



**The future of occupational pension schemes:
Fit for future: transformation of administration**

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Fit for future: transformation of administration

Rising member expectations, technical progress and cost pressures require constant change. This also applies to occupational pension schemes and their organizations. An effective change management is needed that involves employees and all other stakeholders. Key elements are quick wins, communication, resource allocation, ongoing digitalization and establishing of a sustainable culture of change.

Occupational pension schemes are becoming increasingly important in Germany because of demographic change. Employees need good company pension schemes to compensate for the decline in social security systems in the future. Companies can use occupational pension provision in the competition for talent. The challenge is to keep pace with employees' expectations, new technologies, cost pressures and new regulatory requirements. The occupational pension system and its organization therefore face a constant need for change and transformation. The development and enhancement of highly automated digital platforms play a central role. They enable even more efficient administration and improved services for all parties involved. How do you manage constant change? Five success factors from practice.

Five success factors for transformation and change management

Transformation requires a clear vision, strong leadership, and an engaged workforce. To achieve these goals, effective change management is essential. Based on WTW's experience, the most important factors that contribute to a successful transformation process are the following.

1. Quick wins build enthusiasm

Before embarking on business transformation, it is important to identify the specific levers that can be used to deliver positive change quickly and rigorously for an organisation. If visible results are achieved quickly and internal organisational barriers to progress are well addressed, employees and all other stakeholders can be enthused and 'bought in' to the change.

2. Convincing communication with a common goal

Transformation programmes are typically influenced by a wide range of stakeholder interests, which means that very specific and unpredictable dynamics can develop in the details. It is therefore important to

- win the support of all stakeholders for the necessary changes in advance, if possible, and
- keep members and employees informed through regular communication (e.g. newsletters, town hall meetings, podcasts, videos, workshops).

Crucial to this is programme management, which coordinates the many different strands of work in an agile environment and identifies potential problem areas at an early stage so that they can be addressed. All measures and communication content are repeatedly compared with the strategic mission statement and the strategy programme drawn up for this purpose in order to discuss the extent to which they contribute to the medium-term strategic goals for the next few years. The answer to the question "Why do we need the transformation?", which is easy for everyone to understand, helps to navigate through the transformation and at the same time creates better understanding and greater enthusiasm among all external and internal stakeholders.

3. It doesn't work without resources

The separation of day-to-day business and transformation needs to be made, at least in terms of roles. The best input for the transformation is usually provided by the administrators themselves. By actively involving the administrators, they become participants and co-creators of the transformation. Depending on the task, it may be helpful to give the necessary specialists, e.g. process/business analysts or data analysts, the freedom to examine the existing processes and technologies in use. An outside view (e.g. from an external third party) can also help to bring best practice to the transformation.

4. Consistent digitization

A key success factor for the sustainability of transformation results is increasing the degree of digitalization. Only with consistently digitalized processes can goals such as speed, transparency and quality be decisively improved. This is not about a 1:1 transfer of analogue or partially digitized processes into a digital world. Rather, it is about a complete rethink in terms of processes, organization, and technology.

5. Establishing a culture of change in everyday life

Finally, the transformation must also be anchored in the corporate culture - because the transformation will only succeed with well-trained and motivated employees. This can be achieved with a variety of measures. For example, with awards for employees who have particularly distinguished themselves through outstanding performance. Or, with the help of the competence and training centre, the range of internal and external trainings is systematically expanded. Transparent communication is essential: information is shared, analysed and anchored in the "organisational memory" with the help of "lessons learned", in generally accessible media. This ensures that overarching organisational learning can take place and that new employees can be trained and qualified quickly and efficiently.

Outlook

Transformation projects offer a great opportunity to rethink and sustainably improve the entire value chain. It is important not just to initiate change once, but to establish a culture of change in everyday life to keep pace with user expectations and the constant evolution of highly automated online platforms. This will make government more efficient and improve services for all stakeholders.



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