

# Daily Mail and General Trust plc

## Company description

Daily Mail and General Trust plc (DMGT) is one of the largest and most successful media companies in the UK and has interests around the world in national and regional newspapers, television, radio, exhibitions and information publishing. DMGT Pensions pays over £16 million in pension contributions each year and over 32,500 people are currently members of the scheme.

## Challenge

Install a replacement pensions administration system capable of delivering new scheme options within a tight project schedule. It was also essential that the majority of the IT implementation and subsequent maintenance could be handled by DMGT Pensions' own in-house IT team.

## Solution

PS Pensions, tailored to deliver additional spreadsheet features.

## Benefits

- The flexibility to allow DMGT Pensions to operate a two-tier scheme, giving members more choice about the contribution levels.
- A system based on a database and spreadsheets so that previous administration methods could continue in largely the same way, but with added functionality and efficiency.
- Installation of the system within six months, largely managed by the DMGT Pensions IT specialists.

## Background

In 2004, DMGT Pensions decided to develop a two-tier scheme for their members. They wanted to offer members the choice of either remaining on their existing contribution level or make higher contributions to maintain their existing pension expectation. However, it was clear that it would be difficult and costly to extend the functionality of their then current pension software system to accommodate this new two-tier arrangement.

A rigorous selection process was therefore initiated to find a replacement software provider who could deliver a suitable system, and do so in time for a deadline of 1st July 2005. Each year of delay would cost DMGT £5 million and, due to the scheme's rules, the change had to occur on the first day of July in any given year. Meeting this tight deadline was therefore essential. After several months of assessment in which every major provider was reviewed, NorthgateArinso was selected as the system provider.

## Solution

When DMGT Pensions started the software selection process they had some clear criteria, all of which were met by NorthgateArinso's PS Pensions solution. The criteria included:

- The calculations software should not use proprietary software language. It must be in a language that DMGT Pensions were familiar with and able to use.
- The software as a whole should operate using MS-SQL and be capable of interfacing with standard spreadsheet methodology, also to ensure DMGT Pensions' ability to make changes without depending on additional IT resources.
- The MS-SQL element of the software should be a standard feature of the system that had been tried-and-tested in previous installations.
- The system should be installed with minimal disruption to pensions administration staff and members. The staff should also be able to use the new system very quickly after installation, with little training.
- The pensions staff should be able to use familiar Microsoft applications for much of their routine work. For example, calculations should be run in Excel and the production of letters to members should move to Microsoft Word.



# "What our customer said"

"The software doesn't tell us how to hold our data or make our calculations. We are in complete control"

**Pensions Manager  
Daily Mail and General Trust**

DMGT Pensions Manager Jeremy Williams explains why the use of spreadsheets is so important to him: "There are three main reasons why we previously used spreadsheets to perform calculations, and we wanted to continue down this route with the new system. Firstly, there are tremendous spreadsheet skills in the pensions industry which should be utilised."

"Secondly, when using spreadsheets it is easier for end-users and installation staff to check complex actuarial instructions as the spreadsheets can be laid out in a similar manner to the instruction received from the actuary. They are also easy to change without compromising on security."

"Finally, spreadsheets are self-documenting so we can always see where data has come from and where it is going to. In short, using spreadsheets significantly reduces the total costs of ownership of your calculations."

## IT self-sufficiency

DMGT had built up strong IT capability and therefore naturally wanted to get the most from this during the installation. PS Pensions has in fact been developed so that customers can manage much of the installation if they have sufficient in-house IT resources.

DMGT Pensions' own IT team were able to carry out most of the work, including designing the database tables and establishing the pensions calculations. They also migrated 40,000 pensions records from the existing system into PS Pensions, without having to take data off line so that members could receive a full service at all times.

## Efficiency and service levels

The switch to a new system was also a good opportunity to seek improvements in efficiency so that service levels could be raised. Jeremy Williams explains:

"We can now resolve 90 percent of member queries in less than 20 minutes. This is thanks to a combination of the capability of PS Pensions and the process re-engineering that we undertook during the project. We have also found that the GMP calculator is convenient to use and accurate. In six month's use, we are yet to find a single error."

Some of the efficiency improvements also stem from the fact that DMGT Pensions have been able to remove some old software and instead use various tools included within PS Pensions. Some tasks had in the past been performed outside of the main pension system. Sometimes they couldn't be done by pensions administrators but instead had to be passed to IT experts, whereas now they have been brought into the main administration remit.

These tasks include the generation of replacement bulk communication letters to scheme members who have lost the originals, as well as the processing of pension increases and benefit statements.

## Conclusion

According to Jeremy Williams, DMGT Pensions have been running PS Pensions almost on a self-sufficient basis:

"We visited NorthgateArinso's support desk during the evaluation process and their phones hardly seemed to be ringing at all. Now we know why: PS Pensions is incredibly easy to use and maintain. We hardly ever need to call the support desk. We can even make changes to things like calculation criteria and form design quickly and without requesting costly changes, which we believe to be the case with some alternative system providers."

In short, it is the way that PS Pensions has left the DMGT Pensions team in control of their scheme that has most impressed Jeremy Williams: "The software doesn't tell us how to hold our data or make our calculations. We are in complete control."

## For more information

With the skills, experience and market knowledge of NorthgateArinso behind you, you too can be well placed to translate the HR challenges your organisation is facing into powerful opportunities.

For an initial discussion about your requirements, call us on 0800 035 0545.  
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