

PensionsFirst campaign for unique PFaroe service to defined benefit pension schemes

Objective / brief from client:

Via its innovative and unique *PFaroe* analytics platform, PensionsFirst enables defined benefit (DB) corporate/public sector pension schemes to concurrently revolutionise the measurement and management of their scheme's performance, including their deficits. For the first time this web-based service allows pension managers to run real-time cashflow models for both pension assets and liabilities with unprecedented granularity and speed. These models can be stress-tested against various risk-based scenarios impacting scheme valuations (including longevity of members, inflation and interest rates). Prior to *PFaroe*, funds relied on triennial valuation reports from actuaries that were, probably, outdated by the time they were produced and, certainly, too old for a scheme to use as a basis for effective risk management and removal.

However, the concept of timely and accurate asset and liability risk information for pension schemes is unknown in the pensions world – and potentially contrary to the interests of advisers and actuaries. This meant PensionsFirst's primary objectives were twofold: to propagate the new, industry-changing concept offered by *PFaroe*, and to promote PensionsFirst as a leading source of risk intelligence to the DB pensions industry.

Strategy:

While this is a unique offering to the pensions industry, it is also a complex story, and one fighting against ingrained conservatism within the industry. And then there was the fact that when Moorgate was mandated, PensionsFirst was a launch company – a start-up with no track-record.

Given the above, Moorgate Communications offered a “thought leadership” strategy – focusing on the key issues within the DB pensions industry (and there were many). The aim was to communicate PensionsFirst's expertise of the issues facing DB schemes, as well as how current problems with pension risk management were exacerbated by old and inaccurate numbers. Clearly, this was a sophisticated audience (DB pensions managers, mainly within the UK's largest companies) that needed time to evaluate this sophisticated message – especially one that may be countered by advisers more interested in maintaining the status quo. Pure brand awareness was likely to be ineffective. And then there was the issue of the launch (handled prior to Moorgate's appointment) that had delivered inaccurate messages, in part due to difficulties communicating *PFaroe*'s complex but transformative potential.

Moorgate adopted a stance of “controlling the message” – meaning that pure profiling or news-based messages became secondary to a thought-leadership campaign that explored the issues that *PFaroe* helps analyse for DB schemes.

Method deployed:

The key tactic for execution was via a series of by-lined commentaries (written by Moorgate based on interviews with, or presentations from, PensionsFirst analysts). These were then placed in a series of magazines with each “issue” written and rewritten for particular audiences aimed at different specialist titles. The first commentary (published in *Pensions Management* and *InsuranceERM* among others) built the foundations for the PensionsFirst story – focusing on the problems that pension schemes have historically faced in obtaining timely and accurate valuations on their pension liabilities, and in turn how new technology (including *PFaroe*) was transforming this landscape. Further commentaries were then produced and placed looking at how inaccurate assumptions can lead to inaccurate valuations (published in *Treasury Management International* and *Public Servant* among others), how the provision of accurate data can help drive more efficient hedging strategies (published in *Pensions Age* and *Global Investor*) and how pensions schemes should effectively deal with the increasingly problematic issue of longevity risk (published in *Professional Pensions* and *Pensions World*). Another set of commentaries – looking at the positive aspect of changes to accounting standard IAS19 (which many reports at the time had overlooked) – were also produced with a treasury/CFO audience in mind (and were subsequently published in *gtnews* and *Treasury Management International*). This campaign of

commentaries culminated in Moorgate producing a 2,000 word paper for *The Journal of Corporate Treasury Management* on the subject of effective pension risk management, which was by-lined to PensionsFirst Analytics CEO Benjamin Reid.

Other tactics included researching and submitting for relevant industry awards, invited in-house events that could then provide further material for the specialist press (perhaps in a Q&A format) and case studies consisting of by-lined articles on behalf of clients (looking at the full range of their pensions issues and how PFaroe was helping tackle them). Moorgate also secured and scripted and an eight minute video on pension risk by the Financial Times and featuring PensionsFirst's group CEO Timothy Lyons. It can still be found on the FT's pensions portal *SchemeXpert.com*.

In terms of news, again the focus was on offering analysis on issues facing the industry (thus communicating the analytical expertise of PensionsFirst) in addition to successful Tier One and specialist outreach around new recruitment. This gelled into the launch of the PensionsFirst Risk Report, which produced "headline grabbing" numbers on the DB industry for Tier One media.

Finally, Moorgate helped create and propagate *Woolly's Blog* – using social media to, again, control the message while communicating PensionsFirst's expertise - especially on topical pensions-relevant issues.

Outcome, including formal evaluation of results:

Moorgate's campaign lead to a total of 15 commentaries being published in the specialist press (all by-lined to PensionsFirst team members) and 61 other media hits (including news stories and profile pieces) over the course of 2010.

Subsequently, since the inception of Moorgate's thought leadership campaign, industry awareness and appreciation of PensionsFirst's work has increased substantially. Indeed, in July 2010 PensionsFirst won industry acclaim for the first time when it picked up both the "European Pensions Innovation award" and "Technology Provider of the Year award" at the *European Pensions Awards*. And in November 2010, the company added another award, winning the "Risk Management Product of the Year" award from *Risk Management Professional* (published on behalf of the Institute of Risk Management).

In terms of search engine optimisation this work meant that at the end of H1 2010, a Google search of "pension risk analytics" yielded results with six of the top nine listings relate to PensionsFirst. This success has continued – a Google search of "pension risk platform" now produces 6 results out of the top 10 linking to PensionsFirst articles while a search of "DB pension risk" returns a PensionsFirst article as its top link.

And this increased awareness has had tangible results – since its launch at the end of 2009 PFaroe has been adopted by 17 UK DB pension schemes, equating to some £30bn of pension liabilities including big-name clients such as Daily Mail & General Trust, HSBC, Babcock International and Aga Rangemaster. Furthermore, the company now has a pipeline of over 150 pension schemes that are currently in talks to adopt PFaroe, comprising over £400bn of pension liabilities or over 40% of the UK DB market.

Relation to objectives and cost-effectiveness:

The commercial success of PFaroe since its launch in November 2009 owes a great deal to Moorgate's success in achieving its two main objectives set out at the start of the campaign – to propagate the ground-breaking concept offered by PFaroe and promote PensionsFirst as a leading source of risk intelligence to the DB pensions industry.

Through innovative and proactive PR, Moorgate has, within a tight budget, positioned PensionsFirst as *the* industry go-to on all matters concerning DB risk. As well as achieving placement for by-lined articles in all of the top industry-specific publications, this has also seen many of the city's top financial writers – including the *Financial Times*' Paul Davies and the *Evening Standard*'s Anthony Hilton – profile PensionsFirst's work and viewpoints, providing huge exposure and ultimately driving bottom-line sales.

Creativity / originality

Given that innovation lies at the very heart of PensionsFirst's approach, it was clear that the campaign should aim to disseminate key messages to the target audience in an original and creative way. This approach started subtly (in order to control the message) – producing and placing by-lined commentaries for PensionsFirst clients in which they discussed issues that PFaroe was created to eliminate – before becoming more direct with the launch of *Woolly's Blog*, an online forum challenging pre-conceived pensions wisdom and stimulating debate amongst sponsors, trustees, industry practitioners and scheme members alike in order to drive further improvements in DB pension risk management. Certainly, the launch of the blog and associated social media strands (including Twitter and Linked-In accounts) enabled PensionsFirst to reach and interact with key targets in a way that the historically conservative UK pensions industry had rarely seen before.

People:

Moorgate is a small specialist agency so employed its top practitioners on the account. – including CEO Robert Kelsey, Senior Account Director Fred Duff Gordon and Account Executive (now an Account Director) Thomas Morris. The Moorgate team liaised daily with Gerald Eastwood, the head of marketing at PensionsFirst, as well as senior executives such as Benjamin Reid (CEO of PensionsFirst Analytics) and Timothy Lyons (CEO of the PensionsFirst group).