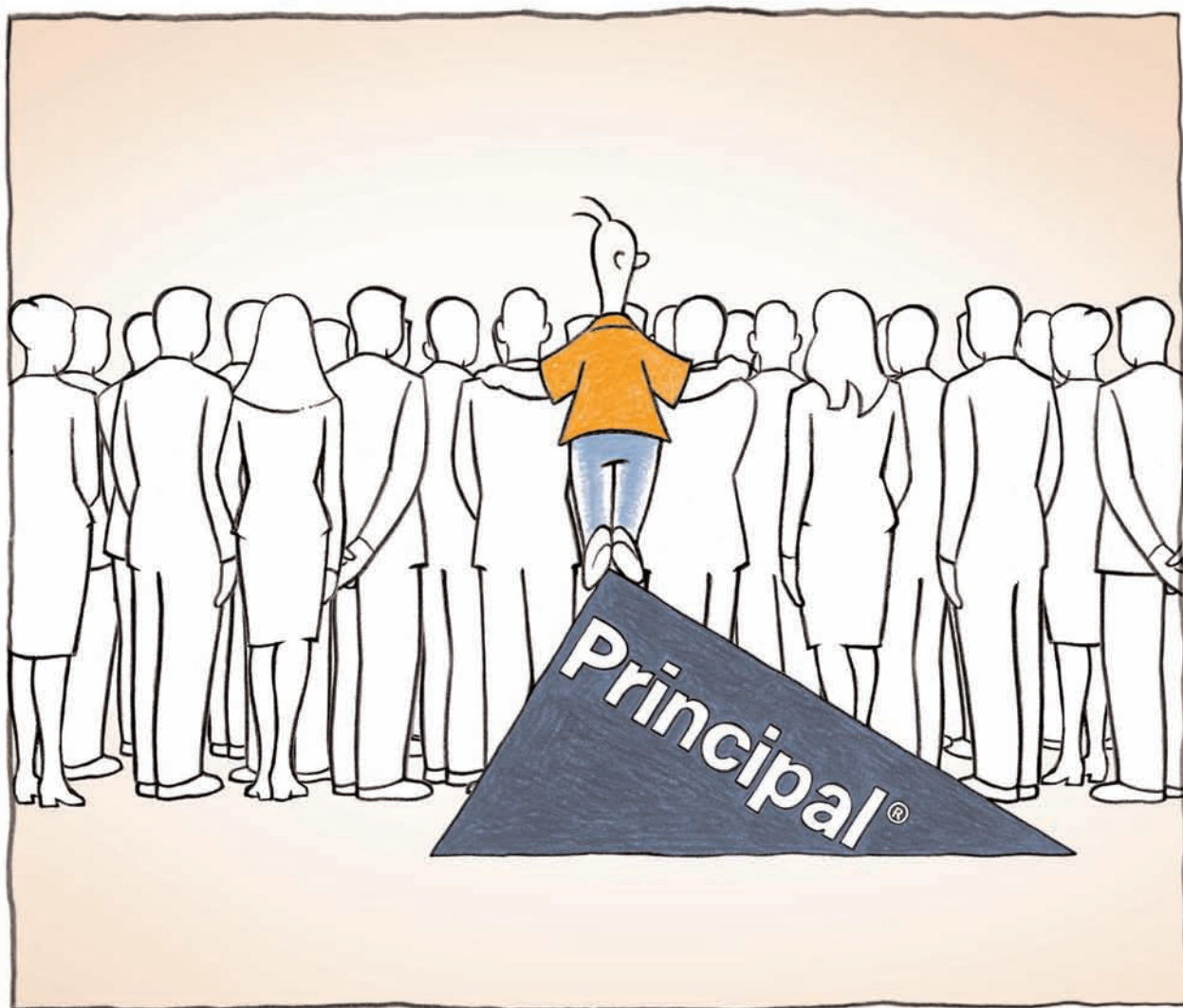
**Bruce E. Breeding, JD\*, CLU, ChFC, Principal Life Financial Representative, Princor Registered Representative**

- Specializes in business exit planning and estate planning
- Graduate of Drake University Law School
- 27 years of financial service experience

"If business owners don't plan far ahead for their exit from work," says Breeding, "retirement could be seriously compromised." He advocates using a proven planning process to design and execute a business exit plan to "maximize the value received for the business, minimize the risks and taxes that are involved with the ownership transition, and dramatically increase the odds that the business owner will be able to retire within the timeframe and with the lifestyle that [he or she] desires. Planning ahead is often crucial to secure these benefits. Doing anything else is leaving your retirement to chance." \*JD is an educational degree and holder does not provide legal services on behalf of the companies of the Principal Financial Group®.



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*Hey, you can see your company's future from here.*

AS A GROWING BUSINESS, you're always looking for an advantage. That's where The Principal® can help. For over 125 years, we've been helping businesses of all sizes reach the next level. From wealth management and executive compensation, to employee benefits and personal, estate and

business exit planning, we'll help you put together financial wealth management that stand out from the crowd. While giving you a level of personal attention others reserve for their biggest clients. After all, when you're making your way to the top, we figure you can use every edge you can get.

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WE'LL GIVE YOU AN EDGE™

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