Scottish Widows is one of the country’s leading pension providers. Today, it works with many large enterprises to manage corporate pension schemes, which play a big part in ensuring employee satisfaction and loyalty. Yet here as in other parts of the financial services market, recent upheavals have hurt confidence and undermined trust.

**THE CLIENT’S CHALLENGE**

Like other institutions, Scottish Widows is facing increasingly demanding customer relationships, lower activity and the need to transform their cost base in the face of continued economic difficulty. This led to a specification for change that included:

- A way of empowering customers, enabling them to manage their affairs with greater flexibility and security.
- Providing a better user experience, leading to closer engagement and improved persistency.
- Reducing fixed costs and improving competitiveness through higher service efficiency, driven by innovative use of technology.

Scottish Widows recognised they could not achieve these tough goals without strong consultancy and technology support, and for that they turned to CSC.

**CSC SOLUTION**

CSC’s financial services consultancy already had the blueprint for a breakthrough solution that would achieve these goals and, working with Scottish Widows in a close partnership, they turned the concept into reality and took it to market in 2010.

The core of the solution is CSC’s proprietary Corporate Wealth Management (CWM) concept, branded “Mymoneyworks” when used by Scottish Widows. It is the first of a new breed of intuitive, customer-centric online services, designed to provide a high quality experience, with maximum speed and convenience to user and service provider alike. The process for developing and launching Mymoneyworks required innovation in three dimensions, all tightly integrated.

**Market insight**: the CSC team analysed trends, challenges, corporate needs and regulatory changes to create the ideal specification.

**Partner management**: CSC and Scottish Widows built an exceptionally strong working relationship over a three year period, agreeing on a joint venture approach under which CSC would retain ownership of the software IP; Scottish Widows would fund the solution in return for use of the IP in the UK; and CSC UK would consider becoming a first UK customer, subject to business case.

**Solution design and development**: the partners worked together to overcome issues related to functionality, usability, and intuitive interface design. CSC led the selection and use of technologies related both to core function of the Mymoneyworks portal and security to prevent fraud. Connecting these core requirements with Point of Sale skills into a rational, easy to use deliverable required innovative thinking and interconnected, innovative working.

The innovative design of the service offers extraordinary advantages to all those involved:

- Employers provide a best in class service to their workforce, maximising benefits take up and reducing staff turnover.
- Scottish Widows cuts service costs through use of a self-serve, on-demand approach, while simultaneously improving the user experience.
- End-users receive a consolidated personal finance service that is easy to use and delivers outstanding security and value. They also have access to telephone based support and potential face to face meetings with qualified Scottish Widows financial advisers.

This final point emphasizes how the service is designed for a new regulatory environment. In the UK and increasingly elsewhere, regulators are making a distinction between “guidance”, which can be provided by expert but not...
necessarily certified and independent sources, and “advice”, which is highly regulated, requires special certification and is becoming a high-cost value-added service.

**BUSINESS RESULTS**
The solution was launched as a pilot into CSC UK and currently, more than 2000 UK employees use Mymoneyworks to manage their own pensions and other investments. More than 1000 individual investment products, other than the company pension scheme, have already been added, and this number goes up on a daily basis. The service was launched to the external market by Scottish Widows in August 2010 and a first non-CSC client has now committed to the service.

A key requirement for the engagement was to help Scottish Widows change key aspects of their go to market strategy in this market sector. In a market defined by the launch and management of product portfolios, it is important to realise what a big change of emphasis the user focus represents. CSC and Scottish Widows together agreed to base the entire service on the users’ developing needs and usage practices, making the service both highly dynamic and free from the rigidity associated with a product portfolio strategy. Making this change from portfolio-centricity to user-centricity is opening a new line of business for Scottish Widows. With the next corporate client already signed-up and aggressive growth targets for 2011, there is no doubt this over-riding objective is on track to be realised.

Scottish Widows is investing circa £25m over five years in Mymoneyworks, with a target payback in the second year after the August 2010 launch. This is a very aggressive target, given the scale of investment and the time it takes for new propositions to be adopted in the financial services industry. Scottish Widows anticipates revenue growth in excess of £30 million and reduced capital deployment of £40 million in the medium term due to Mymoneyworks.

The launch phase of Mymoneyworks is now complete, and the first client experience has worked well for both partners. The full market roll-out began in September 2010 when the second client contracted for the service. Though confidentiality prevents disclosure of the client’s identity, this is a very significant engagement. Several others are expected in 2011.