

A lifelong commitment

AT8 is currently visiting a number of key product providers to look at the e-commerce facilities and tools they are providing to distribution partners. This week **Mark Loosmore** spends time with Friends Provident to see what technology it offers to support its Group Pensions Schemes.



Friends Provident needs little introduction – it is a major life company with a substantial historical heritage. However, the company has been through several major changes resulting in a strategic review in January 2008, so it is worth restating its current product focus.

It has three core business lines – its protection business, which has long had an excellent reputation in the e-commerce world, its international business and its corporate pensions business, on which this article focuses.

For Friends Provident, its corporate pensions business is entirely adviser-focused and predominantly fee-based, with an emphasis on providing an excellent service that enhances the employers' and employees' experience coupled with supporting the advisers' brand and reputation.

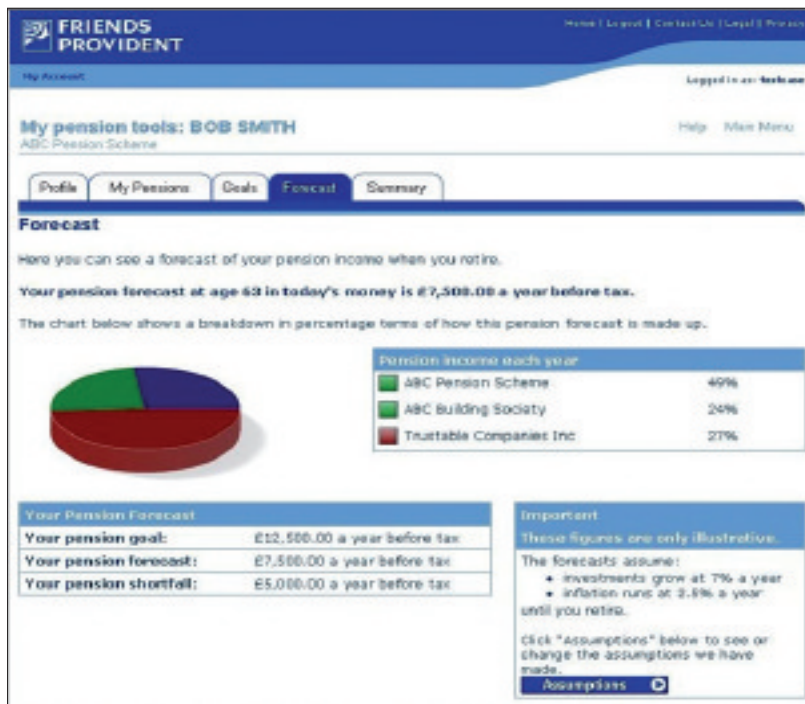
Group pensions pioneer

Despite its focus on individual e-business support when it launched its online services in 1998, Friends Provident has invested heavily in its corporate pensions business and has led the market for many years.

It was one of the first providers to deliver an online group pensions site. Even back in 1998, Group Schemes using the site could support 'straight through processing' and administration of its policies, with links to payroll systems allowing automated scheme set-up and maintenance through to contribution collection.

Today, Friends Provident still provides the automated administration, but the focus is now on providing education and awareness tools to help and guide its members in their financial decisions. The educational information aims to engage members and prospects in a way that encourages employees to join and invest, while also helping to maximise the retention of existing business.

In essence, Friends Provident gives each Scheme company its own microsite. The microsite can be branded jointly between the employer and Friends Provident with the potential to add the distributors' branding as well. The microsite has a public area that includes features such as Frequently Asked Questions (FAQs), and access to key forms and documentation.



Private view

Importantly, it has a private area, which is accessed via a secure password protected approach. On entering the private area, the employee is greeted by their name and the summary and value of their holdings in the Scheme. By clicking through to subsequent pages, the employee can see how their investments are split and also see a full transactional history.

If the employee wants to make additional changes, such as switches and re-direction of funds, this can all be done through the site without the need for paper forms.

The Scheme facilities are delivering true e-commerce of the kind that individual business services rarely achieve. The administration processes are easy to follow and well laid out – clearly the result of honing the system from customer feedback over the past 10

years, along with extensive market research and usability studies.

Online tools

As well as the administration processes, the site provides several electronic tools, including what they brand as an 'e-tutor' – essentially online computer based training. E-tutor covers pre-retirement planning and information about preparing for retirement. In addition

to e-tutor, the site provides an e-learning resource facility that is less interactive than the e-tutor and essentially consists of PDF reference material to help make financial decisions.

The site also provides a tool built in partnership with Distribution Technology (DT), which enables some forecasting capability. The tool captures the employee's current pension provision, their retirement goals and then highlights any deficiencies in funding needed to meet the desired goals.

Another tool built in partnership with DT is the e-funds tool, which includes an attitude to risk

questionnaire to help illustrate the clients view of the risk to their assets. The tool enables employees to select a lifestyle programme to help guide fund choices and finally enables the funds to be selected from the relevant risk brackets. At the end of the process, the fund choices are summarised and the employee can action the conclusions with immediate effect.

Finally, the site offers some more generic financial planning tools to help the employee, including a financial portfolio tool that enables the employee to hold a record of all their finances in a single place.

More to explore

The full breadth of the website's functionality can't be covered here and neither is the full breadth needed by all IFAs. A nice feature of the site is that it is modular, and different features and functions can be switched on or off for each company according to what they need. The modular nature can be controlled by the distributor and Scheme company, and goes right down to the level of which funds can be exposed to the members.

It is also important to note Friends Provident is very active in providing face-to-face support for schemes and, while it clearly sees technology as a valuable part of the support, it recognises it is not the only part.

Looking forward

The recent launch of a Corporate Platform by Friends Provident will build on its experience in the Corporate Pensions market place with targeted financial planning and education tools to support a wider workplace savings model.

The tools and education modules available on the new platform will take into account an individual's entire wealth and help employees to plan using a variety a savings wrappers.

We look forward to hearing more about the Corporate Platform proposition and how Friends Provident can use its experience of tools and education in the Corporate Pension market to drive innovation in the wider workplace savings arena.

KEY INSIGHTS

- A long and strong track record of supporting e-commerce
- E-commerce leadership has been a differentiation strategy
- Friends Provident has focused on the needs of advisers and on customers to deliver usable information, tools and more effective and efficient processes
- Seem to have avoided the risk of technology becoming the problem rather than the solution
- Now looking to 'next generation' of support services, with corporate platform

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