

Personal Pension Management Case Study

Overview

Personal Pension Management, (PPM) needed a software solution provider that could not only maintain their existing Pension Administration System but that could add-on further enhancements and functionality. The company chose Dunstan Thomas because of its expertise in Delphi technologies and its understanding of the pensions sector.

Client Comment

"Given the rapidly changing environment we're working in, both in terms of the pensions sector and PPM itself, Dunstan Thomas was able to form a productive development team that integrated seamlessly into PPM."

Geneen Raworth, Development Manager, PPM.

Benefits

PPM have gained the following technology and business benefits from their relationship with Dunstan Thomas:

- Dunstan Thomas has introduced best practice methodologies to ensure that thorough analysis is conducted and all requirements captured before any development work is undertaken. Dunstan Thomas has a structured professional way of working meaning that handovers between staff were seamless and did not disrupt the development process.
- Dunstan Thomas has provided additional functionality such as "*Automatic Income Draw-down*" and a "*Property*" facility to the Pensions Administration System that has saved time by reducing paperwork and manual processes.
- PPM has benefited from being able to rely on a pool of expert resources that can be augmented or reduced as required.

Company Backgrounds

Personal Pension Management Limited (PPM) was established in 1990. It was the first company to launch a Self-Invested Personal Pension (SIPP) in 1990 and now holds over 40% of the SIPP market. PPM are a leading pension administration specialist and administer SIPPs for some leading companies. The company's pension schemes have been used by many stockbrokers and financial advisers to create own-brand plans. Typically, these companies provide pensions advice, investment advice or discretionary investment management services, and use PPM's scheme as a shell within which to do so.

Dunstan Thomas is a leading e-solutions consulting, development and training organisation that provides e-business solutions and services, utilising the latest in cutting edge technologies and recognized "*Best Practices*." Established in 1986, the company helps its clients transition their businesses to harness the power of knowledge management, business intelligence, CRM, business operations, e-commerce and related enterprise and wireless technologies.

The situation

Personal Pension Management Limited is owned by the Winterthur Group of companies, which in turn is part of the Credit Suisse Group. When Winterthur moved all its SIPP administration business over to PPM, the number of cases doubled from 10,000 to 20,000 policies and staff levels soared from 80 to 240 in

18 months. PPM experienced and is still experiencing phenomenal growth and they needed to make sure that the Pensions Administration system that was mission critical to the smooth operation of the company was stable and reliable. The Pensions Administration System provides the following functionality.

- **New Business**

The process starts with applications being input into the system. The process then continues through a 'vetting' stage with the production of relevant documentation depending on whether the application is accepted or not. The system can deal with lump sums, regular contributions or transfers in.

- **Servicing**

This particular functionality covers the various instructions that a plan holder can issue (a request to buy/sell investments, make additional contributions, etc) from 'vetting' of the instruction through to completion. Servicing would also cover issues such as general enquiries, regular reporting / statement / reviews, and complaints.

- **Claims**

This covers all claims with the exception of Income Draw-down, which is treated as a special case. This feature covers the entire process from 'vetting' through to completion and incorporates amongst others Retirement, Death, Transfer Out and Pension Share.

- **Investment and Finance Administration**

Investment Administration is a specialised function that can be delegated out to other operations. Investment information is however required to manage the SIPP and provide up to date information to the plan holder and hence integration with these functions forms part of the overall back office package.

The Solution

Dunstan Thomas provides a dedicated team of consultants and developers that maintain and enhance the Pensions Administration System. The following additional functionality has been added to the system:

- **Property**

SIPPs can allow property to be included within the pension plan. The system will support the acquisition process and then continue through into post completion activities – which would include property management and rent income.

- **Income Draw-down**

Income draw-down is a major growth area within SIPPs. The Pensions Administration System supports the ability to split a pension in order that certain percentages of it go into 'draw-down' and from these a regular income is paid out to the plan holder without the necessity for the plan holder to retire. This draw-down facility is also multi-tranche.

In Process

After conducting market research, PPM realised that the Internet could add “real-value2 to PPM by bringing in greater volumes of business at lower administrative costs. PPM commissioned Dunstan Thomas to create an online pension application process that would be initially targeted at Brokers and Independent Financial Advisors and ultimately the end-customer. The web-based application form enables data to be transmitted directly into the ‘New Business’ section of the existing system where standard processing can occur.

PPM also hopes to re-develop the Pensions Administration System in the future to include more scalability and flexibility and commissioned Dunstan Thomas to run the requirements gathering phase, which has already been completed and is feeding into the strategy making process at PPM.