Innovation Deployment Strategies in Pension Schemes

From conservative custodian to category-defining scheme: a practical deployment playbook for trustees.

OPENING HOOK · 5 MINUTES · INTERACTIVE

If your pension scheme were a phone, which one would it be?

The Nokia 3310

- ✓ Reliable, familiar, indestructible
- ✓ Paper-heavy, opaque processes
- ✓ Members wait; nothing is real-time

The Smartphone

- ✓ Data-driven and member-centric
- ✓ Self-service, mobile-first access
- ✓ Continuously updated and monitored

Baseline activity: Rate your scheme's innovation readiness from 1 to 10 by show of hands. We chart the room's results on the flip chart: this is our baseline for the day.

PART 1 · THE INNOVATION IMPERATIVE

The numbers say innovation is no longer optional

Sh2.81T	~25%	80%+	Sh330B+
pension assets under management in Kenya	of Kenya's workforce covered by a pension scheme	of employment sits in the informal sector	annual infrastructure financing gap

The opportunity: mobile money transformed financial inclusion in Kenya. Micro-pension products can do the same for retirement savings. The country has already proven that innovation expands access. The question is not whether to innovate, but how, and how fast.

PART 1 · THE INNOVATION IMPERATIVE

The trustee's dilemma: conservatism has a cost

*equities, guaranteed funds, property. Illustrative split: government securities alone exceed half of total assets; over 90% of funds sit in traditional classes.

- Over 90% of funds remain in government securities, equities, guaranteed funds and property
- This conservatism erodes value over time, especially in an inflationary environment
- Meanwhile, 4 in 5 working Kenyans have no scheme at all: a coverage gap and a growth market

INTERACTIVE · VOTE AS A ROOM

Two truths and a lie

Which statement is FALSE? Vote by show of hands, then we discuss why the correct answers matter.

A Kenya's pension assets stand at nearly Sh2.81 trillion.

B More than half of Kenya's workforce is covered by a pension scheme.

C Government securities account for more than half of total pension assets.

Facilitator note: B is the lie. Only about a quarter of the workforce is covered.

PART 1 · WHAT REGULATORS EXPECT

The regulator's three pillars of responsible innovation

Good Governance

Schemes must be well run regardless of the technologies used. Trustees must understand where and how technology is used by, or on behalf of, the scheme.

Data

A clear data strategy, resources allocated for improvement, and the confidence to challenge service providers where standards are not met.

Innovation

Seek appropriate and proportional professional advice when considering or implementing any innovation.

Critical takeaway: "Accountability does not change. Trustees and scheme managers are already responsible for outcomes, regardless of whether technology is involved."

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PART 2 · THE FRAMEWORK · 25 MINUTES

The 5-step innovation deployment model

1
Assess starting point
Technology audit. Map data flows between systems. Identify gaps from member and administrator perspectives.

2
Define objectives
Solve a named problem with measurable outcomes: "cut query resolution time by 50%", not "adopt technology".

3
Build data foundation
High-quality data is the bedrock. AI is only as effective as data behind it. Comply with data protection law.

4
Select & deploy
Due diligence on providers. Privacy and responsible-use checks. Pilot first, then scale.

5
Monitor & review
Clear governance and accountability. Robust testing, ongoing monitoring, regular risk reviews.

Each step gates the next: a scheme that skips the data foundation will feel it at deployment.

PART 2 · KEY INNOVATION AREAS

Four technology areas every trustee should map

□AI & Machine Learning

Personalised member communications, fraud detection, predictive analytics.

Trustee lens: Ensure transparency and human oversight.

□RegTech

KYC compliance, machine-readable regulations, robo-handbooks.

Trustee lens: Streamlines compliance but requires robust governance.

□Automation

Benefit processing, contribution management, payment timelines.

Trustee lens: Reduces errors and speeds up member service.

□Digital Platforms

Member dashboards, mobile-first solutions, self-onboarding.

Trustee lens: Improves member experience and financial literacy.

INTERACTIVE · SMALL GROUPS

Activity: the Innovation Carousel

Four stations. Four rotations. One insight per group.

STATION 1	STATION 2	STATION 3	STATION 4
AI & Machine Learning	RegTech	Automation	Digital Platforms

At each station, discuss two questions:

- ✓ How could this apply to our scheme?
- ✓ What is the biggest barrier?

Each group appoints a spokesperson to share one insight with the room.

PART 3 · PRACTICAL DEPLOYMENT · 20 MINUTES

Four deployment strategies that work

The Phased Approach

Start with low-risk, high-impact areas such as member communications and automated reporting. Build momentum from early wins, then scale to complex applications.

The Partnership Model

Leverage specialist pension-administration providers. Platforms like Pension Fusion have connected 100+ schemes covering 150,000+ members. Contract for liability and breach notification.

The Innovation Sandbox

Test products in a controlled, live, time-bound environment. Learn without exposing the whole scheme: especially valuable for informal-sector products.

The Member-Centric Approach

Humanise retirement administration at scale: data, automation and insight that anticipate needs. Products must be simple, affordable, and built for long-term saving.

CASE STUDY · KENYA

Sanlam Kenya's Akiba Plus

Proof that innovation can expand coverage while maintaining compliance.

Mobile-first onboarding

Members self-onboard into personal pension plans directly from their phones.

SME workplace schemes

Employers and SME entrepreneurs can set up workplace pension schemes digitally.

Tier II alternative

Provides a digital-first alternative to mandatory Tier II contributions.

Key lesson: start where the members already are: on their phones.

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PART 4 · OVERCOMING BARRIERS · 15 MINUTES

Five barriers, five workable answers

1 Legacy systems: Don't rip and replace: build bridges. Use APIs to connect modern solutions to existing infrastructure.

2 Risk aversion: Start with innovations that enhance security. TPR itself uses AI to catch scam sites: 2,000+ assessed, 29 high-risk sites removed.

3 Cost concerns: Treat innovation as investment. Automation cuts long-term admin cost; partnerships and shared services spread the outlay.

4 Skills gap: Invest in trustee education. Seek professional advice on innovations and lean on provider expertise.

5 Regulatory uncertainty: Regulators are enabling responsible innovation. The question is no longer whether to adopt, but how to do so proportionately and ethically.

Barrier Busting: which of these have you faced, and what worked? We capture the room's solutions on the flip chart.

CLOSING · GROUP REFLECTION

One minute of silence, then a whip-around

1

What is the ONE innovation priority for YOUR scheme in the next 12 months?

2

What is the first step you will take?

3

What support do you need?

Whip-around rule: each trustee shares their ONE priority in 30 seconds or less.

CLOSING · ACTION ITEMS

Your trustee action roadmap

Next 30 days

- ✓ Conduct a technology audit of current systems
- ✓ Map data flows between systems and providers
- ✓ Identify one pain point technology could solve

Next 3 months

- ✓ Develop or update the scheme's data strategy
- ✓ Establish governance and accountability structures
- ✓ Engage providers on their innovation roadmaps

Next 12 months

- ✓ Pilot one innovation project: start small, measure
- ✓ Invest in trustee capability building
- ✓ Update the administration policy for technology

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> *"Trustees must move beyond a compliance-driven approach and take full responsibility for member outcomes. It is no longer sufficient to meet regulatory requirements; they must ensure that members are saving enough and that investments deliver consistent performance over time."*

Thank You

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