

DC comms: message received

As part of the government's keenness to ensure the success of both auto-enrolment and the National Employment Savings Trust (Nest), it has been working hard to provide all pension providers and schemes with the tools to get the message across to members – and to see that it's received positively.

Over the past year Nest and other providers have worked with the Department for Work and Pensions (DWP) to use the upcoming reforms as a springboard to improve scheme communications and encourage engagement. Trustees can now use these results as a starting point for planning their own strategies.

The DWP says: "The introduction of automatic enrolment will be a one-off opportunity to change the way the nation thinks about saving for retirement and we are working with partners such as the Pensions Regulator, Nest and the private sector to highlight how automatic enrolment can provide a solution to retirement."

Nest has acted as an embodiment in disseminating the overriding message of auto-enrolment. It has compiled for potential members a phrasebook of common and wider pensions terms "using words and phrases that have been designed with them and for them... [to give] the potential future members of Nest, their employers, advisers and other people we work with, an idea of how we'll be talking to them".

For a start, abbreviating to 'auto-enrol' is out, as research highlighted the word 'automatic' is deemed necessary to convey that "people don't have to do anything". 'Contribution structures' has become 'different ways you can make payments', while 'decumulation' has been rendered 'opening your pension pot'.

Beyond the language

The right message in the right language is one thing, but the conduit of this information, and the volume and frequency, all need to be taken into account, too. And then, of course, there's cost.

Graham Vidler, director of communications at Nest, says: "We will always use channels that strike the right balance between getting information to our customers and doing so cost-effectively... We don't overload members, but clearly signpost to where they can find further information."

He adds, while Nest intends to continually review this approach, it has no plans to spend money on advertising or widespread campaign activity. However, if an interested worker wants further information, Nest's website offers a buffet of tools, such as factsheets on the basics of pensions; the benefits of Nest; a pension calculator; a selection of case studies; information on the pension changes taking place from 2012; and how to manage your pension pot.

HEINEKEN: ELIXIR FOR SUCCESS

■ As part of its plan, it created personalised booklets for workers and included a DVD, to give them a sense of what any changes will mean for them.

■ It also opened up an inbox where people could submit questions, and based on this, eight factsheets were created to cover the issues of greatest concern for potential members.

■ This was followed by face-to-face presentations from senior management, who all received training along with the HR department.

■ The script was kept the same throughout to ensure the message remained clear.

■ A professional audio version was then produced for the website.

It also carries a video showing three versions of the same man but at different ages, chatting together in a pub – the overarching message being 'If I knew then what I know now'. Such research and materials in various formats are all well and good for targeting the myriad demographics, but these media will only be effective if the horse you're taking to water is already somewhat parched.

Trustees have to grapple with the issue of getting employees engaged enough in the first place for them to want to seek further information and make informed decisions. But how?

One scheme that has exemplified best practice on communicating change is Heineken UK. In part due to a large-scale move from defined benefit to defined contribution earlier this year, it is well ahead of the curve in preparing members for the onset of auto-enrolment. Carol Young, pensions manager at the 2,200-member scheme, says it was crucial for them to create a visual identity for the scheme. It was branded 'Time to think pensions' and carries an image of a ticking clock.

On the importance of using a mix of media, Young says: "It would be naive of us to think we can help all of them in just one way," adding the efficacy of paper-based or electronic messaging can often depend on the type of job that staff member does. "Having that mix gave us the best chance of getting at least one message across." Young adds Heineken's members' reactions were positive once they'd accepted change was happening.

The resultant success of Heineken's communication strategy – including its 95% take-up rate – has caught the eye of the DWP and the regulator, who Young says have been keen to talk to them to gather evidence of best practice.

However, not all organisations share Heineken's strong pensions engagement background. Neil Strong, strategic consultant at Shilling Communication, says: "Those that face the biggest challenge will be the schemes that have only ever issued limited communication – in many cases, just to tick the compliance box. These schemes don't just have the challenge of communicating auto-enrolment and its various complexities, they have the bigger challenge of communicating the concept of saving for retirement in the first place."

Both Young and Strong agree auto-enrolment communication should form part of schemes' annual strategic review. Rather than waiting for the mandatory three-year re-enrolment date to come around, Heineken has an enrolment window every May, where non-joiners are targeted using the array of engagement materials from their comms plan.

Whatever provisions employers have in place, one thing is clear: a properly planned strategy gets results.

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Heineken UK