



Trends

UPWARDLY MOBILE

Four reasons for pension plan sponsors to consider a smart phone app

BY SEAN KEYS

In July, Apple announced that more than 15 billion apps had been downloaded from its App Store. Why the frenzy over apps? While websites exist for virtually any subject, apps offer some significant advantages.

Benefits of Going Mobile

1. Convenience Once plan members have installed and logged into an app, they have instant access to their information. Websites have barriers—users must remember URLs, login names and passwords—whereas information in an app is available anytime, from anywhere. Plan members may be too busy to read a pension statement when it's sent to them, but with an app, they can access it later while sitting on the bus or talking with a financial planner.

2. Personalization Unlike a computer, a smart phone or tablet is not generally shared between multiple users, making these devices highly personal. Because of this, many people are comfortable using their phones to access personal information such as email and banking. Pension information is likewise personal and confidential, so it's a natural fit.

3. Two-way communication Apps can incorporate features such as calling, texting and email, allowing for richer, more immediate communication. For example, administrators can push out news flashes to alert members

to plan changes; members, in turn, can call their administrator if they have questions while reading the information.

4. Youth appeal A 2009 Sprint survey on wireless phone habits found that those ages 18 to 34 are much more likely to use all of the available applications on their phones, compared with those age 55 and older. Gen Y—also referred to as the digital generation—is a particularly challenging audience for plan sponsors to engage, but it's an important one. Although retirement may be a long way off for people in this age group, the contribution decisions they make now will strongly affect their long-term financial well-being.

By giving members on-the-go access to their pension information and the ability to report errors instantly, administrators can improve the quality of their plan data.

Have a new FAQ or plan summary? Send a copy to the app. Or send simple announcements: "Your annual statement has been mailed." Member awareness is a critical issue for plan sponsors, and an app can help to facilitate that.


But we already have a website, plan sponsors may think. An app and a website should complement each other. Plan members may look to a website when they need detailed

information such as plan rules, historical data, forms or links to related sites. Apps, on the other hand, are great for quickly getting information to members in a personal and relevant way, and triggering member feedback.

Before You Implement

There are many variations in mobile devices and operating platforms, so the best advice is to start small. Rather than creating apps for all devices, focus on the big players: Apple products (iPhones and iPads) and the growing number of phones that use Google's Android platform.

There are also design issues. For example, while a computer screen is large enough to display a detailed pension statement or booklet, a phone lacks the screen size. Keep the focus simple.

Mobile app development is still in its infancy, but pension and benefits apps are already starting to emerge. And, as in the early days of the internet, plan members—especially those from the younger generation just starting to save for retirement—will increasingly expect their employer to communicate with them using the latest technology. Finally, remember that mobile technology is fun. Your pension app might not be the next Angry Birds, but it can convey meaningful information to members in an engaging and accessible format. In the long run, that's a lot more valuable than a new high score. 

Fact File

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