

Royal Mail

Royal Mail delivers with NorthgateArinso Pensions Solution

Company description

Royal Mail Group plc is a public limited company wholly owned by the Government, with annual sales in excess of £8 billion and more than 200,000 employees. Their marketplace is changing and Royal Mail is reinventing its business to meet the changing needs of its customers and the demands of competition. Its goal is to be the world's leading postal service.

Sector

Public Sector

Product

PS Pensions

Challenge

To improve service levels and administrative efficiency.

Benefits

Improvements in efficiency and quality, benefiting stake holders and scheme administrators.

Background

Following an exhaustive review of the administration systems on the market, Royal Mail selected NorthgateArinso's Pensions Administration System and Pensioner Payroll System to replace the previous mainframe systems.

Michael Mayall, the Royal Mail's Project Manager for the replacement systems, says "The key reasons for our decision were the track record of NorthgateArinso as a supplier, their commitment to the pension system market and our confidence that the workflow capability of PS Pensions would enable us to review and refine our processes to help achieve the improved efficiencies and quality of service that we are seeking."

Solution

In the autumn of 2001 a joint project team was established comprising 5 staff from the Royal Mail's Pension Service Centre, 9 staff from Royal Mail's Business Systems unit and a small team from NorthgateArinso. The project was split into a number of streams – Processes, Data, Calculations etc. - and a Royal Mail team leader appointed to run each stream.

NorthgateArinso were on hand to provide skills transfer training and offer product-specific advice and guidance.

"We wanted to ensure that we had ownership of the project so that: a) we could achieve the solution that we wanted rather than have the feeling that something had been imposed upon us, and b) we could support ourselves in the future," says Michael Mayall. "After all, we were the ones that would have to live with what we delivered long after the project had ended."

As well as involving the project team in all key decisions Mayall and Codling also ensured that the Centre's administration staff were kept fully in the picture through a series of presentations, workshops, progress bulletins and training sessions. "It was essential to get the full 'buy in' from our staff," says Codling "We went to great efforts to ensure that nobody felt left out or was surprised or disappointed by the final production system."

The Royal Mail Pension Plan is one of the largest schemes in the UK and with over 450,000 members to look after, the 130 staff at the Pensions Service Centre in Chesterfield are always kept extremely busy.

Duncan Codling, Head of the Service Centre at Royal Mail, says, "Although the pension staff at Chesterfield have always delivered a first rate product, we recognised that in order to continue to provide the standards and service rightly demanded by our members and the Schemes' Trustees we needed to take a fresh look at both our core business processes and our underpinning systems."



"What our customer said"

"We now have a modern, state-of-the art administration and payment system that enables us to provide a rapid, effective and comprehensive administration service."

**Head of the Service Centre
Royal Mail**

A Project Board was formed that included representatives of all the major stakeholders in the project – the Trustees, the Service Centre, HR, Business Systems and NorthgateArinso. The project team reported progress on a monthly basis to the Board who had the opportunity to interrogate, challenge and approve changes. The formal disciplines that this approach instilled in the project team was a key contributor to the overall success of the project and reinforced the feeling of "ownership" that persisted throughout.

"This formal reporting process and the regular meetings ensured that there were never any unwelcome surprises. We were also able to influence the direction of the project at every stage rather than being faced with a fait accompli" says Gerry Degaute, CEO, Royal Mail Pension Trustees Ltd.

The project ran smoothly enough to ensure that the number of issues requiring Board intervention were kept to an absolute minimum. The fact, however, that the mechanisms were in place ensured that no issues hung around unresolved for any length of time.

To re-engineer all of the department's processes at the same time as installing the new systems was a big challenge. Rebecca Longson who leads the process re-engineering team had the onerous task of co-ordinating the research, specification and implementation of the revised processes in parallel with the other implementation streams.

"Reviewing and re-engineering all of our processes involved a large number of experienced pensions staff from within the Service Centre and other stakeholders outside

of the department," says Longson. "We had to be very careful to ensure that details of the revised processes were fed through to the team leaders of the other streams in good time for them to be built into the record keeping, calculations, letters and reports etc."

The co-ordination of all this activity was one of the biggest challenges faced by the project team "Ideally the process re-engineering would have been completed before we started on the system replacement project," says Michael Mayall, "but circumstances dictated otherwise. It is a credit to the hard work and quality of the whole project team that we successfully handled both activities at the same time."

In addition to re-engineering the processes and replacing the systems, the Service Centre also took the opportunity to undertake a significant data cleansing exercise. "Although the majority of our data was in good order there were inevitably some data items that had 'passed their sell by date' during the 20-odd years that the old legacy systems had been operating," says Duncan Codling. "We set out a plan to identify all of the data exceptions and discrepancies and correct them under the old systems before transferring data to the new. At one point we had in excess of 250,000 data items in need of correction but through the dedication of a small team of administrators we managed to correct all migration-critical items before transfer of the data to the new system."

Conclusion

"What we have delivered over the past 18 months is a tremendous achievement and testimony to the dedication and hard work of everyone involved with the project – it's not that long ago that more than one of the solution providers told us we would never make a change of this size or scope in less than three years!" says Codling.

"We now have a modern, state-of-the art administration and payment system that enables us to provide a rapid, effective and comprehensive administration service. We have re-engineered our core business processes driving improvements in our overall efficiency, quality and effectiveness thereby benefiting our members, key stakeholders and most importantly our scheme administrators. We have achieved all our main objectives and now have a strong base from which to build an ever improving service in the future."

For more information

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