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## What's In a Brand Name? Great-West Will Find Out

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By Jenna Gottlieb    *Thu, Nov 6, 2014*

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*By creating the new brand, "Empower," for its US retirement business, Great-West Financial resolves the identity crisis that followed acquisitions of Putnam and JPMorgan Retirement Plan Services.*

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Robert Reynolds, who as president and CEO of Great-West Financial is wielding the type of executive power that his lack of Johnson-genes denied him when he worked at family-owned Fidelity, has rebranded Great-West's U.S. retirement plan recordkeeping businesses as "Empower Retirement" or simply "Empower," the company has announced.

The name change process could help resolve an identity crisis at Great-West as it digested the acquisitions of other recordkeeping businesses—including Putnam's and J.P. Morgan Retirement Plan Services—that had brands as strong or even stronger in the U.S. than its own. (Putnam's asset management business will continue to operate as Putnam Investments.)

It's not clear exactly what inspired the new name. But "Empower" echoes Montreal-based Power Financial Corporation, the global holding company which owns Great-West Lifeco, Great-West Financial's parent. Power Financial has long been led by the billionaire Desmarais family, one of Canada's wealthiest, most well regarded and most influential. (An Empower spokesman said that the similarity in names was coincidental.)

The rebranding process started last spring. "Back in March we announced that the retirement businesses of Great-West Financial and Putnam Investments were coming together, and then in April, announced the acquisition of J.P. Morgan's large plan recordkeeping business," Reynolds (below right) told *RIJ*. In October, Edmund Murphy III, a colleague of Reynolds at Fidelity and later at Putnam, was recently named president of what is now Empower.

"Each of the businesses served different clients and each of them had a separate brand. We wanted to make a statement to the marketplace that this is a new venture and not a rehash. That's what led us to [the name] 'Empower.' It captures what we want to do: empower plan sponsors, their participants as well as advisors and consultants."



Great-West, which is now the second largest U.S. record keeper of defined contribution plans, with more than \$430 billion in assets and about 7.5 million participants, will use the name Empower for what had been the its own, Putnam's and the acquired J.P. Morgan recordkeeping businesses.

"We will keep the Great-West Financial name for the insurance and investment sides of the business and we'll keep Putnam, which operates as a completely separate company, for the investment-only and mutual fund businesses. This allows for the three brands to do different things." Great-West will drop all use of the J.P. Morgan brand.

An Empower spokesman said Great-West Financial was strong in the small company recordkeeping market, Putnam was stronger in the mid- to large company market and J.P. Morgan was strong in the large to mega company market.

Rebranding is a strenuous process that, in an era of frequent life insurance mergers and acquisitions, a growing number of retirement-related firms, including ING U.S., which transitioned to the name Voya Financial in 2013, are undertaking either voluntarily or not. Voya needed a new brand after separating from Dutch bank ING in the wake of the financial crisis.

There are a lot of reasons why a company decides to rebrand. "For Great-West, this is big news and could be a catalyst for wanting to increase brand awareness or change the perception of their brand," said Claire Taylor, a senior strategist with Carpenter Group, a New York agency that has worked with Lincoln Financial Group, TIAA-CREF, Lehman Brothers and Prudential Financial on various campaigns.

"Particular to retirement income, they are one of a long list of firms that have gotten on this bandwagon. Most have focused on the accumulation phase, but Baby Boomers are starting

to retire and they need to manage their income, their savings. A lot of firms are putting out a lot of new messages," she said.

"Because of the merger/acquisition, Great-West wanted to take a proactive approach," said Bhawna Johar, a strategist at New York-based Carpenter Group, explaining that with Great-West's acquisitions there's a fragmented audience. Great-West likely wants to get out in front of any changes and put a new message out there, he said.



A rebranding campaign is a huge undertaking with scores of moving parts, including an extensive media campaign. "This is a major rollout for us, so we foresee a large campaign—print, web, and social media," Reynolds told *RIJ*.

"It's a large undertaking and it will continue. We're putting together plans for 2015 as we speak to continue the message of what this means for the marketplace. You can call yourself whatever you want to call yourself, but your brand is only what it means to the marketplace.

"We've been very pleased with the reception we have received from existing clients and prospective clients. Since we announced the joining of Great-West and Putnam in the spring, we have signed up a number of new clients." Reynolds also foresees additional lobbying efforts in Washington.

"We're the second largest recordkeeper and we want to be a strong voice in Washington," he said. "We've been active in the past, but these three businesses give us geographical exposure that we did not previously have. With headquarters in Denver, Kansas City and Boston, that gives us exposure to more politicians and a greater voice.

"The way I've always worked is that you try to be the best at what you do. There are many pieces to the defined contribution business and we're trying to be the best at retirement income solutions, at getting desired outcomes for participants and at being a partner with

advisors and consultants in the industry.”

Reynolds retired from the positions of vice chairman and chief operating officer at Fidelity Investments in April 2007, after it became apparent that Abigail Johnson would succeed her father Edward Johnson III as chairman and chief executive of the family-owned company.

Only about a year later, Great-West hired Reynolds, a high school quarterback who was once a candidate for NFL commissioner and has been a benefactor of the football program at his alma mater, West Virginia University, to rebuild Putnam Investments. Great-West Lifeco bought Putnam in 2007 to bolster its presence in the U.S., where Putnam funds were distributed through 401(k) plans and financial advisors. Other top-tier Fidelity executives, including Edmund Murphy, now the president of Empower, subsequently followed Reynolds to Putnam. (See *RIJ*, June 23, 2009: “[Under Putnam’s Hood, a Fidelity Engine Roars.](#)”)

Carpenter Group’s Johar notes that rebranding is always a gamble, but that the gamble can pay off. “It’s risky to change names,” she told *RIJ*. “There’s no substitute for established brand name recognition, but rebranding is a way to get new messages out and excite the marketplace.”

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