

EMPLOYEE BENEFITS PLATFORMS E-EXCELLENCE RATINGS 2011



Ian McKenna,
director of F&TRC
explains the
process behind
this year's
Employee
Benefits
Platforms
Survey

What we looked at

WHILE RDR continues to cast a long shadow over the future profitability of financial advice in the individual sector, it is hard not to see the corporate market as full of opportunity. Even without auto-enrolment the increased costs of obtaining individual advice make the workplace environment the ideal stage for consumer facing services. When combined with the less than benign obligations being imposed upon employers by The Pensions Regulator, every employer becomes a potential target customer.

Over the last year there has been a dramatic evolution in the range of services available to employers to support workplace benefits. At the same time the lines between the traditional players in the market, pension providers, EBCs, corporate IFAs and software suppliers have all become more blurred. Increasingly distributors are becoming wholesalers or even assemblers of propositions while many manufacturers have increased their direct to market propositions. While faced with a richness of solutions, employers now need to be able to differentiate between vastly different propositions in order to arrive at the solutions that best meet the needs of their staff.

Perhaps the nearest analogy to this scenario is the mobile phone market where so-called "Co-opertition" has driven an environment where competitors actually provide services on each other's devices. For example Google is the search engine at the heart of the iPhone while at the same time Android is the Apple smart phones' most aggressive competitor. Recent developments in the workplace market seem to be following a very similar trend with some EBCs increasingly selecting a range of components from various manufacturers to up parts of their propositions.

Against this background the research summarised on these pages should provide a wealth of information to enable both adviser firms and individual employers to compare and contrast the different elements that

can go into different propositions. Whereas historically we had delivered a single overall rating of the propositions from different organisations, during the last year it has become increasingly clear that such a blunt, one size fits all, mechanism is no longer appropriate in this marketplace where different organisations are choosing to deliver very different propositions. The ratings provided here measure 76 elements of different organisations' propositions with each allocated a rating between one and five stars. We believe this represents by far the most detailed independent summary of propositions from the diverse range of organisations included.

We are already including a wide range of different areas but feedback from both adviser firms and employers as to further content that should be studied in the future is very welcome. In time we expect to add significant additional areas to the benchmarking.

Entry to this study is open to any organisation that has its own distinct workplace benefits solution available online, i.e. they are delivering a proposition which is more than a straight white label of a third-party software product. A number of the organisations rated in today's study source the majority of their tools from a single third party supplier but have added additional elements to differentiate themselves, while others have built their own entirely independent proposition. Any organisation that can provide this level of distinctiveness is eligible to apply for a rating. During 2012 our benchmarking process is being adapted to enable firms to request revised ratings once new functionality is received and any changes in results, together with entries from new propositions will be reflected in the web-based version of this analysis. No charge is made for either submitting a proposition for rating or appearing in the summary results.

Organisations wishing to submit an entry should contact F&TRC via www.ftrc.co.uk

How they scored...

The F&TRC Employee Benefits Systems analysis measures organisations from the benefit consultant platform, system supplier and life office communities against common criteria. Primarily it measures how easy an organisation makes it to transact business with them.

In this special report we have continued the “star rating” format that provides an underlying measure of the various features of different organisations’ propositions. Readers can find measures of 76 different areas of employee benefit system propositions. Assessing propositions to this level of granularity is designed to help identify where organisations may have delivered detailed capability in a limited range of areas, which may be entirely appropriate for certain propositions. *Ian McKenna, director, F&TRC*

Benefit consultant platforms

Bluefin

Functionality Ratings:

*****	19
****	29
***	20
**	3
*	4

Bluefin built on last year’s strong results, achieving top marks overall in four areas of our survey including those which examined Online Facilities, HR Functionality and Platform Service Availability. Its five-star functionalities included Voluntary Benefits, Scheme Registration and Scheme Establishment, Platform Service Availability and it was the only organisation to achieve five-star ratings for Auto-enrolment and Group Pension Fund Switches. From our wider dialogue we are aware that it is expanding the range of benefits offered under the service and our measurement shows that this is an appropriate area for further attention

Citrus4Benefits Ltd

Functionality Ratings:

*****	11
****	17
***	19
**	9
*	3

Citrus4Benefits achieved joint first place overall in the section of our survey which examined Scheme Setup, collecting five-star ratings for Scheme Registration and Scheme Establishment functionality. This was backed up with solid second place overall results for Benefits Promotion, where three further five-star ratings were awarded and

Additional Tools where they collected a five-star rating for Segmentation functionality. Overall this is an excellent performance for a small specialist business. It may wish to consider the inclusion of more financial planning tools in this proposition, including Cost of Delay and Targeting Income in Retirement Calculators both of which would enhance their proposition overall.

JLT (BenPal)

Functionality Ratings:

*****	20
****	31
***	18
**	5
*	1

Another strong performance from JLT (BenPal) where five first-place overall results were recorded in our survey including Employer Duties, Salary Exchange Calculator and Premium Collection. Its five-star functionality ratings included Pensions & Risk Benefits, Scheme Registration, Scheme Establishment, Platform Service Availability and Access via Mobile Phone & Browser. They were also the only company to receive a five-star rating for Premium Collection Procedures functionality. Its lower scoring areas were HR Functionality and Social Media where we noted enhancements could be made to its proposition.

Lorica Employee Benefits – Cube

Functionality Ratings:

*****	11
****	16
***	13
**	6
*	6

Lorica Employee Benefits – Cube achieved strong results in the Benefits Selection, Implementation & Training and Platform Service Availability sections of our survey, where top three finishes were recorded across the board. It collected eleven five-star ratings in total including Pension Education, Training, Voluntary Benefits and Trading Benefits functionalities and they were one of only four companies to achieve a five-star rating for Audit & Lead Management in the MI & General Reports section of our survey. Further enhancements to areas of their Employer Duties and System Integration capabilities would be recommended and the inclusion of more financial planning tools would also add to the value of its service.

Paradigm Pensions

Functionality Ratings:

*****	24
****	29
***	15
**	5
*	2

Paradigm Pensions have participated in our survey for this first time this year and its proposition achieved excellent marks in the sections of our survey that examined MI & General Reports, System Integration, Platform Service Availability and Online Facilities. It also offers a full suite of financial planning tools, a number of which collected five-star ratings for their Data Capture and Outputs functionality. Other areas of note were System Integration and Audit & Lead Management where it was one of only a small number of companies to achieve our highest rating. More flexibility in the range of charging options supported might be welcome.

Portus Online

Functionality Ratings:

*****	12
****	31
***	7
**	2
*	0

Another first time entrant to our survey, Portus Online was placed first overall for Communications and second overall for Charges information. This was backed up with third-place overall results in the sections of our survey investigating HR Functionality, Valuation & Client Reports, Benefits Selection and Benefits Promotion. Its five-star ratings included Audit Trail, Training, General and Pension Education and it was the only company in our survey to achieve a five-star rating for its Communications – Co-branding and Plain English Accreditation functionalities. It may wish to extend its Premium Collection and System Integration capabilities addressed in future development plans as these were both areas of importance to advisers and employers alike.

Systems suppliers

Redbourne

Functionality Ratings:

*****	13
****	16
***	17
**	8
*	3

Redbourne has built on its solid performance of last year where the strongest areas of its proposition were recorded in the Benefits Promotion, Scheme Setup, Social Media and Standards sections of our survey, all of which were areas where it recorded top marks. Its five-star ratings included Worksite Communication, Benefit Promotion – Initial Meeting and Training functionalities. It was also the only company to achieve a five-star rating for its functionality around Service Standards. It may want to consider additional development to the Premium Collection, System Integration and Online Facilities areas.

SBC Systems

Functionality Ratings:

*****	27
****	16
***	15
**	4
*	2

2011 sees another strong performance from SBC Systems who was ranked first overall in the sections of our survey addressing Range of Benefits, Valuation & Client Reports and Access. It was also the only survey participant to be awarded five-star functionality ratings for Platform Infrastructure, Range of Benefits – Investments, Benefits Selection Procedure, Online Facilities – Changes and Client Reporting. The inclusion of Group Pension Fund Switching capabilities would be a welcome addition and we would also like to see additional development to its Charges & Remuneration functionality that was an area where it picked up its lowest star-ratings. It is worth noting that as a supplier of bespoke systems this rating is a measurement of its full current capability, some organisations using earlier versions of its system may not have access to all the features we benchmarked. In such situations there may be a case for upgrading to the latest functionality.

Staffcare

Functionality Ratings:

*****	27
****	29
***	12
**	6
*	1

Staffcare have also provided another robust performance to build on its inaugural entry last year, finishing in first-place overall in eight sections of our survey including MI & General Reports, System Integration and Platform Service Availability. It also achieved second and third-place overall results for Range of Benefits, Online Facilities, HR Functionality and Charges information. Its five-star ratings included Voluntary Benefits, Benefit Segmentation, Platform Service Availability – Downtimes and Benefit Promotion – Marketing. The Lifelens service has only been released relatively recently and it is adding major customers. As these progress it is reasonable to assume we will see further innovation. ■

we would suggest that its lower scoring areas of Social Media, Standards and Premium Collection would be good targets for future development to stop it from being surpassed by its peers.

Life Offices

Scottish Widows

Functionality Ratings:

*****	7
****	16
***	22
**	14
*	6

Scottish Widows achieved top marks for Implementation & Training and also scored strongly in the areas examining Communication, Premium Collection and Benefits Promotion. It collected five-star ratings in seven areas. The inclusion of some additional financial planning tools would be welcomed to analyse Net Pay and Salary Segmentation and improvements to its Range of Benefits, Employer Duties and HR Functionality should be earmarked in future development plans.

Standard Life (including Vebnet)

Functionality Ratings:

*****	7
****	26
***	15
**	13
*	5

Surprisingly there were no overall top marks for Standard Life in our survey this year, although its proposition did record solid second and third-place overall results in the sections of our survey covering Employer Duties, Premium Collection, Social Media and Charges information. Its five-star ratings included Voluntary Benefits, Benefit Segmentation, Platform Service Availability – Downtimes and Benefit Promotion – Marketing. The Lifelens service has only been released relatively recently and it is adding major customers. As these progress it is reasonable to assume we will see further innovation. ■

e-EXCELLENCE EMPLOYEE BENEFITS RESULTS 2011

	Bluefin	Citrus4 Benefits	JLT (Benpai)	Lorica Employee Benefits- Cube	Paradigm Pensions	Portus Online	Redbourne	SBC Systems	Staffcare	Scottish Life	Standard Life (inc. Vebnet)
GENERAL INFORMATION											
PLATFORM INFRASTRUCTURE	★★★★	★★★	★★★★	★★★★	★★★★	★★★★	★★★	★★★★★	★★★★	★★★	★★★★
SCHEME DATA	★★★★	★★★★	★★★★	★★★★	★★★★	★★★★	★★★★	★★★★	★★★★★	★★	★★★★
RANGE OF BENEFITS											
VOLUNTARY BENEFITS	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★	★★★★★	★★★★★	★★★★★	NA	★★★★★
PENSIONS & RISK BENEFITS	★★★★	★★★	★★★★★	★★★★	★★★★	★★★★	★★★	★★★★★	★★★★	★★	★★★★
OTHER FINANCIAL PRODUCTS	*	★★	★★★	★★★	★★★★	★★★	★★	★★★★	★★★★	*	★★★
INVESTMENTS	*	★★★	NA	★★★	★★★★	★★★	★★★	★★★★★	★★★★	★★★	★★
BENEFITS SELECTION											
SELECTION PROCEDURE	★★★★	★★★	★★★★	★★★★	★★★	★★★★	★★★	★★★★★	★★★★	★★★	★★★★
TRADING BENEFITS	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	NA	★★★★★
SEGMENTATION	★★★★★	★★★★	★★★★★	★★★★★	★★★★★	★★★★★	NA	★★★	★★★★★	★★★★	★★★★★
BENEFITS PROMOTION											
INITIAL MEETING	★★★★	★★★★	★★★	★★★★	★★★★	★★★★★	★★★★★	★★★★★	★★★★	★★★★	★★★
MARKETING	★★★★★	★★★★	★★★★★	★★★★	★★★★	★★★★★	★★★★	★★★	★★★★	★★★★★	★★★★★
WORKSITE COMMUNICATION	★★★★	★★★★★	★★★★	★★★★	★★★★★	★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★
GENERAL EDUCATION	★★★★★	★★★★	★★★★	★★★★	★★★★	★★★★★	★★★★	★★★★	★★★★	★★★★	★★★★
PENSION EDUCATION	★★★★★	★★★★★	★★★★	★★★★★	★★★★	★★★★★	★★★★★	★★★★	★★★★	★★★★	★★★★
WORKSHOPS	★★★★★	★★★★★	★★★★★	★★★★	★★★	★★★★	★★★★★	NA	★★★	★★★★	★★★★
SCHEME SETUP											
REGISTRATION	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★
SCHEME ESTABLISHMENT	★★★★★	★★★★★	★★★★★	★★★★★	★★★★	★★★★	★★★★★	★★★★	★★★★★	★★★★	★★★
EMPLOYER DUTIES											
AUTO-ENROLMENT	★★★★★	★★★	★★★★	★★★★	★★★★	★★★★	★★★	★★★	★★★★	★★★	★★★★
ELIGIBILITY	★★★★	★★★★	★★★★	*	★★★★	★★★★	★★★★	★★★★	★★★★	*	★★★★
PREMIUM COLLECTION	★★	★★	★★★	*	★★	★★★	★★	★★★	★★	★★	★★★
COMMUNICATIONS	★★★★★	★★★★★	★★★★★	*	★★★★★	★★★★	★★★★★	★★★★★	★★★★★	★★	★★★★
PREMIUM COLLECTION											
COLLECTION PROCEDURES	★★★★	★★★	★★★★	★★★	★★★	NA	★★★	★★★★	★★★	★★★	★★★★
	★★★★	★★★	★★★★★	★★★	★★★	NA	*	★★★	★★★	★★★★	★★★
ONLINE FACILITIES											
GROUP PENSION INCREMENTS	★★★★	★★★	★★★★	★★★★	★★★★	★★★★	★★★	★★★★	★★★★	★★★	★★★
GROUP PENSION FUND SWITCHES	★★★★★	*	★★★★	★★★	★★★★	★★★★	NA	NA	★★★★	★★★	★★★★
CHANGES	★★★★	★★★	★★★★	★★★★	★★★★	★★★★	★★★	★★★★★	★★★★	★★★	★★★★
ASSET ALLOCATION TOOL											
ASSET ALLOCATION DATA CAPTURE	★★★	NA	★★★	NA	★★★★	NA	NA	NA	★★★★	★★★	NA
ASSET ALLOCATION OUTPUTS	★★★	NA	★★★	NA	★★★★★	NA	NA	NA	★★★★★	*	NA

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COST OF DELAY											
COST OF DELAY FUNCTIONALITY	***	NA	**	NA	****	NA	NA	NA	****	NA	*
COST OF DELAY DATA CAPTURE	****	NA	****	NA	*****	NA	NA	NA	*****	*	NA
COST OF DELAY OUTPUTS	***	NA	***	NA	*****	NA	NA	NA	*****	NA	*
PENSION PLANNER											
PENSION PLANNER FUNCTIONALITY	***	**	***	NA	****	NA	**	*****	****	NA	**
PENSION PLANNER DATA CAPTURE	****	**	****	NA	*****	NA	**	****	*****	NA	*
PENSION PLANNER OUTPUTS	****	*	***	NA	*****	NA	*	****	*****	NA	**
PORTFOLIO MODELLING											
PORTFOLIO MODELLING FUNCTIONALITY	***	NA	**	NA	****	NA	NA	NA	****	**	NA
PORTFOLIO MODELLING DATA CAPTURE	**	NA	***	NA	*****	NA	NA	NA	*****	**	NA
PORTFOLIO MODELLING OUTPUTS	***	NA	**	NA	*****	NA	NA	NA	*****	***	NA
SALARY EXCHANGE											
SALARY EXCHANGE FUNCTIONALITY	***	****	***	**	***	****	****	**	***	**	*
SALARY EXCHANGE DATA CAPTURE	****	****	*****	NA	****	*****	****	*****	****	*****	****
SALARY EXCHANGE OUTPUTS	***	***	****	NA	***	***	***	*****	***	***	*
TARGETING INCOME IN RETIREMENT											
TARGETING INCOME FUNCTIONALITY	***	NA	***	NA	*****	NA	NA	*****	*****	***	**
TARGETING INCOME DATA CAPTURE	****	NA	***	NA	*****	NA	NA	****	*****	****	***
TARGETING INCOME OUTPUTS	***	NA	****	NA	*****	NA	NA	*****	*****	***	**
TAX FREE CASH CALCULATOR											
TFC FUNCTIONALITY	***	NA	***	NA	****	NA	NA	*****	****	**	NA
TFC DATA CAPTURE	*****	NA	*****	NA	*****	NA	NA	*****	*****	*****	NA
TFC OUTPUTS	***	NA	****	NA	*****	NA	NA	*****	*****	***	NA
ADDITIONAL TOOLS											
NET PAY SEGMENTATION	***	****	***	***	***	NA	****	*****	***	NA	***
	****	*****	*****	*****	*****	NA	*****	*****	*****	NA	*****
VALUATION & CLIENT REPORTS											
VALUATION FACILITY	****	*	****	**	****	****	*	***	****	***	**
VALUATION DATA	***	NA	*****	***	***	****	NA	*****	***	***	NA
BENEFIT STATEMENTS	***	***	****	***	***	****	***	*****	***	NA	**
TOTAL REWARD STATEMENTS	****	****	****	***	****	****	****	****	****	***	**
CLIENT REPORTING	****	***	****	***	****	****	***	*****	****	****	****
HR FUNCTIONALITY											
H R FUNCTIONALITY	****	****	***	****	***	****	****	***	****	**	***
MI & GENERAL REPORTS											
ADVISER & EMPLOYER MI	****	**	****	***	****	****	**	***	****	***	**
AUDIT & LEAD MANAGEMENT	*****	***	****	*****	*****	***	***	**	*****	***	***
AUDIT TRAIL	*****	****	*****	**	***	*****	****	*****	***	NA	**

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	Bluefin	Citrus4 Benefits	JLT (Benpal)	Lorica Employee Benefits- Cube	Paradigm Pensions	Portus Online	Redbourne	SBC Systems	Staffcare	Scottish Life	Standard Life (inc. Vebnet)
CHARGING METHODS & FLEXIBILITY											
CHARGES	*	**	****	***	***	****	**	**	****	*	**
REMUNERATION	NA	NA	**	NA	*	****	NA	*	**	****	****
SYSTEM INTEGRATION											
SYSTEMS INTEGRATION	****	**	***	*	*****	NA	**	***	*****	**	****
IMPLEMENTATION & TRAINING											
IMPLEMENTATION	****	***	****	****	****	****	***	***	****	****	**
TRAINING	*****	*****	****	*****	*****	*****	*****	****	*****	*****	****
COMMUNICATION											
CO-BRANDING	****	****	****	**	****	*****	****	****	*****	****	****
PLAIN ENGLISH ACCREDITATION METHODS	*	NA	*	NA	NA	*****	NA	NA	NA	*	*
	***	***	***	**	**	***	***	**	**	***	***
PLATFORM SERVICE AVAILABILITY											
OPENING TIMES	*****	*****	*****	*****	*****	****	*****	*****	*****	*****	***
DOWNTIMES	*****	***	*****	*****	*****	****	***	****	*****	****	*****
SECURITY											
ONLINE SECURITY	****	****	****	****	****	****	****	***	****	**	****
COMMUNICATION & DATA	*****	****	*****	***	**	****	****	***	**	****	****
MOBILE SECURITY	****	**	*****	*	***	*****	**	***	***	****	*****
ACCESS											
ACCESS	****	***	****	****	****	****	***	****	****	***	****
MOBILE PHONE & BROWSER	****	***	*****	*	*	**	***	*****	*	**	**
SOCIAL MEDIA											
POLICY & PROCEDURES	***	****	**	NA	***	***	****	***	***	****	****
SITES & CONTENT	***	**	***	NA	**	**	****	*	**	**	**
STANDARDS											
TCF	***	***	****	NA	**	NA	****	NA	**	***	****
SERVICE STANDARDS	**	****	****	**	***	NA	*****	***	***	**	****

FUNCTIONALITY TOTALS

*****	19	*****	11	*****	20	*****	11	*****	24	*****	12	*****	13	*****	27	*****	27	*****	7	*****	7
****	29	****	17	****	31	****	16	****	29	****	31	****	16	****	16	****	29	****	16	****	26
***	20	***	19	***	18	***	13	***	15	***	7	***	17	***	15	***	12	***	22	***	15
**	3	**	9	**	5	**	6	**	5	**	2	**	8	**	4	**	6	**	14	**	13
*	4	*	3	*	1	*	6	*	2	*	NA	*	3	*	2	*	1	*	6	*	5