



Fast track to digital maturity— Five big questions for Asian Pension Systems

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For pension systems of the future, digital will be a byword for greater efficiency and better citizen outcomes. Worldwide, we are already seeing the most digitally mature agencies use automation to cut the cost and burden of administration. And it is these same agencies that are using digital innovation to help citizens help themselves to simpler and more effective public services.

But pension systems should not underestimate the challenge of achieving digital maturity. Getting it right means embedding digital technologies across the entire enterprise. And, according to Accenture research, many Asian systems are still following an ad hoc approach. They are making headway in some areas—notably in building their online presence—but developing more slowly in others. Some struggle to know where to focus activity, and which initiatives to prioritize.

Here, we set out five big questions that Asian systems should address as they seek to embed digital throughout their organizations. There are no cookie-cutter approaches to digital maturity, but if you can answer “yes” to all five, you are likely striking a balance between efficiency and service innovation—and are heading in the right direction.

Are you robot-friendly?

One of the priorities for pension systems should be to identify which processes and tasks can be automated by digital technologies such as “no touch”. The result is a domino effect on efficiency, which frees up resources that can be focused on providing more in-depth support to citizens.

Singapore's Central Provident Fund (CPF) cut its transaction costs by 83%—and achieved a 98.6% overall satisfaction rate among members—though strategic use of electronic communications to collect contributions and deliver benefit services.¹ Similarly, after Norway introduced electronic submissions, pension applications have been cut in the country from an average of three months to mere minutes—which has led to better service and increased flexibility for retirees.²

Do you know who you're talking to?

In recent years, consumers have come to expect personalized services that are geared around their individual preferences. When they visit a commercial website, it should remember their details and previous choices—saving them the time of filling it in themselves. These “liquid expectations” are extending to human services agencies—and digitally mature systems will be able to provide a “myPension” landing page that is populated with the visitor's details.

Accenture research suggests that three in five public service leaders consider personalized citizen experience to be a top-three priority. In addition, more than half (53 percent) are already seeing a positive return on their personalization investments.

Can you satisfy "digital immigrants"?

Agencies with a high level of digital maturity recognize that self-service digital tools are most effective when anyone can use them. Pension systems can invest millions in the latest technology, only to find citizens find it too cumbersome to use. This is where intelligent user experience (UX) design comes into play.

Single-sign-on is a good example of UX design that responds to human behavior and people's preference for simplicity. Singapore's SingPass, for example, provides a single online authentication system, through which users can access hundreds of different services from more than 60 agencies using just one identifier and password.³

Can you outsmart the hackers?

One outcome of digital maturity is a growing reliance on personal data, which means agencies can expect their citizens to become increasingly demanding about information security and transparency of use. Whether or not their fears are warranted, citizens will be reluctant to adopt digital tools if they are at all concerned about data privacy and security.

Recent years have seen a large number of global brands lose the personal details of their customers, often through hackers invading the most "secure" defenses. Analysis suggests that, in the wake of some breaches, one in three customers will be reluctant to use the companies again in the future.

Are you compatible with a multitude of mobiles?

People in Asia are embracing mobile devices. Across the continent, however, they are using platforms at vastly different levels of maturity. Digitally mature systems in Asia must therefore ensure their services are compatible across a range of evolving—and frequently outdated—devices.

Research shows that older people in Asia are increasingly comfortable using mobile. Seven in 10 smartphone owners in Australia are over 65, while almost everyone (96%) in this age group uses the web. At the same time, almost one in five (18%) of the population in Japan in the age group 60-69 have smartphones, almost three quarters (74.3%) have feature phones and 11% have tablets.

There can be little doubt that digital will define how public services are delivered in the future. If they act now, pension systems across Asia have an incredible opportunity to get ahead of the curve.



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Resources

- 1 U.S. Census Bureau, Custodial Mothers and Fathers and Their Child Support: 2009, December 2011, <http://www.census.gov/prod/2011pubs/p60-240.pdf>
- 2 "Norway's groundbreaking new pension system successfully launched", Accenture, 2012, https://www.accenture.com/t20150707T195236__w__/us-en/_acnmedia/Accenture/Conversion-Assets/DotCom/Documents/Global/PDF/Industries_10/Accenture-12-2125-NAV-Credential-V2.pdf
- 3 "SingPass—About US", Singapore Government, 2015, <https://www.singpass.gov.sg/singpass/common/about>

About Delivering Public Service for the Future

What does it take to deliver public service for the future? Public service leaders must embrace four structural shifts—advancing toward personalized services, insight-driven operations, a public entrepreneurship mindset and a cross-agency commitment to mission productivity. By making these shifts, leaders can support flourishing societies, safe, secure nations and economic vitality for citizens in a digital world—delivering public service for the future.

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