

# Built for innovation



The PPF operates in a rapidly changing environment – not just in terms of the scale of the claims we must manage, but in the expectations of our members and levy payers, developments in technology and in the institutional and regulatory landscape in which we operate.

In order to be successful in this environment we must be an agile, innovative business, able to identify and respond to opportunities as they present themselves.

## Investment insourcing

### KPI 4

We completed our current investment insourcing project this year. We brought the management of our foreign exchange portfolio in-house, and we insourced part of the buy and hold UK Credit portfolio.

We now manage the majority of our assets in-house, which gives us complete control over the portfolio. We can react quickly and efficiently to market movements while adhering to strict governance standards.

We only insource work where we can improve our control and flexibility and when we are assured we can take on the additional responsibilities and risks. We continue to use the strengths of external managers where there is no clear benefit to doing the work ourselves.

Our new insourced model also gives us better oversight and influence to integrate ESG issues into our investment processes across all asset classes.

 **Responsible investment**  
See pages 32-37

## IT transformation

### KPI 5

We successfully completed the first phase of our IT transformation programme, exiting from our outsourced supplier and taking ownership of our IT estate. This has given us better control, allowing us to improve security and placing us in a position to offer more stable and appropriate services as well as better digital services.

We are now in a position to improve upon our estate and innovate for the benefit of our members and levy payers.

Having control of our IT estate gives us even greater confidence that our data security, cybersecurity and business continuity protocols can be aligned to industry best practice and emulate Financial Conduct Authority (FCA)/Prudential Regulation Authority (PRA) expectations. Moreover, moving away from reliance on a single IT provider has mitigated our operational and security risks.

We are now more agile, versatile and flexible and can move at a much faster pace, so we are well-equipped to respond quickly and effectively in the event of regulatory change, business model change or strategic change, while enhancing control of our risk appetite and security profile.

## New style levy consultation

### KPI 1c

We are making progress on our strategic intention to engage effectively with all levy payers, big and small, by tailoring our consultation information.

In December 2019 we launched a consultation on our proposed approach to the measurement of insolvency risk from 2021. For the first time, following stakeholder feedback, we made available functionality to respond to the consultation online, including the option of a 'quick' version for those short on time. This is a major change to the way we consult and we are pleased to see a strong take-up with over 60 per cent of responses received online.

In November we revamped the levy area of our website. This included restructuring to make the interaction between levy years easier to understand. The introduction of a 'levy timeline' has received positive feedback from levy payers who appreciate a quick way to view upcoming levy-related actions.



## Efficiency in our member services

### KPI 6

The number of PPF members is expected to grow significantly over the period of our current strategic plan. We are committed to securing efficiencies, building on our award-winning service by embracing new technologies and digital services.

With this aim, in 2019/20 we commenced our Efficiency and Service Improvement Programme (ESIP). This programme will evolve our administration system and processes and develop a modern, multi-channel offering for our members, while delivering value for money over member costs. We are improving our services both online and offline and continuing to provide excellent service that delights our members. By the end of March 2022 our processes will be more automated and streamlined, and we will continue to offer one of the most advanced online experiences in the pensions industry.

### Why change now?

The world we operate in is changing – PPF member expectations are constantly shifting, member numbers and volumes of work are increasing, and around us the work we do is being shaped by new technology, which is evolving at a rapid pace. Our strategy set out our vision to move at a faster pace, using new tools and technology as a critical enabler for digital transformation, and we are focused on having the right systems and processes to achieve this.

# 32%

reduction in printing  
and postage costs

Since insourcing our member operations in 2015, our PPF membership has grown by around 37,000 and we expect it to grow considerably over the period of the Strategic Plan. We must demonstrate value for money to our levy payers and stakeholders. With better tools and processes, we will be able to serve more members without increasing our staff numbers.

### What do we mean by efficiency?

Efficiency in this context means doing more with what we have and keeping our headcount stable. We need to respond to an increasing number of members and volume of work without an equal rise in costs.

### What do we mean by service improvement?

Making best use of our systems and technology means an even better, multi-channel, customer-centric service, reducing the need for time-consuming manual interventions. This will free up our people to use their skills and expertise to deal with the more unusual, complex work, allowing us to add value to the member experience and, therefore, helping us further improve on the quality of service we deliver.

This programme is not just creating internal efficiencies; members are also benefitting from our more streamlined processes. For example, members who call us to change their address do not need to stay on the line while we complete the change.

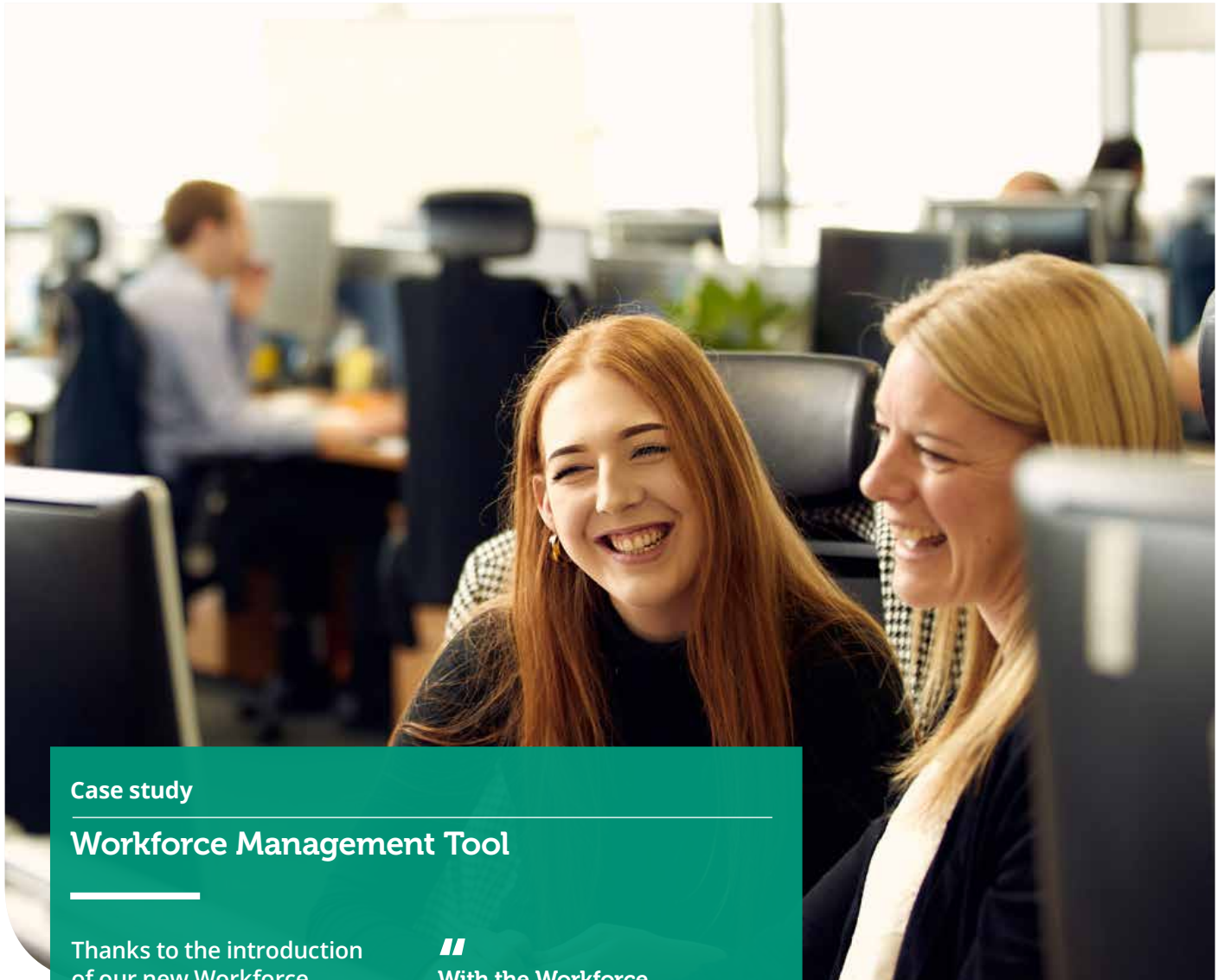
### Improvements made in 2019/20

- In 2019/20 we increased transactions completed online to 77 per cent, beating our 70 per cent target for 2022 by some margin. We are continually encouraging use of our online services to allow members quick and easy self-service. For example, changes we have made to the welcome packs we send to newly-transferred members saw web registration jump from 7 per cent to 22 per cent.
- Our annual member PPF newsletter, Member Focus, had a significant impact in increasing online transactions and resulted in a 13 per cent increase in members registered on our website. We now have more than 57,000 PPF members online – around 21 per cent of our members. This was due partly to the success of sending the newsletter by email to over 60,000 members – a first for us, and a big step forward in our digital journey. In the month of sending the newsletter we saw 4,664 registrations – normally 400-500 a month.
- We sent a newsletter to FAS members for the first time in March 2020, resulting in a 38 per cent increase in the number of members registered on the member website.
- We recently automated processes for retirement and changing personal details and removed call notes. Changing a member's address, phone number or email address is now a much slicker transaction, benefitting members and our team. We can now save around two minutes per call – a valuable improvement as our member numbers continue to grow.
- We have reduced our printing and postage costs by 32 per cent by removing paper payslips as a matter of course and sending non-urgent items by second class instead of first class post.
- In 2019/20 we made changes to the process of bringing schemes into the PPF and loading member data. Much work has gone into improving the guidance to third-party administrators to make sure member data reaches us without omissions or formatting errors, and we have introduced important validation and functionality improvements.
- We have introduced a pop-up address checker on our website to improve validity of member data and reduce costs of using a third-party tracing company.



## Built for innovation

continued



### Case study

## Workforce Management Tool

Thanks to the introduction of our new Workforce Management Tool, our contact centre is now reaping the benefits of increased efficiency through improved resource planning, more effective call volume forecasting and more consistent achievement of Service Level Agreements (SLAs). It is proving hugely beneficial in helping contact centre team leaders with advance planning, which in turn helps operations run more smoothly.

“ With the Workforce Management Tool we can confidently forecast call volumes at half hourly intervals, for any given day, up to a month in advance. Having this level of visibility across our workload means we’re now able to identify pinch points where extra support may be needed and we can make sure we have the right amount of cover throughout the day to provide a great service. It’s made a real difference to the way we work.

“ Trevor Davis, Deputy Head of Operations and Contact Centre Manager

As we start to leverage new tools and technologies, and rapidly iterate services, our track record and expertise will be fundamental to our success in delivering innovative member service.

### Identity verification

The accuracy and protection of our members’ data is of the utmost importance to us, so in conjunction with our data partner, Target Professional Services, we perform regular verification exercises for UK and international members. Verifying the identities of overseas members is recognised across the industry as being more challenging than for the UK members.

## Feedback from the contact centre team

**//**  
**The steps taken to improve efficiency have made what we do exponentially quicker and freed up more time to provide excellent service to our members.**  
**//**

**//**  
**I'm seeing our suggestions turn into real changes within weeks! Changes that are making our jobs faster, easier and more efficient. It's encouraged a culture of raising suggestions and thinking out of the box to explore those ideas.**  
**//**

**//**  
**ESIP has paved the way for me to focus more on providing the best possible service to our members rather than spending long periods on administrative tasks, which also means I am available to answer more calls.**  
**//**

**//**  
**We've not only been able to free up our time for the next call, but have been able to enhance the member experience through greater speed. Moving house is a busy time and the less time the member spends on changing their address, the more time they can spend relaxing in their new home.**  
**//**

Traditional processes can be manual and laborious, such as asking the member to visit an outlet which may be many miles from their home or posting official documents after having them certified by a solicitor or notary. All these methods are time-consuming, can be costly, insecure and are susceptible to fraud, providing significant barriers to members responding.

We trialled Target's innovative app, which provides a much more efficient and secure method for our 4,000+ overseas members to verify their identity. Using a combination of facial and movement recognition

technology the member can complete their verification at home, within minutes. We were very pleased with the adoption rate, with around 40 per cent of members in the trial choosing to use this method.

For our UK-based members, we created a pop-up reminder on our PPF and FAS member websites, inviting them to confirm their address so that they would not have to take part in our annual verification exercise. Almost 10,000 members have responded so far, improving the experience for those members.



### Did you know...

- ▶ By encouraging members to make the most of our online services, we have already beaten our three-year target for online transactions after one year.