



Future Challenges in Pension Administration

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January 2010



Pension Administrations will face significant challenges in the future

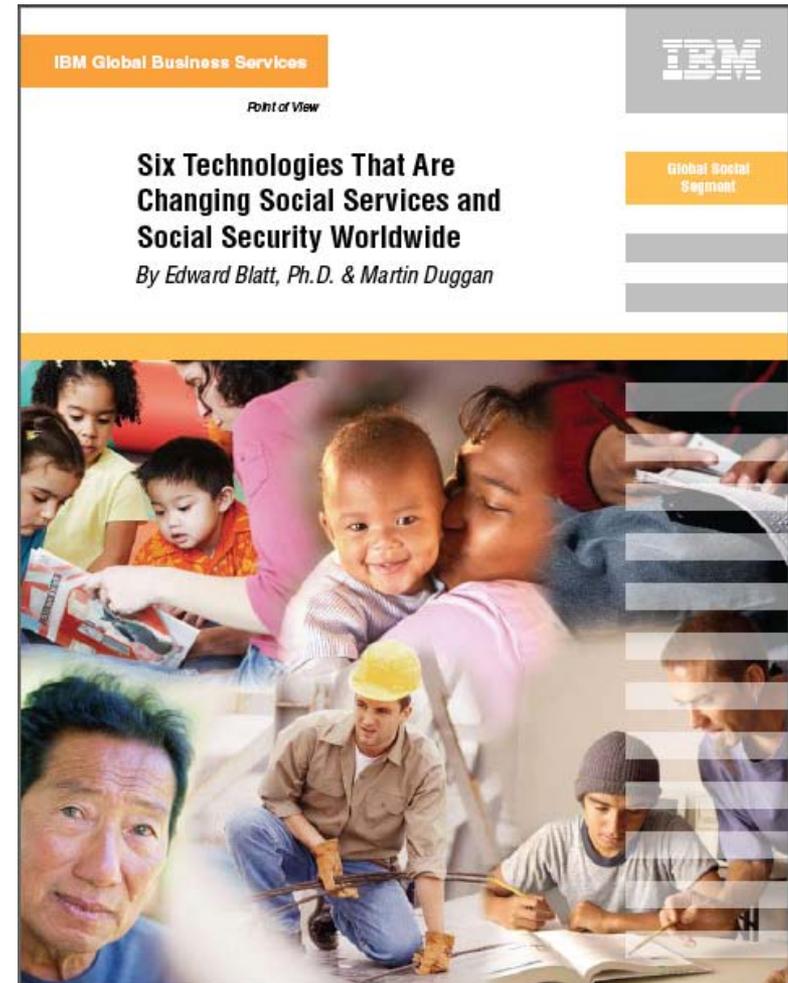
- Creating transparency and trust for citizens and employers
- Integrating multiple public and private schemes into a single view for citizens
- Supporting personalised retirement plans
- Supporting personalised investment decision making
- Delivering new channel strategies which exploit new technologies
- Creating a technology infrastructure that enables the speedy launch of new services
- Ensuring affordability in the long term whilst launching new services and becoming citizen centric and responsive

In order to meet these challenges effectively Pension Administrations need to be based on critical characteristics

- Coherent and documented business processes which are responsive to change
- Flexible ICT implementation which is also responsive to change
- Business processes and ICT which are fully integrated
- Consistent implementation of ICT across the organisation delivering predictable outcomes

The ICT landscape is changing constantly

- Collaboration Tools
- Assistive Technology
- Sensors and Home Health Monitoring
- Decision Support Systems
- Intelligent Processing
- Intelligent Identity

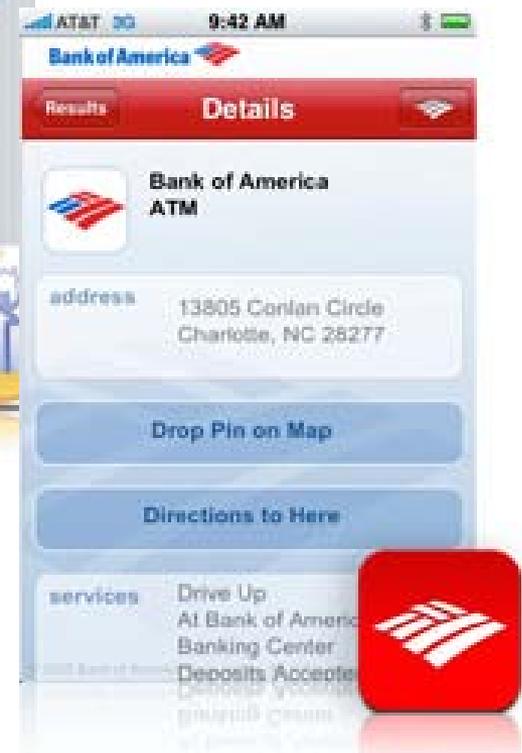


Collaboration Tools

- Creating Community Value
- Targeting smaller client segments
- Learning where you can do better
- Finding things out you did not know before



New channels are being adopted faster and faster



All Pension Administrations face challenges in creating organisations with the critical characteristics, but there are initial steps which will help begin the journey to more flexible, citizen responsive organisations

- Document the business components and business processes
 - Begin with a high level view
 - Define key processes

This is a typical component business model view for a social security organisation, in this case identifying 55 discreet business components.

	Policy development	Veterans' and community information services	Stakeholder relationship management	Veteran services (compensation, care, commemoration)	Compliance and integrity management	Business services
Directing	Policy analysis	Communications (PR) strategy	Business partner strategy	Service delivery planning/ strategy	Privacy strategy	Business and capacity strategy
	Portfolio analysis				Risk management policy	
	Veteran community segmentation	Brand management	Community consultation strategy		Governance and audit strategy	
	Research strategy					
Controlling	Outcome evaluation	Communications management	Capacity planning	Activity management	Privacy management	Financial management
	Product management	Issues management (PR)	Business partner management	Case management	Risk management framework	Resource management
	Research program management	Commemorative mission and event planning	Community consultation management		Risk trend analysis	Audit control
Executing	Product development and deployment	Communications program	Capacity building	Intake and registration	Fraud detection and remediation	Financial delivery
		Community education and awareness	Contract management	Assessment		
				Benefit/service delivery	Risk assessment and quality assurance	Resource delivery
	Research projects	Commemorative missions and events	Community consultation	Referral	Audit delivery	Information service delivery
		Representation (events)	Parliamentary services	Collections		
				Advices and notification		

Competency	FTE	Cost \$'000	%FTE	%Cost
Policy	269.94	\$32,043	11.09%	10.59%
Communications	101.71	\$10,207	4.18%	3.37%
Stakeholders	248.28	\$23,743	10.20%	7.84%
Veteran Services	1216.13	\$112,895	49.97%	37.29%
Risk	60.80	\$7,937	2.50%	2.62%
Business Services	536.84	\$115,888	22.06%	38.28%
Totals	2433.70	\$302,713	100.00%	100.00%

This table shows the allocation of costs and people to each competency. An allocation has also been made per business component.

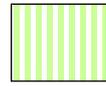


In this case study we reassembled the logical components to describe 5 business functions within their physical business.

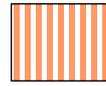
	Policy development	Veterans' and community information services	Stakeholder relationship management	Veteran services (compensation, care, commemoration)	Compliance and integrity management	Business services
Directing	Policy analysis	Communications (PR) strategy	Business partner strategy	Service delivery planning/ strategy	Privacy strategy	Business and capacity strategy
	Portfolio analysis				Brand management	
	Veteran community segmentation	Governance and audit strategy				
	Research strategy					
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Executing	Product development and deployment	Communications program	Capacity building	Intake and registration	Fraud detection and remediation	Financial delivery
		Community education and awareness	Contract management	Assessment		
				Benefit/service determination		
		Benefit/service delivery				
	Referral					
	Research projects	Commemorative missions and events	Community consultation	Collections	Audit delivery	Resource delivery
		Representation (events)	Parliamentary services	War graves maintenance		
				Advices and notification	Information service delivery	



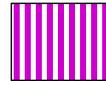
Relationships:
Ensure capacity to deliver quality service and live the brand through effective relationships



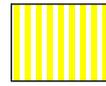
Factory:
Ensuring that there are services available that meet government requirements and veterans' needs



Distribution:
Ensure that services are delivered to those that are eligible to receive them



Support:
Ensure that all necessary resources are in place to meet the required capacity



Controls:
Ensure that business and delivery risks are managed effectively and efficiently



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- Document the business components and business processes
 - Begin with a high level view
 - Define key processes
 - Determine the best 'owner' for each critical business component
- Roll out critical business processes consistently across the organisation testing integration consistently throughout the program
- Review ICT strategy and ensure it is fully integrated with the business strategy
- Review ICT implementation and begin the journey of building greater flexibility into ICT
 - Create an architecture that separates data, processes and eligibility
 - Begin to 'componentise' your applications based on your architecture
 - Utilise COTS software and industry wide applications wherever possible
 - Base developments on open standard technology to reduce costs and increase ability to change