HIGH TECH, LOWER COSTS: HOW SMART SOFTWARE DRIVES DOWN THE COST OF PENSION OPERATIONS

Modern pension funds rely heavily on operations to keep track of setting, recording and servicing. But high operating costs, coupled with low market returns and budget cuts, are eroding margins.

A recent study by the Government Accountability Office found that the Social Security Administration had reported $1,457.2 million in operating costs for 2015-2016.

Though the Social Security Administration has rules that limit operating expenses, it must still reduce operating costs in light of a proposed $1 billion budget cut in 2017.

In 2016, CalPERS, the largest U.S. pension fund, posted its lowest annual gain, 0.6%.

WHY OPERATING EXPENSES RISE

Several factors are leading to rising pension operating expenses including:

- Employee volatility
- Longevity of employment has become unpredictable, which makes predicting premiums challenging.
- Size of pension groups
- Servicing smaller pension groups can actually cost more than larger groups since there are no economies of scale.
- Inefficient technology
- Legacy core systems do not support today's work demands.

To address these issues, pension programs must hire more employees, which in turn creates more costs that wipe away profit margins.

The Appian Platform enables digital transformation from the inside-out, starting with:

The Back Office
Information on customers, policies, claims, sales opportunities, etc. can be pulled together from other sources for a comprehensive view.

The Front Office
The ability to operate on the same platform means better front office/back office team collaboration, while keeping powerful security at the field, page and document levels.

The External Constituents
Independent, third-party advisors and brokers can then be rolled on to Appian, accessing the platform through desktop, mobile or portals.

DIGITIZE OPERATIONS AND DRIVE COMPETITIVE DIFFERENTIATION WITH APPIAN.

Appian Platform

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