

Where technology meets real people – the trustees' dilemma

September 2019: Retirement funds' topmost purpose and intention is to ensure that their members' needs are met during retirement. This is akin to summiting Mount Everest, the world's highest and toughest peak. Given the ever-changing nature of the workforce, fund consultants must find innovative ways to offer fund members suitable advice to help them reach their retirement objectives. This advice must be adaptable to the needs of the evolving behaviours, trends and decision-making habits of the various generations that make up the current workforce.

According to research we conducted in our Group, millennials currently make up 52% of the workforce. Over time, this number will grow. Generation Z is also entering the South African work environment and expected to make up 24% of the workforce by 2020. When we look at the benefits offered to fund members, we need to apply this generational filter to understand the different dynamics that exist within each generation.

Our research has shown that today's employees' life stages are unique and not as linear as before. As an industry, we need to immerse ourselves in these ever-evolving client journeys to understand how different generations view retirement, death and disability.

Few South African employers have adapted to the millennial-dominated landscape, with many still offering the same benefits to employees today, as they did five years ago. In order to get to the top, climbers of Mount Everest must find innovative ways to steer clear of crevices and avalanches that might disrupt their journey to the summit. In the same way, funds need to find progressive ways to deal with the evolution of technology and the shifted mind sets that are shaping the future of employee benefits.

Retirement fund trustees are faced with a dilemma of providing benefits that will cater for all age groups within their fund. Although technology has seemingly taken over the employee benefits landscape, members are not equipped to make the best decisions based solely on virtual information, they also need the expertise that can only be provided by an experienced consultant that looks at benefits in a fresh way.

Although artificial intelligence alone without human intelligence may cater for a generic solution, it is when artificial intelligence is combined with human intelligence that we are able to solve for the complex individual and unique needs of members. If trustees want to solve for the individual member needs, then advice cannot be taken out of the equation.

Funds need an expert team of unbiased and trusted consultants that have a fresh approach to solutions that matches members' benefits perfectly with their needs at a fee that represents a fair exchange of value. In this way, funds ensure that their members' journey towards retirement success is secured with the help of a guide who charts the path with advice and solutions before them.

Coupled with a fresh approach to advice, innovative tools will provide trustees with valuable insights on member behaviour and their progress made towards their desired retirement outcomes. These insights should be augmented with tailor made interventions to positively influence the behaviour of members.

Every fund should adapt an innovative advice process that will help members to better articulate their needs so that funds can tailor specific solutions to their needs. Taking members' behaviour on technology into account, the advice process should allow for access to web-based tools which are secure, quick, personal and give information in real time.

Trustees who partner with a pioneering fund consultant that thinks about advice completely different and uses technology responsibly to meet the real needs of their fund members will not only reach their summit but they will do so successfully.

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