



Digitizing Pension Operations to Drive Margin

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Do profit margins matter in the pension business? Of course, margins matter. Then why are more companies looking to expand their pension books in today's business climate?

Many recognize that the right software can drive down cost of operations, ultimately offsetting margin erosion of flat investment returns.



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COST OF OPERATIONS ON THE RISE

The pension business of today puts more demand on operations than the pension business of yesterday. Today, depending on the jurisdiction, pensions may be required for all — individuals and businesses alike. Selling, onboarding and servicing a group of one can cost more than onboarding a group of many as there is no economies of scale.

Depending on the industry, longevity of employment is unpredictable. Employees are moving from one company to the next with more frequency than the “one company employee” of yesterday. Volatility makes predictability of premium a challenge.

Consumers make changes in their personal lives with frequency. Divorces, beneficiary changes and relocations are more common today than yesterday. The need to contractually accommodate changes drives up demand on operations, and ultimately cost.

Regulations call for transparency in product and pricing. Customers call for on demand access to accounts. Meeting these real time, omni-channel requirements adds costs that were not envisioned by the black box pensions of yesterday.

TECHNOLOGY IS OUT OF PACE

Yesterday's pension companies invested in core systems for the back office to store contract details. Despite this investment, these core systems only support 39% of today's day to day demands.¹ Work demands, which are driven by regulators and customers, not contract details.

With work volume on the rise, pension companies increase their investment in employees. These employees, in turn, increase their use of spreadsheets, access databases and email to keep up with unaccommodated demand. To manage the handoffs between keepers of siloed information, the companies invest in more employees.

The human investment cycle continues, perpetuating costs that eat away margin.

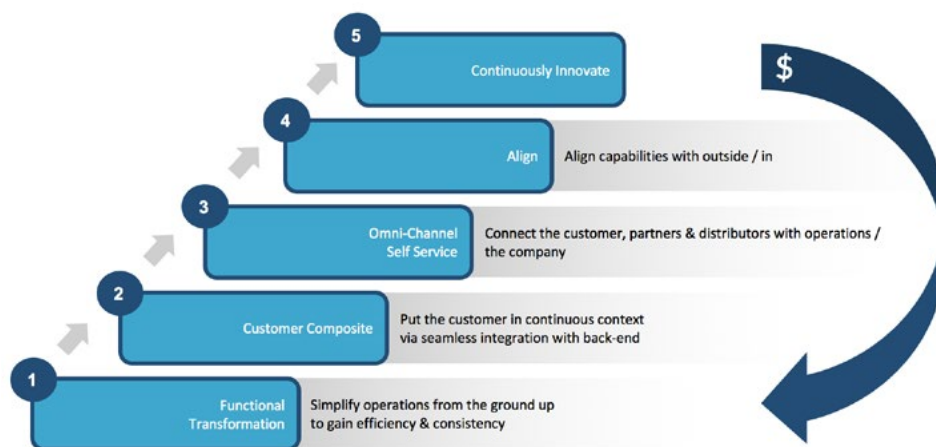
PERFECT MARKET CONDITIONS FOR THE TECH SAVVY

Leading pension companies today are taking a different approach. Reducing costs, enabling real time service anywhere and providing transparency with smart technology not more humans. Even in an environment of flat returns, decreased cost of operations increases profitability. Appian's low code digital transformation platform is increasing margin at speed for the tech savvy.

GAIN CONTINUOUS VALUE OVER TIME

This digital transformation is delivered over weeks and months, not years. Aside from removing the risk of running business via spreadsheets and email, each value drop delivers continuous cost improvements and opens new revenue opportunities. Most organizations find value in digitizing from the inside out.

Digitizing from the Inside-Out (A Transformation Methodology)



Starting with the Back Office:

- Back office teams log into Appian
- Appian presents the back-office team with context to customers, policies, claims, sales opportunities, etc. The contextual – or composite – views are pulled together from internal policy systems, data lakes, content management systems and/or external systems
- Appian has robust integration capabilities that support a data-first platform
- From these contextual views, action is taken either by the back-office resources, another system or Appian itself – leveraging heritage BPM capabilities

Extending to the Front Office:

- Front office teams can be rolled onto the same platform, facilitating collaboration from both the front office and back office teams
- All resources sign in to the same system with role relevant views and skill based work assignments, powered by robust security capabilities at the field, page and document levels

Extending to External Constituents:

- External parties can then be rolled onto the platform, including independent advisors and brokers via portals or mobile, since Appian runs everywhere – desktop, mobile and through portals



The tech savvy are moving away from investment in core and towards smart software.

Ultimately, the key for companies to stay competitive is to shift the traditional mindset and focus on what will enable them to solve business problems quickly — understanding that the pace of change will continue to accelerate — and to succeed they need to be able to be nimble, employing technologies that will move them forward, not hold them back.

PENSION COMPANIES LEVERAGING APPIAN

The tech savvy are moving away from investment in core and towards smart software. Industry-wide, insurers are looking to the untapped opportunities for cost reduction and revenue lift above core systems. Digitizing operations is the target – regardless of the book of business.

The opportunities are unlimited and the results speak for themselves:

Increase sales opportunities

- Via a pipeline into the core policy system(s), user friendly screens allow changes in contracts — divorce, for example — to be exposed to independent financial advisors as new sales opportunities

Improve productivity and efficiency

- Automate onboarding activities for speed to account funding and transparency in performance
- Composite view of a customer presented to all based on their role rather than created by each
- Work can be ordered and performed automatically

Lower costs

- Customers can login and interact independently - avoiding concierge driven costs
- Replace commission lost to fees via operational leads otherwise gone unnoticed

Maintain industry compliance

- Asset transitions - scheme changes or new schemes - handled by auditable technology for speed rather than worksheets in a workbook fraught with risk

DELIVERING RESULTS

These initiatives deliver incremental value over time and fund the next work effort. Each gain moves the organization towards digital efficiency and larger margins. There is no one margin event, there is an accumulation.

- **1,300** spreadsheets eliminated as are costs associated with shadow IT
- **40% – 50%** operational cost savings
- **90%** decrease in time to process transactions

More than ever, margins do matter. Investing in modern, digital, transformational technology — instead of new databases and monolithic core systems — is the smart path to reduce costs while increasing profit margins. Capitalizing on the speed and efficiency powered by the Appian Platform is key for pension companies to grow in today's market, enabling a level of flexibility, openness and speed to market that can meet their needs now and in the future.

WHY APPIAN?

Appian delivers an enterprise platform for digital transformation changing the way insurers use technology, run their business and service the diverse customer base across products. Powered by industry leading Business Process Management (BPM) and Case Management capabilities, Appian's low-code approach radically accelerates the time it takes to build and deploy powerful, modern applications, on-premises or in the cloud. The world's most innovative organizations use Appian to reinvent their customer experience, transform their business operations, and master governance, risk and compliance.

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ABOUT THE AUTHOR



Kate Gingras is driving the rapid growth of Appian's insurance portfolio worldwide. A business technology leader with a decade of accomplishments in digital business transformation. Kate has been a catalyst for successful change within some of the world's most effective insurance organizations — introducing new software paradigms that modernize with simplicity and speed.

1. July 2012. McKinsey Global Institute, *The Social Economy: Unlocking Value and Productivity Through Social Technologies*



Appian provides a leading low-code software development platform that enables insurance organizations to rapidly develop powerful and unique applications. The applications created on Appian's platform help companies drive digital transformation and competitive differentiation.

For more information, visit www.appian.com