

# Executive Profile

## Bob Stevenson, Partner at Stevenson Keppelman Associates, Ann Arbor

When Ann Arbor attorney Bob Stevenson launched his career in 1976, pension and employee benefits law occupied a quiet corner of the legal world.

"People weren't paying attention (to pension and benefit costs) because it wasn't that expensive," he said.

But the 1990s changed that as companies began to struggle to fund defined benefit pension plans and health care costs began to rise faster than a bouquet of helium balloons.

"Little did I know that I had fallen into what would be one of the hottest fields of law, and one of the most pivotal areas of our economic and commercial life," he said. Stevenson is a partner with Stevenson Keppelman Associates, specializing in pensions and employee benefits.

Today, a company's fiscal health is intimately linked to how well it has managed employee welfare (such as medical and life insurance) and pension costs. "In the last 15 years, it's become very familiar on the business page," Stevenson said.

The shift from defined benefit to defined contribution pension plans has brought the spotlight to pension law. When he began practicing law, about 75 percent of pension plans were defined benefit with 25 percent defined contribution. Today, that has reversed, Stevenson said. "From a policy standpoint, this is not good. People can outlive their 401Ks. You can run out of money. You can't outlive a pension. Americans are notoriously bad money managers. They front load their spending."

The rising costs have created new alliances as employers and employees look for relief. "Unions and employers are lining up on the same side calling for national health care reform," Stevenson said.

There's also unrest about pension plans. "Throughout my career, I have seen government give lip service to the unquestionable position that defined benefits plans are the best all the while it has been beating the hell out of them. Defined benefit is a tremendous burden on employers," Stevenson said.

Still, defined benefit plans are not extinct, he said. Some of his clients, from auto supply companies to hospitals, still offer them.

"They're usually larger employers or small companies looking for a high tax shelter," Stevenson said.

At the same time, his firm represents a growing number of companies that are trying to terminate their defined benefit plan, he said. One has even borrowed funds to cover existing defined benefit pension plans in order to withdraw the plan in the future. There have been other trends, including an increase in employee participation in sharing benefit costs along with benefit retrenchments. Stevenson said.

He founded his firm in 1987 to practice solo and became one of the first pension



boutiques in the country, he said.

"It took a lot of guts to go out on my own," he said. "For me, it was tough. I've always been a team sports kind of guy."

At first, he was the sole attorney in the practice. Today, there are eight lawyers, including partner Nancy Keppelman.

But Stevenson is still a team sports kind of guy. Stevenson, who was a varsity lacrosse player in college, has coached lacrosse, on and off, for more than 30 years and currently coaches the women's lacrosse team at Michigan State University. "There's just something about being part of a team sport," Stevenson said. "It's something that can't be duplicated."

### INSIGHTS

**Guiding principle:** Cut yourself no slack. Put maximum effort into everything you do.

**Best way to keep a competitive edge:** Cut yourself no slack. Put maximum effort into everything you do.

**How you motivate people:** I try to lead by example. You can't lead from behind. I never ask people to work harder than I do, or to do anything I wouldn't do and haven't done. In the workplace, I try to make things fun. We can find plenty of humor in practicing pension and benefits law. Being a leader of a law firm is the same as coaching. You need to build on people's strengths, and improve on their deficits, or work around the deficits.

**Mentor:** In law, Elliott Phillips, who preceded me in the practice of employee benefits law. Together, in 1976, we learned the new law called ERISA. In coaching, my high school basketball coach, Nick

Kluck, who like all great coaches, started from the fundamentals.

**Yardstick of success:** You must focus on the process, because that's all you can control. You can't focus on the result.

**Next goal:** In law: That's tough, because there is no finish line. I think we need to keep up the good work. In lacrosse, I'd like to help bring a national championship to Michigan State.

**Best advice you ever received:** One of my favorites came from Bill Martin, U-M athletic director and my business landlord at the time. Question from me to Bill: "Bill, I'm thinking of buying a ski condo in Colorado, or building a gym at home. Which would you do?" Answer from Bill: "I'd do both." On its face, this may seem extravagant advice. But it's not. Bill is as much a bulldog as I am. I see the advice as follows: Don't see opportunities as mutually exclusive; life is too short. DO BOTH! And I did both, and I'm glad I did. It was a stretch, but you don't achieve big without stretching.

### JUDGMENT CALLS

**Best business decision:** Starting my own employee benefits boutique law firm in 1987, after 10 years with a large firm. At the time, I could have joined another law practice which I thought might be headed for financial trouble. It was hard to strike out alone, especially with a young family. The other firm was bankrupt within 18 months.

**Worst business decision:** Not buying a certain unnamed parcel of real estate. That has been a major "Woulda, coulda, shoulda."

**Word that best describes you:** Intense.

### Background

**Education:** Bachelor's degree, Michigan State University, 1972, with highest honors, Phi Beta Kappa, member of Honors College. Law Degree, University of Michigan, 1976.

**Family:** Wife Sharon Buslepp (nursing education coordinator at U-M Hospitals); daughter Ruth Stevenson (in first year of law school at U-M and interested in employee benefits law); daughter Kate Stevenson (junior at Pioneer High School and excellent student and lacrosse player).

**Residence:** Ann Arbor since 1980.

### CONFESSIONS

**Best part of job:** Law: Helping clients to understand the complexities of employee benefits law, and finding the best outcomes for them. Lacrosse: Lifelong relationships with athletes, the "chess game" of coaching, trying to get the most out of a team and having an outlet for my extreme competitiveness.

**Worst part of job:** Law: Requires a huge time commitment, and I find it very difficult to leave problems at work.

Lacrosse: Limited resources and facilities.

**What keeps you up at night:** Mistakes that I should have avoided.

**Pet peeve:** Pepper grinding in restaurants. Question: "Would you like some ground pepper on that?" (Subliminal) Answer: "Hell yes, I love ground pepper. But it's not very efficient for me to sit here and tell you when to start and stop, and how coarsely to grind. So if you aren't going to hand me the pepper grinder and let me do it myself, I'll skip the theatrics." Stated Answer: "No thanks."

**Guilty pleasure:** I could give you lame answers here. But my truly guilty pleasures are of course classified.

**Something few people know about you:** My guilty pleasures.

**Person most interested in meeting:** James Brown. The man was a perfectionist's perfectionist, and he defined a musical milieu.

**First choice for a new career:** D-1 varsity lacrosse coach (which, ironically, I was in 1973).

### TREASURES

**Favorite way to spend free time:** Skiing, tennis, basketball, lacrosse (in no particular order.)

**Favorite book:** Recent favorite: "The Glass Castle," by Jeanette Walls.

**Favorite restaurant:** In Ann Arbor, Café Zola or Argiero's.

**Favorite vacation spot:** Steamboat Springs, Colo.

**What you drive:** Subaru Outback wagon.

■ Janet Miller