



## HIGH TECH, LOWER COSTS:

# HOW SMART SOFTWARE DRIVES DOWN THE COST OF PENSION OPERATIONS

Modern pension funds rely heavily on operations to keep track of selling, on-boarding and service. But high operating costs, coupled with low market returns and budget cuts, are eroding margins.

In 2016, CalPERS, the largest U.S. pension fund, posted its lowest annual gain, 0.6%.



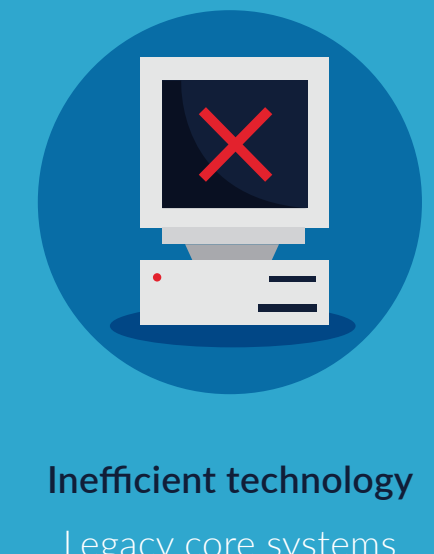


It reported \$1,457.2 million in operating costs for 2015-2016.

Though the Social Security Administration has rules that limit operating expenses, it must still reduce operating costs in light of a proposed \$1 billion budget cut in 2017.

## WHY OPERATING EXPENSES RISE

Several factors are leading to rising pension operating expenses including:

 <p><b>Employee volatility</b> Longevity of employment has become unpredictable, which makes predicting premiums challenging.</p>	 <p><b>Size of pension groups</b> Servicing smaller pension groups can actually cost more than larger groups since there are no economies of scale.</p>	 <p><b>Inefficient technology</b> Legacy core systems do not support today's work demands.</p>
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To address these issues, pension programs must hire more employees, which in turn **creates more costs** that wipe away profit margin.

## APPIAN, THE DIGITAL TRANSFORMATION PLATFORM™

The Appian Platform enables digital transformation from the inside-out, starting with:

### The Back Office

Information on customers, policies, claims, sales opportunities, etc. can be pulled together from other sources for a composite view. Action can be taken by back-office resources or by Appian itself.



### The Front Office

The ability to operate on the same platform means better front office/back office team collaboration, while keeping powerful security at the field, page and document levels.


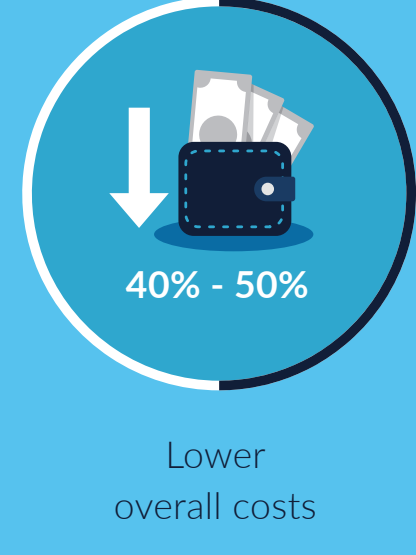
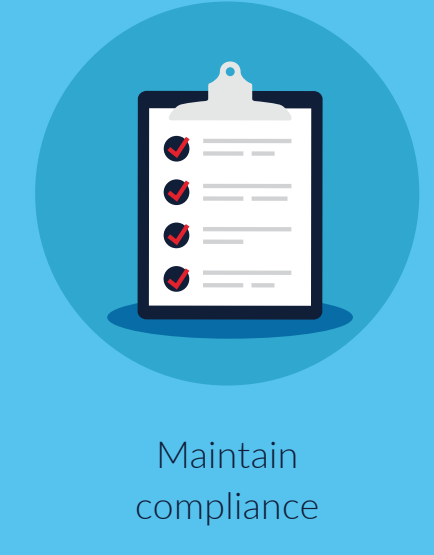


### The External Constituents

Independent, third-party advisors and brokers can then be rolled on to Appian, accessing the platform through desktop, mobile or portals.



With a low-code, digital transformation platform, pension companies can:

 <p>Improve productivity and efficiency</p>	 <p>Lower overall costs</p>	 <p>Maintain compliance</p>
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**DIGITIZE OPERATIONS AND DRIVE COMPETITIVE DIFFERENTIATION WITH APPIAN.**



Source: <http://www.appian.com/>, <http://www.zerohedge.com/news/2016-07-18/largest-us-pension-fund-suffers-worst-annual-return-financial-crisis-due-heavy-stock>, <https://www.calpers.ca.gov/docs/forms-publications/2015-16-annual-budget.pdf>, <http://news.stlpublicradio.org/post/trustees-st-louis-teacher-pension-fund-debate-whether-their-travel-costs-outweigh-benefits#stream/0>, <http://www.businessmirror.com.ph/will-cutting-operating-expenses-raise-more-funds-for-the-sss-pension-hike/>