

Bhs

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Company description

Bhs has grown from a single store in South London to a multinational retail company with a major presence both in the UK and overseas. In 1986 Bhs merged with Habitat/Mothercare to form Storehouse plc. In May 2000, Philip Green bought Bhs from the Storehouse Group. Bhs Ltd is now a private retailer.

Sector

Retail

Product

PS Pensions

Challenge

To reduce administrative overheads whilst increasing efficiency and continuing to manage heavy workloads.

Solution

PS Pensions from NorthgateArinso was chosen because of its ability to meet several key objectives: To undertake as much of the implementation work as possible, to be as self supporting as possible and to allow the Pensions team to give better than ever service in a more cost-effective and efficient way.

Background

John Jones, Pensions Development Manager at the Bhs Pensions Office says " Before we introduced PS Pensions, the Storehouse Pensions Office employed six fulltimers on administration and development work. Despite four of them regularly working overtime in an attempt to keep up with the work, there were still huge backlogs. In round terms, following our split from Storehouse in 2000, our total membership fell from 34,000 to 28,000 people. Given this drop, a small reduction in the number of administration and development staff might have been expected. In fact, however, the Bhs Pensions Office now employs just three people doing the same work which, coupled with other economies we have been able to make represents a financial saving of around £100,000. Without working overtime, the backlogs have been cleared and the vast majority of work is now turned around on a same-day basis. What's more, we have taken on more work by relieving our stores of the administrative chores previously delegated to them."

" Before PS Pensions, we would often respond to telephone enquiries by saying that 'we'll send you a letter within the next two to three weeks'. Now, as PS Pensions automatically feeds MS Word (and we users no longer have to transcribe the data), we can prepare a written response as we chat to the person, go through the contents with them and say 'the letter will be in the post as soon as we say goodbye'"

The Bhs schemes (final salary, contributory, contracted-out schemes: the Bhs Pension Scheme and the Bhs Senior Management Pension Scheme) have 3,653 contributing members, 15,563 deferred pensioners and 7,585 pensioners, meaning a total membership of 26,801. Activity is high, with more than 25% of contributing members leaving each year. The original system, set up while Bhs was still part of parent company Storehouse, was not up to the job. "

For years Storehouse struggled along with an old in-house mainframe system. Whenever any change needed to be made to the system, it took ages and cost a fortune," explained John Jones. "To save time and expense, the old system was supplemented by a number of Excel workbooks to paper over the cracks.

In 1998, it was found that many of the old mainframe systems (including the pensions administration system) were not Y2K compliant. In consequence, it was decided to ditch the mainframe by the end of March 1999. As a result, the search began for a replacement."

Bhs had four clear objectives in mind for the new system to:

- Go live quickly, within a very ambitious time-scale
- Undertake as much of the implementation work as they could reasonably manage
- Be as self-supporting as possible after implementation
- Produce a solution that would allow them to give better than ever service in a more cost-effective and efficient way.



"What our customer said"

"After looking at a number of rival products, we chose NorthgateArinso's PS Pensions because we believed it gave us the best chance of achieving all of our four objectives... we had a very open relationship with NorthgateArinso...advice and guidance at a"

**Pensions Development Manager
Bhs**

Solution

John Jones was part of the team that evaluated the market and he recalls:

"After looking at a number of rival products, we chose NorthgateArinso's PS Pensions because we believed it gave us the best chance of achieving all of our four objectives. It was competitively priced and its Calculation Builder particularly impressed us. In fact although the implementation was very hard work the easy to use software tools that are provided within PS Pensions meant that we could undertake the majority of tasks ourselves rather than keep referring back to NorthgateArinso which meant that we were always in control of our own destiny. Also we had a very open relationship with NorthgateArinso that meant we could call for advice and guidance at any time and additional resource from time to time to help us meet our objectives. In the end, despite a very tight timescale we met all our targets on time. Equally importantly we have subsequently been able to apply our skills to take advantage of the new features that have since been added to PS Pensions so that we are constantly improving and tweaking our system to keep ourselves up to date with new requirements".

As part of the implementation process, NorthgateArinso was involved in populating the software system with the pre-existing data immediately prior to going live, and in developing a new payroll-to-pensions interface to keep the data up-to-date in the future. Bhs had to decide on what data was needed and where it would be sourced from, and build and test calculations to establish the most useful outputs from PS Pensions.

"Never forget the old adage 'rubbish in means rubbish out'", adds John. "If your data is not what it should be, clean it up. If time is not on your side then, as an interim step, work out which records are affected by the bad data, flag those records and, if the user attempts to perform a calculation on one of the flagged records, prompt the user to update it."

Conclusion

John believes that in order to get the best results, pensions departments need to take a bold approach.

"Let your imagination run riot. Dream of how you would like things to run in a perfect world and set about making the dream a reality. We deliberately chose to make life much harder for ourselves at the time by totally re-engineering our processes along the way. However, the implementation was a real success: All of the tasks were completed on time and the process re-engineering has resulted in the new system being vastly superior to what it replaced."

A new software package in the Bhs Pensions Office was the platform for cost-savings, a better service for its customers, and an opportunity to take on further responsibilities.

For more information

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