

# Our team shares their top hints and tips when managing an endgame journey

10 Minute Read

As Project Managers and Pensions Managers, we've supported many schemes through their endgame journeys, from the initial strategy and planning through to eventual wind-up. Our team share their top tips for keeping things moving in an effective way, during a project that can last several years.



**Adam**  
Project Manager



A high-level plan needs to be understood and challenged. They're often an untested view of how one party thinks the project might unfold. Whilst useful for exploring priorities, sequencing and interactions, unless tested, they should be treated as indicative only. A high-level plan, often called a Plan on a Page (POAP), should be derived from a detailed plan, which has been agreed by all parties in the project, rather than created in isolation. Used properly, a POAP provides a clear, simplified view of work that has already been thought through and validated, giving confidence and a reliable way to communicate



Treat data readiness as a first-order issue, not something to be tidied up later. Get forensic early on, allowing for a period of discovery and build any required data remediation into the scope, with time for contingency, as new issues are always identified. If the data doesn't support the outcome, the plan isn't realistic.



**Hana**  
Senior Consultant

- Each of your advisers will have their own specialisms and areas of expertise so it is important to think about who is responsible for bringing all aspects of the project together to ensure nothing is missed.
- Consider who is responsible for checking how the endgame project plan aligns to your business-as-usual work or other projects. Could you inadvertently end up writing out to members referencing a reduction in benefits due to a rectification project at the same time as trying to communicate positive messages about securing members' benefits through a buy-in?
- Don't forget Data Protection requirements as you move to new ways of managing the scheme – make sure potential or new providers and insurers are meeting your expectations. A data protection impact assessment will help you assess your risks in this area.



**Olivia**  
Project Manager

- As schemes move into endgame, there is a real benefit to checking whether the current governance model is still fit for purpose. Different skills, capacity and decision-making approaches are needed when focus is on run on, compared to progressing an endgame journey. Some schemes only realise this once decisions start to stall, so looking at this early can save time and frustrations later on.
- Endgame journeys bring with them a new set of risks, that can often require different and additional controls, as well as an increased reliance on third parties. New risk controls should be considered ahead of starting an endgame journey (as well as regularly reviewed during it!) to avoid any last-minute surprises.



**Auline-Jean**  
Associate

- Recognise how important it is to allocate time and cost to manage the plan, follow up on actions and coordinate meetings and decisions. It is interesting how often this area of work is underestimated and not always appreciated, but it is absolutely essential.
- Line up your signatories then double check that they will be where they said they would be on signing day! You might think this risk has gone with the move to using online document signing tools such as DocuSign, but someone still needs to be at the end of their device at the right time to prevent the process falling apart. Have phone numbers to hand, and if possible, line up a plan B!



**Emma**  
Senior Consultant



The trustee will typically focus on member experience as part of the buy-in selection process, however if deferred or active members are part of the insured population, the immediate impact on BAU operations and for your current administrators can easily be overlooked. As part of the planning, the trustee will want to invest time in considering matters like; should the BAU admin team be 'ring fenced' for buy-in implementation post transaction, how will data and benefits projects rectification be resourced, who will provide the member movements to the insurer and check the reimbursements. This will help ensure service levels are not materially impacted post a buy-in transaction.



Consider how aligned the current BAU processes are with those of the chosen insurer. For example, how often are scheme factors updated and what will be the approach post transaction. You will also need to update and document any new practices as part of the Scheme administration service agreement.



When a scheme completes a buy-in transaction, the insured benefits are set out in a benefit specification. This is typically managed between the lawyer and the administrators. However whilst the scheme is bought-in, the trustee remains responsible for exercising the necessary trustee discretions. The trustee will want to be familiar with the benefit specification terms, and be mindful of any gaps between the benefits granted and the insured position. The trustee will therefore want to pay careful attention to the drafting of the benefit specification and how key terms are defined. For example, does the definition of a dependent match exactly, their early retirement arrangements.



**Ellen**  
Senior Consultant



As endgame projects progress, clarity over who can make which decisions becomes critical. Where this isn't explicit, schemes often find decisions being delayed or revisited. Clear ownership and simple decision tracking can help keep endgame projects moving as well as providing a useful audit trail later on.



It is important to ensure that you are confident the relationship between your investment adviser and de-risking adviser will lead to a complete and transparent process. The work around your investments is not limited to what specific assets are held. It is important to consider what protection strategies are in place, any currency considerations and cashflow requirements.

Keep reading for hints and tips covering: member engagement, complex cases, data and budget management.





**Tony**

Consultant

- Get input from those who will actually do the work. They have the real experience of what's involved and where the challenges and difficulties may be.
- Don't underestimate what is needed. Taking data cleansing as an example, it may seem straightforward to plug gaps or correct errors, but it's the verification and evidence that are needed to support any corrective action that may be time consuming.



**Claire**

Consultant

- It's good to have both a pensions manager and project manager on the team and for them to work closely together because they bring different things to the table – pensions managers bring the trustee's perspective and have an idea of implications of any endgame work on other Scheme activity, and where there could potentially be strain, whereas the project manager will bring the experience of how buy-in and buy-out projects work in practice. They'll have more practice engaging with insurers and advisers and more of the technical knowledge to support holding advisers to account.
- It may be helpful to set up a committee or working group with delegations to take certain decisions. If this is not acceptable to the Board, sufficient time needs to be factored into the project plan for obtaining trustee input and decisions.



**Pamjit**

Consultant

- Be realistic with the timescales and order you set data issue resolution in the approach to buy-in. The work needed to resolve tricky benefits like AVCs can easily be underestimated and cause significant delays if not given enough focus early enough.
- If you know there are complexities due to the scheme history (e.g. mergers and acquisitions into the scheme), make sure you factor time into your plan to locate all past variations of the Rules, and to resolve any issues.
- Any unusual cases that require member agreement are also likely to significantly extend the project timescales if not pre-empted and given appropriate focus early on.



**Daniel**  
Senior Consultant

- Nobody knows your members like you do – think about the tone of voice in any communications. Whilst your providers and advisers will have a suite of documents, think of these as a starting point and framework, rather than the definitive document.
- You will be talking to members about complex matters. Think about the context, language and style you use. Whilst there will be some things you need to tell them in specific (often legal) terms, consider also explaining it in more layman-like terms ‘this is what we have to tell you, but this is what it means’. Consider multimedia channels – letter, email, website. Many questions will potentially be similar across members – so including a Q&A document with the correspondence (and keeping an updated version available online) may be helpful.
- Allow contingency – of time and money, to manage the wind-up activities and legal documentation after the buy-out has been completed. Inevitably things will come along which can push out timelines or budgets.
- Are you prepared for unhappy members? In some cases they can approach regulators, press, other members and sponsor. Consider these eventualities and be prepared to manage them. Consider what will happen post wind-up, if any previously-undiscovered member makes contact? Where will the contact be directed, and who will be responsible for any benefits?



**Robyn**  
Senior Consultant

- If data isn’t cleansed prior to transaction this could impact pricing – and this cost can far outweigh the cost of cleansing the data. Data cleanses, particularly where these impact member’s benefits should be planned in advance, and take into account other workstreams. For example, communication of changes to benefits following a data cleanse can erode member’s confidence and if further communications are then received about a move to an insurer, this could lead to a lot of noise from members.
- Buy-out ready data is very different to the data needed to get a perfect scheme specific data score. Gaps in data should be considered pragmatically, and some data gaps are unavoidable. The scheme actuary can advise whether pragmatic assumptions can be made based on the existing data – or whether this data needs to be sourced. Sourcing original data can be costly, time consuming and is not always available. Assumptions, when they are in the member’s favour, can save time, money and ensure that the trustee is meeting its fiduciary duties.



**Jo**  
Director



Consider how you will manage the budget throughout the journey. Pre-buy-in, indicative cost figures are a factor in trustee and sponsor decision making; make sure they have been challenged. Often these have been produced by one adviser and aren't representative of other adviser or administrator costs; at this stage sometimes the administrator hasn't even been told, let alone contributed! The indicative costs will be based on assumptions, which sometimes aren't shared, and rarely borne out in practice to a material level. This can lead to challenging conversations between the trustee and sponsor later in the journey.



As you get closer to buy-out and wind-up, you may be able to agree fixed or capped fees for some of your remaining costs, and essentially run a budget to the end. Delays in agreeing fixed or capped fees are sometimes influenced by decisions that the trustee has not yet taken – but the conversation between outstanding decisions and budget management are rarely linked without the right pensions and project management.



If you have any hints and tips of your own that you'd like to share, or if you'd like help bringing together all the strands of your endgame journey, or to seek assurance that your current project structure and governance is effective, **get in touch with:**

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