

LCP case study

Employee benefits procurement solution

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Background and objectives

Our client was a large financial institution whose relationship with the incumbent administrator of the pension and flexible benefits scheme was failing. Efforts to rebuild the relationship between the benefits department and the provider were not working.

The client was unhappy with deteriorating service levels which was evidenced by the members, who were expressing dissatisfaction. As a result the client felt that good trustee governance was at risk and took the decision to put the services out to tender.

Approach

- Assist the client in finding a new service provider by obtaining a detailed understanding of their requirements through site visits at the incumbent and interviewing the client manager.
- Adopt an approach which used the client's own e-procurement tool to design and distribute a Request for Proposal (RFP).
- Using LCP's knowledge of the flex and pensions administration markets to provide a long list of capable firms.
- Act as subject matter experts to answer provider queries and facilitate the whole process.

Solution

- LCP helped the client to define a comprehensive set of pension administration and flexible benefits administration service requirements.
- We assembled a strong panel of flexible benefit and pensions administration providers.

Client benefits

- The client maintained control of the procurement process and issued the RFP, while LCP responded to providers' questions.
- The solution was a cost-effective way to use internal resources, while getting expert advice.
- LCP worked within a timetable which suited the clients' needs and constraints.
- The client had the ability to appoint a provider who understood their requirements and approach them with a fresh, positive attitude and a sound provider relationship.

CASE STUDY

Quick Summary

Client required a new benefits provider.

Objective

Improve service levels and working relationship with benefits provider and improve member satisfaction.

The Pensions Regulator

Trustees should actively manage their relations with advisors to ensure that advisors are able to provide independent advice.

The expert's view

Clients call our Employee Benefits Consulting team in when, despite best efforts, it is time to change their key suppliers.

It is impossible to do this in isolation, so we become close to the decision makers, including, in this case, the clients e-procurement team whom we worked alongside step by step.

Using LCP meant that, for a process which typically happens very infrequently - up to date, best practice and alternative supplier knowledge was available. Our experience and understanding helps to ensure that an objective decision is made so that clients can be confident of getting a supplier with transparent processes and fee structures that are tailor-made and well implemented.

LCP's Employee Benefits Consulting team has extensive practical experience in helping clients with their administration, governance, risk management and communication issues. If you are interested in learning more about how we can help you, please contact the partner who normally advises you, one of our specialist team below or visit our website at www.lcp.uk.com.



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