



CASE STUDY: ING Nationale Nederlanden, Poland launches new pension fund within 4 months

Challenges

- Increase market share
- Launch new pension fund
- Handle large volumes and tight margins

Why Zarion

- Implement within tight deadlines
- Proven to handle considerable volumes
- Banking and insurance sector specialist

Results

- Lowest operating costs of all Polish pension funds
- Voted top performing Polish pension fund
- Major ongoing savings achieved
- System capable of dealing with up to 30,000 applications per day
- Live within 4 months

Enabling technology

- TouchPoint2
- Execute360

Background

When Nationale Nederlanden Poland, part of the ING Group, decided to enter the deregulated Polish pension fund market, it was faced with a number of stiff challenges. Not only was it necessary to gain market share, but this had to be achieved in the face of tight margins and time scales. Any back office system would need to be able to process large volumes of applications quickly and efficiently.

In response to the Polish government's decision to open up its pension market, Nationale Nederlanden established the Nationale Nederlanden Pension Fund Poland (PTE).

The pension reform introduced in Poland created a commercial pension market for the first time. All employees under the age of 30 were obliged to apply for a private pension fund from a choice of 22 providers. In addition, all workers between 30 and 50 had to decide whether they wished to take out a personal pension or remain under existing government arrangements. These regulations resulted in 10 million people being legally required to make a decision regarding their pension in just 10 months.

Challenges

PTE needed to establish a highly efficient and robust back office that could handle administrative processes quickly and efficiently. The most critical factor to be addressed was the high volume of expected applications. PTE estimated it would receive approximately 500,000 applications and needed a robust automated system to process these swiftly and accurately.

Linked with high volumes was the issue of tight margins. In an emerging market, the pressure was on for providers to keep charges to a minimum, with each of the 22 providers vying to offer the most attractive rates to entice customers.

Another major concern was the short time scale. PTE did not wish to embark on the project before it had received the license to operate from the government. This left the team with just 4 months to implement a solution.

Solution

All types of paper-based customer related documents (application forms, bills, statements and correspondence) were amalgamated in one electronic customer-orientated file.

This single client file can be accessed by any authorized person. Furthermore, the application process runs more smoothly, as all related documents are held in one location, and ongoing customer service is both easier for PTE and more satisfying for customers.

In addition, Zarion's technology helped automate the application process. It now works more effectively and avoids administrative backlogs.

Benefits

A survey showed that PTE's operating and transfer agent costs are lower than any other pension fund in the market.

Importantly, the new system also led to extremely high levels of customer service. Thanks to the unified client files, client service and call centre staff are able to provide quality answers to queries on the spot. The fund was voted the top performing Polish pension fund, in terms of client service and call centre, by customers in a poll run by a national newspaper.

The system also helped PTE to cope with a massive influx of applications efficiently and successfully. Although it was estimated that PTE would receive around 6,000 applications per day, in reality, there were peak volumes of close to 30,000.

Subsequent successes

The success of the challenging Polish project has led to the ING Group adopting Zarion's business process solutions across other markets in Central Europe including Hungary, Czech Republic, Romania and Russia.

“We now run an office that is virtually paperless thanks to the electronic archive system. Client services staff can access all documents quickly and easily from their PC. This brings cost savings in copying, printing and storing paper documents, as well as from reduced retrieval times.”

Jerzy Stremlau, Head of Client Services