



# **THREE STEPS TO NEW GROWTH FOR RETIREMENT PLAN PROVIDERS**



2021 Readiness Report

# What are you doing to address these disruptors?



**Advanced technologies enable you to manage long-term cost pressures, address new risks and achieve sustainable growth - all at the same time**

Under pressure from all sides – from clients and competitors to regulatory bodies and global events – retirement plan providers are looking for ways to transform their business models, boosting growth and profits, while staying focused on the user experience.

Disruption will define this decade. The market will keep evolving, new competitors will emerge and the workplace will continue to morph. Technology will keep advancing, driving efficiency and innovation, but also increasing risk as cybersecurity fraud rises.

## The growth imperative: top strategies for the next 12 months

Increasing operational efficiency..... **41%**



Increasing client retention..... **38%**



Targeting new client segments..... **36%**



Expanding into new developed markets..... **35%**



Providing new multi or alternative asset products..... **30%**



“ Today’s disruptions will define the retirement industry throughout the decade. Your growth potential and success depend on how you respond. ”

- **Melissa Cullen**, global head of Strategy, Wealth and Retirement, FIS®



## These are the strategies the retirement industry is focusing on, but how should you carry them out?

First and foremost, you need to optimize your platform technology and data strategy. Then you can process at scale and create personalized experiences – all while ensuring you are compliant, cost competitive and secure.

These are the questions you need to ask yourself to figure out if you’re ready for growth:

- 1.** Is your technology agile enough to adapt to changing user requirements and deliver the experience users are looking for?
- 2.** Is your infrastructure flexible enough to easily access data across multiple systems and expand your ecosystem when required?
- 3.** Is your operating model capable of processing at scale?



“ To make your investments go further, you need to unify your tech, data and AI strategies. ”

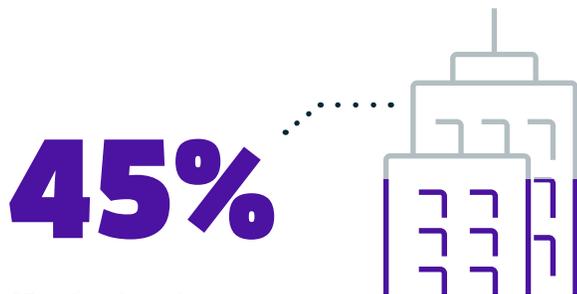
- **Melissa Cullen**, global head of Strategy, Wealth and Retirement, FIS



## TO CONFRONT THESE CHALLENGES AND FUTURE-PROOF YOUR GROWTH MODELS, TAKE THESE THREE ACTIONS:

### 1. Unleash the power of advanced analytics and AI

You may be convinced that data and analytics tools hold the key to unlocking better decision-making in the front office, but you need modernized technology first. Artificial intelligence (AI) and machine learning tools offer compelling benefits as you seek to extract more data and maximize its potential.



**45% OF RETIREMENT FIRMS** will invest in enhanced analytics to drive competitiveness in the year ahead

### Why are retirement plan providers investing in AI and machine learning?

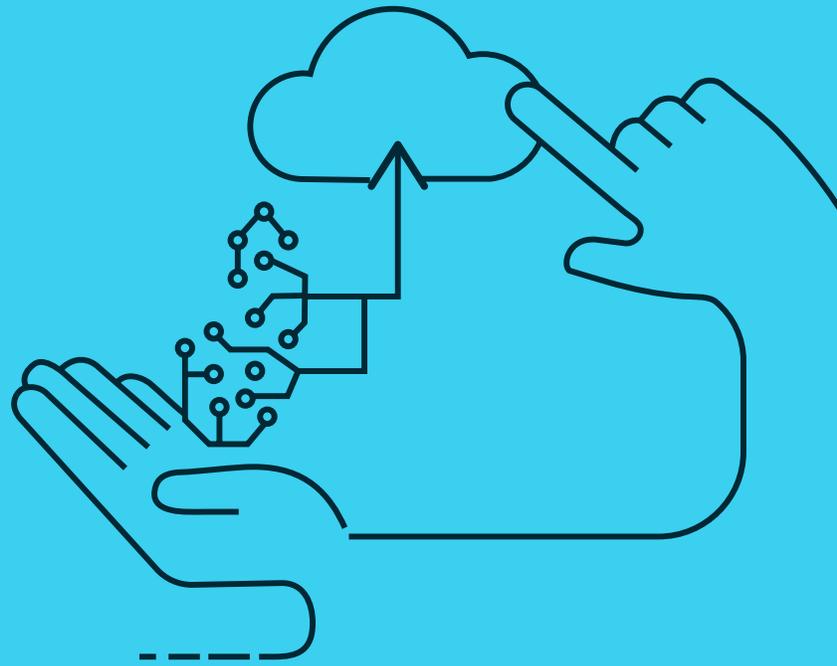
Enhance process automation/operational efficiency	<b>49%</b>
Combine alternative data sets and AI	<b>38%</b>
Analyze large data sets	<b>36%</b>
Build new data-driven products and services	<b>27%</b>
Strengthen compliance and risk management	<b>24%</b>
Provide more meaningful information to clients	<b>22%</b>

It is critical for retirement plan providers to have a strong data strategy that allows you to combine data sets, analyze unstructured data, contextualize information and use it for better decisioning. This data foundation enables you to power your platforms, personalize how you connect with clients and improve process efficiencies.

What's more, a strong data foundation will enable you to gain the full benefit of AI – which is exactly what you need to achieve the growth and efficiency gains that are expected.

“ Plan participants are no longer passive recipients of retirement statements of days past – they’re active, sophisticated investors. ”

- **Melissa Cullen**, global head of Strategy, Wealth and Retirement, FIS



## 2. Focus on the experience

An innovative client experience is a crucial differentiator. Clients expect to be able to manage their accounts using any channel they want, whenever they want. How will you meet that challenge while managing cost?

**57%**



**57% OF RETIREMENT FIRMS** will spend more on front-office technology in the next 12 months

Where are firms most concerned about their effectiveness?

**39%**



**39% OF RETIREMENT PLAN PROVIDERS** are focusing on how customized products can meet heightened customer expectations

Today’s plan participants should be treated more like investors. They expect more adjacent financial services, improved customer experiences and the latest consumer friendly technologies. This evolution is leading retirement plan providers to expand financial wellness offerings, differentiate by being easy to do business with, foster investor trust by emphasizing security and create more personalized investor experiences.

“ You can have the most personalized service, provided by the best people and running on an open cloud architecture. But if you haven’t optimized your operations, you still won’t be able to compete. ”

- **Melissa Cullen**, global head of Strategy, Wealth and Retirement, FIS

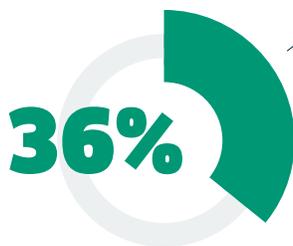
### Where are firms most likely to shift to BPaaS?



- - Risk management
- - Compliance management
- - Administration and accounting

### 3. Embrace cloud and BPaaS for agility and scalability

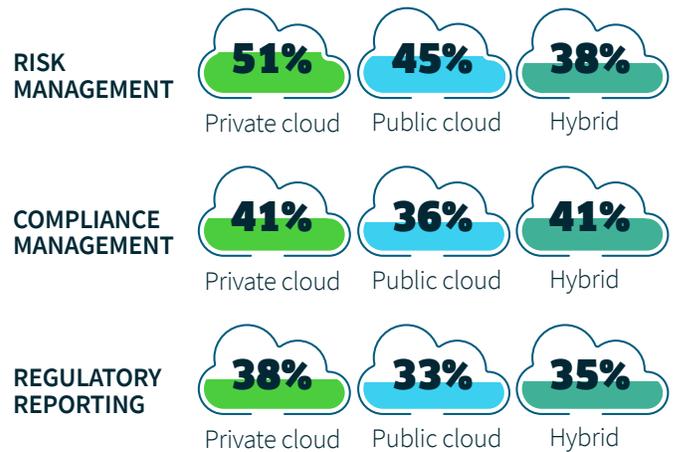
As retirement plan providers seek to build more comprehensive and responsive risk management capabilities – including cybersecurity – they are increasing their reliance on cloud-based applications and turning to business process as a service (BPaaS) providers. These scalable solutions also give you a flexible environment for implementing technologies that drive growth.



**36% OF RETIREMENT PLAN PROVIDERS** plan to shift to a more cost-effective operating model, such as managed services or BPaaS, in the next 12 months

as managed services or BPaaS, in the next 12 months

### Where are firms most likely to increase their reliance on cloud?



Whether you’re focused on exploiting AI to connect with new clients, complying with an influx of regulations or capturing synergies from an acquisition, processing at scale matters. Cloud and BPaaS solutions give you the agility to shift your approach ahead of new market opportunities.

# REIMAGINE RETIREMENT MODERNIZATION AND EXPAND YOUR BUSINESS.



## So, what's next?

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To keep pace and to keep your customers, you need a technology partner that offers innovative retirement solutions. FIS is accelerating how we develop and partner to ensure you can engage, connect and transact with your customers in a secure environment.

Our innovative technology automates your operation, unlocks your data for greater insights and delivers the digital capabilities you need to provide a flexible, intuitive and dynamic omnichannel experience. Our open infrastructure and integrated workflows are data-driven and AI-enabled, giving you multi-dimensional client segmentation to drive growth.

Our scalable, predictable cost model is based on your consumption, so you can reduce your total cost of ownership while our agile deployment model eliminates custom builds, speeding your time to market.

**Reimagine retirement modernization and expand your business.**

# LET'S SOLVE RETIREMENT MODERNIZATION.

## About the 2021 FIS Readiness Report

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The FIS Readiness Report is an annual survey of senior executives that identifies the challenges they face and the strategies they've adopted to solve them. This year, we looked at how they are adjusting to a landscape that's been transformed by both rapid and long-term change.

The survey ran from March-April 2021 with over 150 fintech leaders participating from firms across the retirement segment.



## About FIS

FIS is a leading provider of technology solutions for merchants, banks and capital markets firms globally. Our more than 55,000 people are dedicated to advancing the way the world pays, banks and invests by applying our scale, deep expertise and data-driven insights. We help our clients use technology in innovative ways to solve business-critical challenges and deliver superior experiences for their customers. Headquartered in Jacksonville, Florida, FIS is a Fortune 500® company and is a member of Standard & Poor's 500® Index.

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