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# Why pension systems need a digital mindset

## Podcast Transcript

Technology is an important enabler of pensions transformation. But with so many forces influencing reform, how do pensions know which technologies are most relevant? The Accenture Technology Vision 2013 report identifies five technology trends that organizations, including public retirement agencies, can put to work to improve outcomes.

As pensions organizations begin to adopt a digital mindset, the technology that enables the new vision can be daunting. These five trends help leaders to understand where to place their technology bets to shape the transformation agenda.

The first trend—relationships at scale—illustrates how pension providers can connect with members at all ages through digital means. For instance, the State of Michigan’s Office of Retirement Services developed a social media strategy with plans for a multichannel social media program that can help drive personalization at scale. Customizing interactions with members will make it easier for pensions organizations to cost-effectively meet the needs of increasingly demanding and discerning customers.

The second trend is to design for analytics. Analytics has the power to transform the impact of pension systems on employers and employees, but analytics is only as good as the data collected. Therefore, pensions need to design for analytics from the start by determining the data they want to collect, and then designing systems to capture that critical data. The process works. For example, the California Public Employees’ Retirement System used analytics to determine the effectiveness of pension benefits in replacing pre-retirement income.

Seamless collaboration is the third technology trend. It highlights the need to effectively share data, not just within a system, but also across government and other pension agencies. This will create a more holistic view of a member and allow organizations to deliver benefits as a more integrated part of total compensation.

Having an active defense to protect against cyber threats is the fourth technology trend. Cyber attacks are very real and could do catastrophic damage to public pension benefits, which are worth billions of dollars each month. To keep pace with continually evolving threats, public retirement systems need a dynamic, reflex-like and highly responsive defense.

And lastly, public retirement agencies have to think beyond the cloud to a hybrid cloud approach that integrates cloud apps for citizens, but also reflects the concerns of government data being stored in the public cloud. The good news is that cloud solutions are becoming more adept at handling complex business challenges with increased adaptability.

These technologies are exciting, but can also be elusive in the public sector. Success is about striking the right balance—putting the technology to work in a time- and cost-effective way to improve outcomes and drive the pensions transformation agenda.