



Helping With The Challenges Of Running A DB Scheme - Provider Review

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Context

A multi – national firm with a scheme membership of c.10,000 and assets under management of c. £1bn, was receiving a “full service” i.e. administration, actuarial and investment consulting from a single provider.

The Challenge

The provider was found to be both expensive and unresponsive. There had been a lack of investment in efficiencies and in member support/ experience. The quality of the administration service was of particular concern. In the eyes of the trustee, a better fit to their requirements could be achieved by changing the composition of the advisory team.

Our Approach

At ITS, our philosophy is to fix rather than to fire wherever possible. This usually provides the best outcome for the scheme and members. Clear and unambiguous criteria need to be agreed and, if these are not met, change is then implemented quickly and efficiently.

We facilitated frank discussions with the provider’s management, using our wider experience to describe what we saw as being a “best fit” capability requirement for the composition of the advisory team and made clear our desire to see change made.

We initiated a benchmarking exercise over a retained time horizon of six months to allow the provider to make the personnel changes required and demonstrate that it would fix the administration service issues that were being experienced. If the improvement plan was not delivered to the satisfaction of the Trustees, the next action was to initiate a competitive tender for all services.

These discussions were supported by additional high-level conversations between contacts at both of our organisations, facilitating commitment, transparency and maintaining effective working relationships.

The Outcomes

We captured these changes in a revised contract with improved scopes of work, clearer fixed fees, contractual commitments to project delivery and financial incentives to deliver improvements.

The composition of the advisory team was changed and the administration service improved. More meaningful performance measures were introduced.