

THOMSONS ONLINE BENEFITS

thomsons online benefits uses web technology extensively to allow companies to revolutionise the way they run their human resources department and administer employee benefits schemes.

OBJECTIVES

Traditionally, a company setting up their employee benefits package would require a complex paper trail to administer and communicate it. This paper based administration is not only inefficient but makes it difficult for employees to understand the benefits that they are provided with and to proactively manage them.

thomsons online benefits was founded in 2000 to achieve two objectives:

- to eliminate the paper dependent processes required to set up and administer benefits between the employee, the employer, the benefit adviser and the benefit suppliers;
- to improve the communication of these benefits so that employees can understand and value the benefits they are provided with.

thomsons' aim was to make use of web technologies available in order to break down the cumbersome way benefits are administered. It aimed to handle the enrolment of a company's employees electronically using unique user names and passwords rather than "wet" signatures, cutting out the extensive paperwork, and removing the need for lots of administrators.

By doing this, thomsons could enable the employee, employer, financial adviser and benefit provider to access the same set of data using the web rather than them having to exchange multiple pieces of paper. This would also reduce delays and waste, as well as removing any data processing errors.

In addition the system would need to be fast, secure and be able to communicate with existing solutions used by benefits providers. It would also have to work with multiple currencies and languages.

SOLUTION

thomsons developed a system that can communicate with any suitably-equipped website or system, so users can set up policies directly and easily online. Developing the system's software called for intense consultation with benefits providers, HR professionals and employees to produce the initial specification, followed by module testing and, finally, rigorous

Best practice in: E-business & Advanced Supply Chain Integration

Sector: Insurance/pensions

Size of firm: 35 employees

Location: London

Website: www.thomsonsonlinebenefits.com



“Complete administration savings become possible where there is one-touch processing”

CAROLINE SHENTON – CONSULTANT

quality control testing to identify and remove any flaws or usability issues.

The system aggregates all the information about the benefits in a single place, so employers can see their total remuneration spending at any time. Data also needs only to be entered once to be available electronically to the HR and payroll departments along with other providers. Employees can also enrol electronically. For security, employers can see a full audit trail when an employee changes their details and the system stores details of the pages accessed and the internet IP address of the computer used to make the change.

“Complete administration savings become possible where there is one-touch processing,” says Caroline Shenton, Consultant at Thomsons. “One piece of employee data can be passed from an HR system straight into our software and straight to the payroll and to providers without any manual involvement. For example, when an employee enrolls into their pension, the provider’s system is automatically updated and the policy document is issued the next day.”

RESULTS


Thomsons can offer clients a complete solution from the consultancy skills needed to design and develop a company’s reward strategy through to the technology necessary to administer and communicate these.

By providing a service that eliminates the need for excessive paper processing, this in turn reduces duplication and data input errors, has brought savings and benefits for employers and benefits providers.

“Benefit providers find it much cheaper to conduct business with us than with standard advisers,” says Caroline. “One of our suppliers has confirmed that it is about 80% cheaper for them to conduct business with us rather than standard independent financial advisers.” Employers can cut the cost of administering benefits by up to 70%.

With pensions becoming an increasingly important social issue, the system provides interactive web tools so employees can plan a ‘virtual future’ and make real decisions about their benefits. “Our online pension calculator models how much an individual needs to contribute to their pension, based on their personal circumstances and previous pension funds, in order to meet their desired retirement age and income,” explains Caroline. “For most people, this is the first time they are





confronted by this reality – rather than receiving a meaningless paper illustration through the door once a year.” The pension take-up among employees of companies using the system is 93% and is one of the highest levels in the UK.

The site incorporated the first paperless and signatureless enrolment process for Group Personal and Stakeholder Pensions in the UK and thomsons pioneered obtaining approval from the Inland Revenue.

The company is continuing to expand both in the UK and globally, and have dramatically increased the size and stature of companies that it has won as clients to include such prestigious brand name clients as MTV, Reed and Regus. At the end of 2004 they secured a multi-million pound investment in the business following a management buy out from AWD Plc. This will enable them to further accelerate the company’s growth by broadening their distribution channels to other independent financial advisers and employee benefit consultants.

Due to it’s success, thomsons is the winner of the London Regional category for E-business and the National category for Advanced Supply Chain Integration in the DTI and Interforum Awards for E-commerce. It has also been voted ‘Corporate Adviser of the Year’ in both 2004 and 2005 in the Money Marketing Financial Services Awards.

CHALLENGES

The need for security, to protect employees’ data on the website, was a high priority. Yet, notes Caroline, some have found it too challenging.

“Some individual employees have commented that the security of the system is too tight, as we require that passwords must be between 8-12 characters in length, and uses a combination of alphabetic and numeric characters. However, we feel that this level of security is essential given the sensitivity of the information being processed. To reflect user’s needs, we operate a helpdesk to enable employees to be prompted as to their password hint and then to reset their password if necessary.”

It is also important to cater for disabled users, and thomsons has worked hard to make the site fully usable. The first step was the introduction of functions to change onscreen font size, background colours, as well as enabling an automated Braille reader.



Top tips:

- All clients, no matter what their size, have unique requirements. Delivering the right solution requires an in-depth understanding of their business objectives, culture and employees.
- Test any new technology you are implementing for as long as you can and by as many people as you can.
- When challenging traditional methods of conducting business and trading, be prepared not to take no for an answer!

THE LAST WORD

Caroline says: “This recognition by our own peers so early in our history reflects not only our commitment to using technology to overcome the failing of the traditional approach, but also confirmation of the success of our business model – and our ability to deliver a first-class service to our clients and their employees.”

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