

Royal Mail Pensions - Customer Story

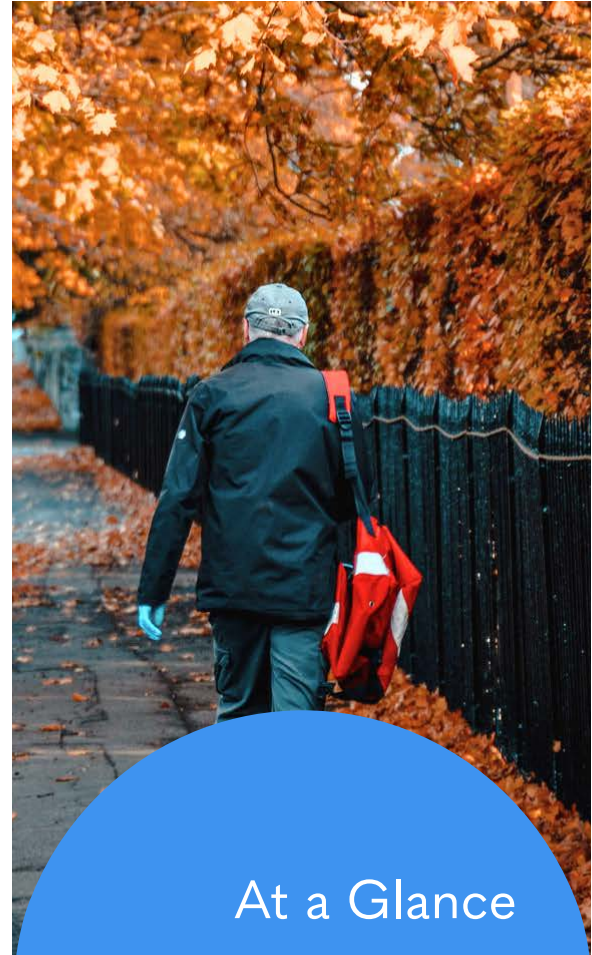
The Royal Mail Pension Plan (RMPP) is managed by a Trustee company called Royal Mail Pensions Trustees Ltd (RMPTL).

The executive function of this company is to look after the pension schemes of Royal Mail, ensuring that the money invested by the members in Royal Mail is safeguarded. In short, Royal Mail Pensions are the custodians of the pension fund, managing in excess of about £14 billion worth of assets for members.

Challenges

This multidisciplinary company looks after many moving parts, including the investment, the governance, the finance and the administration of the pension scheme. With that comes many challenges, including:

- Each moving part has its own set of risks, making it a very complex operation to manage with a small team.
- Not having a safe and secure system against cyber-attacks, including phishing and fraudulent behaviour, is a major risk in itself.
- Lack of version control on a mixture of PDFs, documents, spreadsheets, and PowerPoints has proven to be an onerous process.
- Trustees were too focused on spelling mistakes, colour differences and elements not being level on risk spreadsheets rather than making important decisions.



At a Glance

VALUES

Looking after RMPP members' pensions and paying all of the benefits as they fall due under the Plan, in accordance with the Trust Deed and Rules.

To be committed to a high level of compliance with relevant legislation, regulation, industry codes and standards as well as internal policies and sound corporate governance principles.

SECTOR

Pensions

LOCATION

United Kingdom

SIZE

14 staff and over 124,000 Royal Mail Members from active to retired

DECISION TIME USERS

15 Risk Licences

Something Had To Change

With increasing regulations and policies being introduced for the pensions sector, a spreadsheet approach was no longer working for the Royal Mail Pension Trustees to confidently manage their risks. An example of the type of increasing regulation is the Effective Systems of Governance (ESOG) being bought in by the Pensions Regulator. This requires an Own Risk Assessment, where pension funds must be able to demonstrate how risk is managed within their organisation. This new approach prompted Royal Mail Pensions to look into a more effective tool for managing risk.

As well as this, various organisational committees would have different approaches to reporting and discussing risk. Peter Wilson, Finance, Risk & Investment Operations Consultant at Royal Mail Pensions, shares the issue of reporting risk for these committees.

"We have an audit and risk committee, administration committee, funding committee and an investment committee. These committees then all report to a central Board. Essentially we had to start from scratch as every committee and board would have their way of reporting risk. This was a tedious and arduous process."

Decision Time in a Nutshell

- Easy to use, highly intuitive software ensures adoption by the board.
- Capture, evaluate and manage risks and opportunities of any type in one place and under a single flexible framework
- Assign risks to specific owners and map to organisational themes and structure.
- Mitigations, controls and responses are all clearly captured separately from actions and future plans giving a better understanding of the current state and the target position.
- Clear and more transparent audit trails for risk registers.
- Exceptional training and support allows for a seamless transition.

The Solution

Decision Time was suggested by a member of the Royal Mail Pensions team who had used the system before and could see the value it could bring. After looking into the product further, the connection with Decision Time was made.

Peter said "It was only until I got under the bonnet of it that I could see that the product was not just a risk management product, but a governance solution. In Royal Mail Pensions, we have multi-strategy sections within the scheme. So one strategy is looking to take on risk, whereas another is looking to be risk averse. We needed to find a system that could be a one size fits all for us."

Once Peter and his team got in touch with Decision Time and started the implementation process, it was straightforward and seamless, giving each committee more time to focus on making important decisions and the management of their risks.

"Now that we have a professional dashboard to show our risks, trustees are no longer focused on picking out the spelling mistakes, colour differences and cells not being level in spreadsheets. Decision Time is concise and easy for the reader to focus on what we want rather than struggling with version control. The dashboard gives us more time to make changes and decisions."

Removing the spreadsheet approach to risk has allowed Peter to manage a more efficient and professional risk system.

The Outcome

Once Decision Time Risks was well integrated into Royal Mail Pensions, the team could easily manage and track risks within different parts of the organisation. Peter shares his experience with the system and how it has made a positive impact on effective risk management.

"It's made the risk management process a lot slicker and much more professional. The flexibility is massive, I could produce 20 reports, and it wouldn't take me very long to complete. I wouldn't have to put things into word documents and ensure I've got all the risks in the right places. The Decision Time software does that for you."

Decision Time Risks module now gives Royal Mail Pensions all the clarity, oversight and analysis tools to control risk, exploit opportunities and minimise threats in a secure way.

Peter shares the benefits the risk register has had to avoid issues with version control and reporting for different committees at Royal Mail Pensions. "The reporting function is excellent within the system. I can go in and approve the reports quickly and can effectively mix and match the risks. So when we go to our risk committee, we report the most important risks that we want them to focus on.

The risks are a mixture from funding to finance, admin, governance and investment. So we can move those around and we're not rewriting anything or cutting and pasting. The flexibility of the reporting is one of the system's major benefits."

Decision Time Risks has now been implemented across the organisation and committees, providing Peter and his team a more streamlined approach to risk.

"I've introduced it across the scheme, and I'm doing the first annual risk review using the Decision Time risk dashboard rather than going through each risk and various documents. Everyone I have engaged with has found it easier as I can just take them into the risk and simply discuss the controls, the inherent risk, the residual risk, etc. It allows us to check everything thoroughly and see where we are. Decision Time Risks has worked well for us."

Support

Peter shares how the customer success team made the training and support seamless throughout the transition.

"During the training, the customer success team were clear and straightforward, I could understand the system better and how to optimise the risk register to best suit the organisation."



Want to know more about Decision Time?

Request a Demo by emailing info@decisiontime.co.uk and we'll guide you through all the helpful ways our software can transform your organisation for good or visit our website at www.decisiontime.co.uk