

4

Crucial Questions

Every retirement plan provider should ask when defining its growth strategy

Introduction

Plan sponsors expect far more from their retirement plan provider than ever before, all at a lower cost. A recent study by the Callan Institute, plan sponsors ranked retirement readiness, plan fees and participant communication as their top three priorities.

Additionally, slightly more than 50% of plan sponsors indicated that they are very likely or somewhat likely to renegotiate recordkeeper fees¹. Competing in a market focused on fee compression and the need to enhance the overall participant experience, retirement plan providers need to step up their game to remain competitive.

Is your business up for the challenge?

Thankfully, there are options to help your business achieve its growth targets and offer more competitive solutions to meet market demand.



Exploring the Business Process Outsourcing (BPO) Service Model

Retirement plan providers have options that allow them to redirect their focus on driving innovation and achieving better outcomes for their businesses. A BPO strategy provides a flexible, scalable way to improve operational efficiency, reduce key person or talent risk, maintain agility and, most importantly, improve your bottom line. The ability to outsource some or all non-strategic operational business functions can be a key driver in helping you redirect focus and resources to drive business growth.

Realizing the benefits of a BPO strategy requires some assessment. Here are four crucial questions you should ask when defining your business growth strategy.



1 | What are the gaps between our firm's **growth strategy and our ability to deliver?**

Do you want to aggressively expand your business but lack the operational scale to support that goal?

Do you wish you could dedicate more time providing a differentiated client experience to capitalize on a rapidly changing market?

Are you hesitant to add the staff required to ramp up the business or find it difficult to hire and retain talent?

Growth can often be limited by your ability to support the initiative operationally or the technology needed to execute it. An experienced partner in retirement outsourcing can help you overcome these obstacles by:

- Designing a future, consolidated end-state based on best practices
- Providing the ability to scale-up operations quickly
- Helping you adjust easily and quickly to market and regulatory changes
- Providing temporary resources to ease the consolidation of disparate operations



2 | What operational tasks or business processes do not **add value or allow us to differentiate our offering?**

Assessing your operating model will help you determine which activities differentiate you to your customers and which do not. A partner with extensive experience in servicing operational business functions of a retirement plan can help you identify:

Business activities
that do not add value
or allow you to personalize
the client experience

Opportunities
to reduce cost, increase
scale, remove key
person risk or mitigate
operational risk

Many common operational tasks and business processes can be delivered easily by a third party with the expertise and the technology to support the task. Select a partner with a proven track record of helping retirement plan providers like you transform their service models. You may be surprised by how “right sizing” your operations can help your firm improve the client experience, shift to a more predictable cost model, and enable you to focus on growing your business.

3 | How can we reduce the cost and risk of our operations?



Providing exceptional customer service is a key differentiator in a highly competitive market. However, increasing regulations, operating costs and changing technology requirements are draining your resources making this difficult to achieve.

Consider migrating some or all of your non-strategic business operations to a trusted third-party partner to help:

Provide the framework needed to scale your business and address the growing threat of cyberattacks

Control regulatory, operational and talent risks

Allow you to utilize internal resources more strategically

Implement innovative technology solutions and expand your investment options to differentiate the client experience

With a growing emphasis placed on managing risk, a third-party specialist can offer the security, scalability, expertise and technology to help you reduce complexity, minimize operational and regulatory risk, allowing you to focus on growing your business.

4 | How can we improve the efficiency and **profitability of servicing our business?**

Do you struggle with navigating through a rapidly changing market?

Or juggling resources between maintaining an existing infrastructure for day-to-day operations versus planning for the future?

Unless your firm is large enough to deploy interchangeable resources that can shift between functional areas, you should explore opportunities to better support relationship management efforts, growth strategies and mitigate key person risk.

Outsourcing some or all your non-strategic business processes is a great way to shift focus to activities that allow you to innovate your business and differentiate your services.

Many firms like yours are looking to outsource processes that lack scale, are subject to talent risk, or do not deliver a competitive advantage.

The right partner should be able to provide flexible technology deployment options, a variable pricing model, and the staff you need to meet market demands.

Accelerate Your Growth with BPO



The retirement industry is evolving fast, and the demands of plan sponsors are growing faster than many retirement plan providers are prepared to handle. Plan sponsors are looking for retirement plan providers to help improve the user experience and drive participant readiness for retirement². Are you ready to accelerate your growth?

Whatever your firm's growth strategy, the expertise offered by a BPO partner can help you realize topline benefits while avoiding the fixed expenses that can drain your budget and resources. Outsourcing provides you with a flexible, scalable model to meet your current and future business needs and growth – empowering your firm to capture a larger share of the market, at a higher profit margin.

Join the ranks of the many retirement plan providers who have already moved past the need to do everything in-house and made the choice to outsource critical, non-strategic operations that do not differentiate or add direct value to their clients.

A BPO model can provide a solid foundation to help you run your operations efficiently and cost-effectively, freeing you up to spend more time exploring strategic ways to differentiate your customer experience – all key components to run, connect and grow a successful retirement servicing business.

Let's have a conversation.
Contact us.

Visit **WWW.FISGLOBAL.COM** or email **GETINFO@FISGLOBAL.COM**

¹ Callan Institute, 2018 Defined Contribution Trends

² Deloitte Defined Contribution Benchmarking Survey 2017



©2018 FIS

FIS and the FIS logo are trademarks or registered trademarks of FIS or its subsidiaries in the U.S. and/or other countries. Other parties' marks are the property of their respective owners. 539228