



Interview with CHRIS LITTLEFIELD

SCALE MODEL

Recordkeeping is a tough business. Done properly, it requires large and consistent investments in technology and people, and though it's often described as a "commodity" business, it's also one that requires companies do what's right 100% of the time. Little wonder there have been regular waves of consolidation, with those less able (or willing) to make those commitments, either by default or by acquisition.

In that environment, the Principal Financial Group® has thrived. Its 2019 acquisition of the Wells Fargo Institutional Retirement and Trust (IRT) business doubled its participant and asset base while greatly broadening its target market beyond the small- and medium-sized employer segment that has long been its hallmark.

Chris Littlefield was named president of Retirement and Income Solutions (RIS) at Principal® on April 1, having joined the firm as executive vice president and general counsel in 2020. He previously led two life insurance and annuity companies—Fidelity & Guaranty Life Insurance Holdings and Aviva USA Corporation—and now heads the retirement business at Principal, which as of late 2022 serves the needs of more than 40,000 employers and 11 million individual customers.

NAPA Net recently had the opportunity to check in with Chris for an update.

NNTM: Chris, you joined Principal at a precipitous time—about a year into the Wells Fargo IRT acquisition, which roughly doubled the firm's retirement business—and right at the outset of the COVID-19 pandemic. Now you're heading up Retirement and Income Solutions at Principal. How's it going?

Littlefield: It's going great. We've completed the integration of the Wells Fargo IRT business onto our platform, and that's gone very well, particularly in view of the challenges of remote communications and collaboration because of COVID. In fact, we retained more than 90% of those plans. We now have large, talented employee bases in both Des Moines, Iowa, and North Carolina, and we've been focused on merging and mixing the cultures of the two

organizations. In the process, we have grown in both size and target market scope. Today, we are the third largest recordkeeper in the nation based on participants, and sixth largest based on assets. But Principal has long been committed to this business—the business of serving American retirement plans and retirement savers.

NNTM: Seems like every decade or so the industry goes through another consolidation—and we're in the middle of another of those right now. Your retirement business roughly doubled with the Wells Fargo IRT acquisition, which also expanded your market footprint. That had to be even more complicated due to the impact of COVID—what did you take away from that experience?

Littlefield: Consolidation is tough work, and the culture element can be even harder, particularly with a remote working environment as you say. The "soft" stuff is the hard stuff. A lot of planning went into this, and a lot of thought about how to migrate plans without disrupting service or creating additional work for plan sponsors or financial professionals. We took our time to do it right—more time than we initially anticipated. Throughout, our main focus was on serving participants and plan sponsors because we knew their satisfaction would make the lives of financial professionals easier. The integration of the businesses, along with strategic investment and initiatives, expanded and enhanced the retirement offerings we provide.

NNTM: You've also brought on new leadership—Teresa Hassara, who has an impressive track record of her own.

Littlefield: Teresa is terrific—and hiring her is yet another signal that Principal is in this business for the long haul. She's had leadership experience with several major providers across multiple market segments, and she's a great cultural fit. We've been blessed to have a great team of long-term, seasoned professionals here at Principal. But it's wonderful to have someone come in with a new perspective, especially as we continue to grow and blend our teams.

NNTM: What is the strategic vision Principal has for the future, and the concept of financial inclusion?

Littlefield: Our focus is to help ensure everyone has an opportunity to save and has access to the advice they may need to do so successfully—most especially those who are often underserved. Teaming with the Centre for Economics and Business Research this year to create the very first Global Financial Inclusion Index gave us a new way to live out this purpose. The Index measured the degree to which people have access to useful and affordable financial products and services in 42 markets globally. Singapore was found to be the most financially inclusive market just ahead of the U.S. A key takeaway this first year is that we have both challenges and opportunities to increase financial security around the world. Employers are critical to creating more financial inclusion within our communities, making it necessary that we support and incent them to offer comprehensive benefits packages that enable better access to savings, financial education, and financial well-being programs. Financial professionals also are key to improving financial inclusion as there are so many Americans who need advice on how to save for retirement and retirement security is disproportionately more challenging for women and people of color.

NNTM: Finally, let's pull out your crystal ball for a minute—what do the next 12 months look like for the industry and Principal?

Littlefield: The industry pressures and economic uncertainties that surround us today will likely only increase over the near term. The combined challenges of increased cost and wage pressures and the impact of retaining strong talent will make it even harder for recordkeepers. So, right now, we're looking to build on the gains achieved through the Wells Fargo IRT acquisition—with our primary focus now on disciplined, organic growth. We will look to build strategic relationships with financial professionals to advance our priorities and serve more Americans' retirement needs, particularly related to tailored solutions and holistic advice during this period of elevated economic and market volatility.