



Laying the groundwork: Ensuring an effective data cleanse

Just Defined Benefits post transaction service manager, Hannah Wadmore, tells Francesca Fabrizi why an effective data cleanse is so crucial to ensuring a smooth de-risking journey

We hear people talk about 'data cleanse' so often in relation to the buy-in or buyout process, but what does it really mean?

At its core, data cleanse is the process of reviewing, validating and improving the quality of a scheme's member data. It's about ensuring that the information held – such as dates of birth, pensions in payment, service histories and contingent entitlements – is complete, accurate and consistent. This is essential because once a scheme moves to buy-in, and ultimately buyout, that data will form the basis of how members' benefits are insured and administered for decades to come.

Why is an effective data cleanse so important for the smooth running of any buy-in or buyout transaction?

An effective data cleanse reduces the risk of errors, delays and unforeseen costs – all of which can derail a transaction or impact members later on. Clean data provides confidence to trustees and sponsors that the insured benefits will accurately reflect members' entitlements. It also makes pricing more accurate and smooths the transition process.

A poor or delayed data cleanse can push out timelines significantly, which can impact costs as well as causing the overall experience – for all stakeholders, including members – to be less positive. In contrast, a well-managed data cleanse supports quicker onboarding, simpler member communications and, ultimately, a faster path to buyout.

Can you explain in a nutshell what should typically be done before, during and after a transaction to streamline the process?

Before the transaction, it's crucial to engage early with advisers and administrators to review the current state of the data and to start planning for known projects like GMP equalisation (GMPe). This is hugely important as it provides time for them to consider what will be necessary, and the resources they will need to allocate.

At the same time, doing some early work to identify potential data gaps or issues such as inconsistent formatting or missing spousal data can kickstart the process of planning for these.

The "official" data cleanse period is once the transaction is signed and we're now working with trustees, via their administrators, to really make sure the data is all accurate and useable. During this period, we'll review the initial

data and then support trustees and administrators as they resolve any gaps. Crucially, during this period, the key is to be sure that everyone understands roles and responsibilities from the outset – the trustees are ultimately responsible, but they need to be clear with their administrators on what's needed and timelines while insurers can offer useful insight and guidance based on experience.

Why would you recommend trustees to prep early and implement processes and plan ahead of time?

We tend to say this a lot because we know that data cleanse can be quite an intensive and resource-heavy process. By starting the planning early, and preparing your administrators and advisers early, there's a much better chance of being able to complete the data cleanse relatively smoothly. It can be easy to underestimate the amount of work that will be required, and the time it will take to get it to the point at which an insurer is completely comfortable taking over responsibility for all benefits. By starting early, you can identify areas that are more likely to be complex or challenging, build in time to fix any errors, align the data cleanse with other project milestones and be far more certain that your administrator will have the bandwidth to deliver the project.

It's also important to remember that

communication with members is a key step in any buy-in or buyout process so the more you plan in advance, the more likely it is that you can deliver that communication and ensure they are comfortable with the changes.

While trustees are ultimately responsible for ensuring an efficient data cleanse, they needn't feel alone – who from their wider team should they reach out to assist them along the way?

Data cleanse is 100 per cent a team effort. Trustees as project leads ultimately own the process and the data, but they need to rely on their wider team. Collaboration is one of the most important indicators for a successful data cleanse, so we always strongly recommend bringing all stakeholders in early and ensuring that roles and responsibilities are clearly defined.

This includes:

- Advisers who co-ordinate technical workstreams in line with risk transfer requirements.
- Administrators who hold the data and are best placed to answer historic practice questions and do the actual work of cleaning the data.
- Legal advisers are hugely important, particularly when clarifying benefit specifications or codifying discretionary practices.
- Insurers, of course, who provide templates, tools and guidance and who will review and assess the data.

What are some of the common pitfalls you see when it comes to the data cleanse process and how can they be avoided?

There are a few recurring challenges. GMP equalisation is probably the most significant we see currently. The GMPe makes up a significant portion of the data cleanse, and there can be delays between GMPe calculations and payroll implementation. This has a knock-

on impact on the rest of the project. Planning is essential here.

Another key challenge is the admin data itself and whether it's fit for purpose. While most admin systems work well for what's happening today, insurers are thinking about the potential future benefits. For example, a dependant's pension details may only be calculated and added to the admin system at the point at which they become payable. For the insurer however, this

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information needs to be available from the start. Overcoming this challenge requires trustees and administrators to understand the state of the data, and what is required to meet the insurer's requirements. By engaging with the administrator and getting their support up front, this can be planned for and incorporated into the data cleanse journey.

What processes does Just have in place to help schemes – big and small – with their data cleanse?

At Just, we've supported over 500 transactions, so we have a selection of processes based on that experience.

For larger or more complex schemes, we assign a dedicated transition manager

who acts as a single point of contact and project lead from our side. They manage data cleanse timelines, coordinate with advisers, and guide the scheme through onboarding to buyout.

For smaller schemes, we offer a streamlined service that uses automation, templated processes, and a centralised team approach. This avoids delays caused by over-reliance on individual contacts and delivers a consistent experience from day one.

In every case, we always provide detailed data templates and share the results of our validation tools, as well as deploying automated calculation processes to reduce turnaround times. We also aim to work very closely with administrators and advisors to ensure everyone knows where the project is at and what is needed next.

What else can trustees do to ensure the data cleanse part of the journey doesn't create any kind of roadblock along the way, especially in the context of such a busy market?

The biggest differentiators are preparation and proactivity. Trustees that treat the data cleanse as a key project, with all the planning, resources and stakeholder engagement that entails, will consistently find it goes more smoothly and more quickly. This is especially true in the case of known challenges like GMP equalisation. We also recommend that trustees become familiar with the insurance contract so that they're fully aware of what's needed. And keep communication open!

Written by Just DB post transaction service manager, Hannah Wadmore

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