

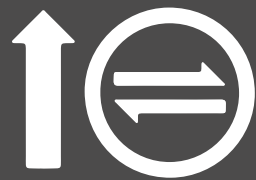
CASE STUDY

PENSIONS ADMINISTRATION: TRANSFORMATIONAL EFFICIENCY AT A LARGE UK RETAILER

SECTOR Retail

REGION UK

Key Challenges



The currently high cost of transactions was increasing year on year



Several sub-processes related to Pension Quotations were seen as low value added tasks



Repetitive processing steps were impacting employee moral

TAO performed a detailed analysis of the entire process, work-flow and systems to discover the areas where the process could be significantly improved with automation.

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Our client, a large UK retailer, manages and administers the pensions plans for thousands of its employees.

The back office operations team desired to improve the efficiency and cost profile of several pension related back-end processes to create additional FTE capacity for higher value tasks.

While the entire pensions process was running smoothly, the current cost of transaction was at the higher end and also increasing year on year due to a combination of factors such as increasing cost of resources and inflation.

Further, several back office processes were seen as low value added tasks and therefore thought of as good candidates for automation. Given that most of the work in the process was highly routine and repetitive, it was seen as low value work by staff and was impacting staff morale negatively.

Client's management believed that automation could help solve these problems and asked TAO to develop the business case and demonstrate it through a rapid proof-of-concept.

Our Analysis:

Over a period of fifteen weeks, TAO partnered with the client to deliver a Robotic Process Automation (RPA) pilot for three processes to demonstrate the benefits of automating core

aspects of the current pensions administration process. Our team worked closely with the client's pensions process team and the operations group to create a Business case on Robotic Process Automation (RPA) for the pension related sub-processes to realize the benefits of RPA.

The TAO team conducted a preliminary assessment of these processes and provided an overview of the solution to the Operations team. From the preliminary assessment, it was found that the Pension Quotes process of Retirement and Transfers are highly amenable to RPA.

Thereafter, a Proof -Of-Concept (POC) for the Retirement Quotes process was completed. The objective of the POC was to establish that the a legacy Pension system can be automated using "off -the-shelf" Automation tools. This was successfully demonstrated by the TAO team to all key stakeholders

TAO led the establishment of the RPA capability within the Operations Group, with end to end responsibility for:

- Process analysis and design for automation of three high priority processes in the functions of Pensions, Retirement Quotes ,Transfer Quotes and Data Cleansing Activities.
- Robotic configuration and testing of three automated processes.
- Setting up an agile delivery model to enable an accelerated benefits framework for future process automation.
- Support the on boarding to production process in two separate go lives.

Benefits Derived

FTE Reduction

Projected
10.6 FTE take-out

Lower Cost per Transaction

64% Decrease In
Cost per Transaction

- Risk assessment to compare pre-automation controls to post-automation controls and ensure no new operational risks were introduced by robotics.

The TAO team contributed a successful mix of disciplines to this project which included:

- Robotics Analysts who took on the responsibility for the design, development, and on boarding to production of the three high priority processes
- An agile RPA testing team that performed end-to-end testing of the three automated processes
- A risk and controls team who delivered a pre and post automation review of existing controls

At the end of the pilot project, TAO clearly demonstrated that automation using existing off-the-shelf RPA tools would deliver the full business case.

The compelling benefits from RPA that we were able to demonstrate and prove in the pilot include:

- Significant FTE take-out of 74%
- Cost per Transaction reduced by 64%
- Technology implemented and delivering benefits in weeks or months, not quarters or years

- An agile, reusable capability that can be selectively deployed across the enterprise
- Reduction in process variance and complexity
- Productivity improvements, including reduced manual controls, higher quality servicing, less process variance and lower risk profile
- Benefits projected in weeks or months, not quarters or years

The client is now in a position to roll-out the automation of the pensions process on the basis of the POC and demonstrated business case.