

Growing super fund administrator halves the cost of benefit payments and receipting for thousands of member contributions per month



FuturePlus Financial Services is the administrator of large industry fund clients with a value of over \$9 billion in funds under management. It provides fund administration and a complete suite of tailored services for over 147,000 members on behalf of its clients, which include Local Government Superannuation Scheme, Energy Industries Superannuation Scheme and SMERF. They now offer these same services to other super funds wanting to outsource to a third party administrator.

In addition to client fund administration, they provide a public offer fund (FuturePlus Super), plus a broad range of financial services and investment products such as employer sponsored funds, insurance, home loans, wholesale investment vehicles and financial planning.

The Financial Services industry is a complex environment. FuturePlus must adapt to frequent regulatory and legislative changes while maintaining industry standards with a high number of transactions being processed through corporate and superannuation scheme business structures.

The Foundation – Infor FMS SunSystems

In 2003 FuturePlus implemented the Infor FMS SunSystems financial software suite.

FuturePlus' CFO, Tony Griffin, comments **"I have implemented SunSystem in several medium sized financial environments during my career and it is well suited to handle the complexity at FuturePlus. It has been extremely reliable and flexible in its ability to meet our daily administration needs. We didn't have to invest a lot of time to get SunSystems up and running and it's not costing us excessive amounts of money to maintain. SunSystems provides the Finance team invaluable analysis tools for the business, which is crucial."**

A hefty mail bag

Every month FuturePlus receives thousands of superannuation contributions from members and their employers. Many cheques come in by mail, while others are received by direct bank deposit. Every contribution has to be banked the same day, recorded against a member's account and allocated to the correct superannuation plan in a timely manner, all in accordance with government legislation. All figures must also be reflected accurately and reconciled in the SunSystems ledger.

Solution Snapshot

Solution

Infor FMS SunSystems with Receipting

Benefits

- 70% reduction in staff costs for contribution receipting, with previous team leader redeployed to a more value add accounting role.
- 50% improvement in time required to process member contributions each day.
- Data integrity maintained, while processing speed dramatically increased.
- Improved business controls and efficiencies in benefit payments process.
- Scalability of solution provides confidence to support growth.
- Infor FMS SunSystems provides a 'best of breed' foundation system for all FuturePlus financial management and customer service processes.

In 2009 FuturePlus recognised its receipting processes becoming increasingly inefficient, and with the introduction of individual choice in superannuation the volume of member contributions was expected to increase.

Off-the-shelf or customised software?

It was at this same time that FuturePlus management decided to streamline and consolidate their multiple superannuation member admin systems in order to maximise operational efficiencies and reduce costs.

Tony Griffin explains, "Our previous administrative system did include basic receipting functionality to record money coming in from members, but any changes were costly and they took a long time to implement. What we needed was a better way of recording data, something that could integrate with our core systems so that we could produce reports, recognise member contributions, allocate funds and cope with the anticipated growth in volume of transactions."

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Contributions Receipting

Joanna Hurley, Head of Finance observed "by separating out the highly specialised receipting component, it allowed us to simplify our requirements for the new administration system and implement a customised solution for a lower cost."

FuturePlus asked PA to assist with the design of a better solution which would build on their existing Infor FMS SunSystems foundation. After extensive consultation, PA developed a Receipt Registration module to work in conjunction with the SunSystems receipting process. "This enabled us to import bank statements and to have receipts created for each deposit entry on the bank statement, as well as double-sided cheque scanning which automatically captures as much information as possible," Hurley noted.

Deployment was timed to fit in with FuturePlus' new administration software and was carried out in the first half of 2010. It was delivered in two tranches according to specification, on time and on budget.

Recording member contributions used to take up to five hours per day, but this has been reduced to two and a half hours with fewer people. "We love it," Hurley enthuses.

"Previously we had 3-4 people performing the receipting work but with the time we are saving we've been able to reduce that to one full time equivalent."

Joanna Hurley adds "We now have a robust solution through clever automation. Without PA's system and business knowledge, implementing the receipting solution would not have been possible. I appreciated their consultative approach."

Secure Benefit Payments

FuturePlus had previously worked with PA to develop an admin systems interface for member benefits payment processing.

"In the past, there was some human interaction in the payment process and we wanted to tighten up security between our administrative team and the finance team. Now we have a scheduled process whereby payment files generated by our admin systems are picked up by the SunSystems interface and automatically processed throughout the day, without any staff interaction. This was a huge step forward in regards to ensuring our controls are robustly maintained," says Griffin.

In Summary...

FuturePlus is now well placed to service new clients, supporting their plans for business growth, and all members can be confident the receipting of their contributions will be processed on time and in line with legislative requirements.

Data accuracy and speed have been maximised and the previous problems of double handling, eliminated. At a broader level, the replacement of their previous administrative systems has helped FuturePlus to consolidate its IT assets and also improve its critical business processes.

Tony Griffin observed, "The amount of money we spent with PA was actually not that significant when you put it in perspective. We have the right solution, the processes are efficient and staff are now performing new tasks enabled due to the receipting process which clearly has furthered their knowledge and skill."

"Implementing the receipting and benefit payment solutions as part of our overall SunSystems financial management system has improved business controls and processing efficiency."

"Captured data is accurate and almost instantly available to the administration team for further processing. Journals posted to the GL are accurate and aid in faster reconciliation processes." SunSystems automation has enabled us to reduce both the need and risk for 'hands on' involvement at critical stages of processing. This ensures sufficient governance is exercised and a commitment to industry best practices."

Tony Griffin has a great deal of confidence in both the solutions delivered and his relationship with Professional Advantage. **"There is a substance behind PA and a solid company in whose ethics I believe. The expertise is evident every time I deal with their consultants and I know I'm being listened to."** When asked how he would describe the relationship with PA in three words.

"Reliability, expertise and focused on customer needs. I would never hesitate in recommending Professional Advantage."