

# It's time to put customers at the heart of your business

Atos Business Process Services  
for Life and Pensions



**Atos**

Low interest rates, falling demand and changing regulations are taking their toll on the Life and Pensions industry. Yet it need not all be despair. A customer-centric approach to Business Process Services (BPS) that combines intelligent operations with innovative digital technology can help a traditionally conservative sector evolve in the world of digitally-savvy customers.

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## The world has changed

For the Life and Pensions (L&P) market, the world has changed forever. The historic and sustained low-interest rate environment – the great blight of the industry – has led to a slump in demand and a loss of income from profitable L&P services.

This coupled with the floor falling out of final salary pension schemes offered to employees, a lack of disposable income for consumers and a change in regulation over the need for annuities, has led the industry into an unprecedented period of difficulty. The result is many players closing their books to new business and focusing on servicing existing clients and exploring new avenues for business growth.

This in turn comes as the FCA is reviewing the way it looks at closed book policies, taking a closer look at how companies communicate and reach out to customers with these life and pension products. They have taken a dim view of some. This only adds to the regulatory pressure – driving up costs, reducing investor returns and increasing the risk of heavy fines.



## A perfect storm

All these macro-economic and regulatory changes come as a backdrop to the greatest change of all – that of social and technological change. The millennial generation is coming of age with completely divergent attitudes to their long-term financial future than those of their parents and grandparents, with huge ramifications for the industry.

Millennials don't care that much about long-term savings, protection and insurance products. This should be a wake-up call for the L&P market. This generation are short-term focused; there's little job certainty and the tradition of having a job where they pay into a pension scheme for 25 years is

a thing of the past. These changing social dynamics are anathema to the business model of L&P providers.

Not only are people more short-term focused in their attitudes to their financial needs, but they also have greater expectations of how they interact with companies, including L&P providers. So while L&P providers are grappling with the challenges of trying to achieve high-yield results in a low-interest environment, which is squeezing profit and future success, consumers are at the same time both less interested in long-term financial products, while expecting more and more from the providers they are engaged with.

This perfect storm of changing dynamics calls for a radical approach to how the L&P market operates. The sector has to evolve to remain relevant and current, it has to modernise and transform how it engages with existing and potential customers, not just to improve productivity and enhance employee satisfaction, but of increasing importance – to meet the growing demands of your customers.

L&P providers must now radically change the way you engage you're your customers, offering better products with greater choice and flexibility of access. It is no longer a case of whether or not L&P need to change; it is now essential for your survival.

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## Customer is king

All too often L&P providers are looking at business process as just that – a process, based on system architecture and technology, rather than who that process is for – the customer. Modern operations should be customer-focused; understanding their needs and expectations. This then allows your business to use these human insights to drive your technology decisions, leading to a slicker, leaner, more efficient and cost-effective organisation.

In the digital age, the widespread adoption of new consumer technologies is giving customers increasing power. Customers now expect a broader range of products and services that are tailored to their specific needs, across multiple channels. Put simply, in this 24/7 'now' society, customers are not prepared to write a letter to their provider and wait 30 days for a response. They want to go online and do things right now.

Online retailers, utility providers and even challenger banks are setting the bar for these customer service expectations which changes the dynamic for all B2C companies. The L&P market offers more complicated products with greater regulation, as well as having to deal with the spectre of a miss-selling scandal if due process is not adhered to. However, this mismatch is lost on consumers who just see a disparity in the level of engagement and options available from their L&P providers than they do elsewhere.

Businesses increasingly need to understand consumer's appetite for greater customer service. A failure to do so will mean L&P providers have to start eating their lunch – swallowing their profits and losing market share.

## Barriers to success

The need for L&P providers to change is compelling, yet in many ways it is the very cultures, structures and systems of L&P businesses themselves that are the barriers to this change.

The biggest obstacle to moving to a 'connected office' digital operational model is legacy systems. All L&P providers have spent tens of millions of pounds on legacy infrastructure in systems and architecture. It would be completely untenable to stakeholders and shareholders to suggest doing away with this architecture, yet keeping it in its present state is no longer a realistic option either.

How can L&P providers accelerate digital transformation whilst continuing to leverage their investment in core infrastructure and protecting the integrity of the service? Through a partnerships with leading innovators highly flexible digital applications that augment the existing infrastructure can be plugged in, thus avoiding the need for large scale change or replacement. Through this approach, which we refer to as '2 speed IT', it protects your investment and service integrity whilst delivering a wide range of service and performance improvements quickly and with minimal risk.

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A third of consumers say a failing digital service is enough to impact overall brand loyalty

*Demanding Digital*  
Atos Primary Research 2016

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Putting your customers at the heart of everything you do will help to enrich the end-to-end experience and deliver operational excellence.

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## Achieving operational excellence

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Operational excellence is not just about digital transformation. Businesses increasingly need to find a partner who can take away the business strain and work alongside your teams to deliver your business outcomes and improve customer experience. Combining intelligent operations with insight and deep customer understanding is essential to making sure you deliver the consistently excellent services your customers expect.

Operating in a customer-centric manner is the key to business success in the modern world. Putting your customers at the heart of everything you do will help to enrich the end-to-end experience and deliver operational excellence. This will mean reducing your costs and risks, while improving your ability to react to changing market dynamics.

## The people-led approach

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It's not just the relationships with your customers that matter. Working collaboratively with a team of knowledge-based experts will also help guide and direct organisational transformation through people, process and systems. That way you will deliver end-to-end service improvements, built around the human need, rather than the technology.

Alongside the all-important customer experience, L&P providers increasingly need intelligent operations that seamlessly integrate end-to-end efficient and effective business processes. Emerging Robotic Process Automation technology and cognitive innovations can be used to digitise your business processes, remove manual activities and drive greater efficiencies, responsiveness and productivity. This automation will lead to a much quicker and better service for customers and enhanced compliance adherence in the eyes of regulators

By automating transactional work, you can free up staff to do more qualitative and quantitative analysis and more complex enquiries - the very bedrock of intelligent operations. This analytical insight, through real-time business monitoring will ensure timely decision-making for business performance, service demand, fraud and compliance, and overall service delivery. Those L&P providers who adopt these intelligent processes as part of a culture of lean operational excellence and continuous improvement will reap the benefits.

The third factor in ensuring operational excellence for your business is the technology that underpins the customer experience and intelligent operations. Isolating the two-tier IT system, where the core infrastructure is kept, but smart interventions are wrapped around it, will give your business all important agility and speed. Having an integrated approach to BPS delivery will optimise your infrastructure, platform and application performance, whether on-site or cloud-based.

## The perfect opportunity

The industry needs a profound cultural shift to engage the new generation of savers who are less incentivised and less motivated to think about their long-term financial future. Not only will individual businesses who don't adapt to the new environment lose out to their competitors or new entrants to the market, but the market itself could also shrink. There's a real danger that the next generation of customers will do nothing, because they are so disenfranchised with the products, the service, and the concept of putting money away for the long term.

Yet, these challenges also present the perfect opportunity for innovative L&P providers to transform their businesses and increase the net worth of their customers. After all, the more L&P providers understand their customers; the more effective your communication with them is, the more chance you have to sell them multiple products. The more products you sell, the more likely you are to increase persistency and to upsell to more profitable products.

This customer persistency and worth is gold dust for the L&P market. The times are changing. It's time you changed too.



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To improve is to change; to be perfect is to change often.

Winston Churchill

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# About Atos

Atos SE (Societas Europaea) is a leader in digital services with pro forma annual revenue of circa € 12 billion and circa 100,000 employees in 72 countries. Serving a global client base, the Group provides Consulting & Systems Integration services, Managed Services & BPO, Cloud operations, Big Data & Cyber-security solutions, as well as transactional services through Worldline, the European leader in the payments and transactional services industry. With its deep technology expertise and industry knowledge, the Group works with clients across different business sectors: Defense, Financial Services, Health, Manufacturing, Media, Utilities, Public sector, Retail, Telecommunications, and Transportation.

Atos is focused on business technology that powers progress and helps organizations to create their firm of the future. The Group is the Worldwide Information Technology Partner for the Olympic & Paralympic Games and is listed on the Euronext Paris market. Atos operates under the brands Atos, Atos Consulting, Atos Worldgrid, Bull, Canopy, Unify and Worldline.

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