



Enhancing Business Performance in Mercer Pensions Outsourcing

Mercer is a global leader for HR and related financial advice, products and services. It is a wholly owned subsidiary of Marsh & McLennan, employing over 18,000 people in 40 countries worldwide. Within the UK, Mercer Limited is a leader in benefits outsourcing, solving their clients' most complex benefits administration challenges including the provision of occupational pension scheme servicing, flexible benefits scheme management and pension payroll services.

Improvement Programme in MSC

In early 2007, Mercer commissioned Trinity Horne to undertake a programme to improve the efficiency, quality and thus cost effectiveness of Mercer's Member Service Centre (MSC). This followed an Operational Review which identified £3.1m worth of operational savings that could be achieved through the introduction of a more effective operating model.

The MSC provides services to the employees of corporate pension schemes and at the outset of the programme contained in excess of 400 staff. The joint Trinity Horne and Mercer programme – known internally as HEART – was based on a combined set of workstreams designed to:

- enhance the Management Process (MOF) by the introduction of a fit for purpose work to time relationship, performance reporting toolset covering productivity and quality and the introduction of capacity plans
- introduce an active style of management that would drive a continuous improvement culture from the ground up. This was delivered using the proven MasterCoach® behavioural change and operational management methodology.

Over 50 1st and 2nd line managers passed through the Management Development Workshops and were supported by Trinity Horne consultants in the Accelerated Performance Coaching and 1 to 1 support components which followed. Trinity Horne also developed Mercer "SuperCoaches" to take over subsequent support in MSC and facilitate sustainability.

The target benefit of £3.1m benefit was overachieved and at the same time, Mercer's established service quality metric improved by over 7%.

Contact Centre Strategy Definition

As an adjunct to the HEART programme, Mercer asked Trinity Horne to help them prepare a contact centre strategy.

Improvement Programme in Other Areas of Mercer Outsourcing

The success of the MSC programme led to Trinity Horne being commissioned in the spring of 2008 to undertake a second performance improvement programme in other parts of Mercer including the functions responsible for pension payroll, flex benefits and the pension Scheme Service Centre that supports employers.

This time the programme was preceded by both an Operational Review and a workstream to align the end to end Target Operating Model. The TOM work identified some clear disconnects between the existing organisation, operational processes and the desired future way of working. These findings led directly to the addition of a structural redesign workstream; the outcome of which was a revised organisation structure, changes to spans of control and the creation of a new function with Executive level responsibility for:

- enhancing the take on of new pension schemes
- improving the management of existing pension scheme contract changes.

In addition and similar to the approach used in HEART, this improvement programme also comprised workstreams to enhance the Management Process and deploy MasterCoach® for 1st and 2nd line managers. The overall programme outcome was a step change in the effectiveness of managers and how they manage their teams resulting in the £1.7m target for performance improvement once again being over achieved.

Client Testimonial

"The benefits of employing Trinity Horne to work with us on two programmes to enhance operational performance have been enormous. Across both programmes, Trinity Horne's value orientated, Return on Investment based proposition has delivered nearly £5m of improvements which we would not have been able to achieve without their help. Undoubtedly skilled in helping clients to realise self funded operational improvements, their willingness to flex in response to Mercer's own changing resource priorities, without losing sight of the original objectives, have impressed me. Their consultants worked hard to build rapport with the management team at all levels, even during the inevitable sticky phases of a change programme". **Jonathan Mindell, EMEA Business Leader – Outsourcing, Mercer Limited**