

Norwegian Labour and Welfare Service Helps Citizens Plan for the Future

In an ambitious five-year program for NAV, Capgemini delivers self-service technology to support a sweeping reform of pensions in an aging society

The Situation

The Norwegian Labour and Welfare Service (NAV) plays a prominent role across the fields of employment and social security, and contributes to the financial wellbeing of all Norwegian citizens. NAV administers the most important welfare benefits and social security schemes in Norway. The national insurance system in Norway has been stable since the introduction of public pension plans in 1967. Since then, life expectancy has increased, and the average retirement age has fallen. From 2005 to 2020, the number of pensioners is expected to increase by up to 40%. Against this background the Norwegian parliament legislated to reform the pensions system and transform the way in which Norway administers pension benefits.

To deliver the pensions reform, a \$500 million Pension Program was established, comprising multiple projects of which IT represented a significant part. NAV's IT systems were not sufficiently flexible to introduce the new legislation, and solutions

for this were not part of NAV's long-term IT strategy.

Capgemini was engaged in 2007 to help implement the IT solutions necessary to support major organizational reform. Capgemini's main responsibility was to develop a self-service solution, *Your Pension (Din pensjon)*, and a new centralized casework system based on a secure Service-oriented Architecture (SOA).

The Solution

Today, the new self-service solution is used by every citizen in Norway to estimate, plan and apply their future pension timeline and benefits. A new national contact center has also been established to support citizens. Additionally, there are five dedicated production centers to centralize case work. The solution automates case procedures to give better

“Throughout this project, Capgemini has been proactive, open and collaborative, which resulted in gaining the trust and respect from NAV and competitors.”

Jorun Kongerud, Program Director, NAV Pension Program



People matter, results count.

and faster services to the public. *Your Pension* can handle a pension application in less than a minute without any manual interference. In comparison the previous, more manual procedure took up to three months from sending an application to completion of the case.

Citizens can use *Your Pension* to monitor the application process, communicate electronically with NAV, view their payments and pension fund, and simulate different pension scenarios. NAV's caseworkers also use the simulation functionality to help the public plan and optimize their pension and their point of retirement.

The main characteristics of the new flexible retirement pension are that:

- working for longer will be profitable
- it is possible to combine earned income and retirement pension freely
- it is possible to draw a retirement pension from the age of 62 if enough pension rights are earned
- the retirement pension will be adjusted according to life expectancy
- every working year will impact the pension.

The system solution is based upon the use of open source frameworks and tools. It is one of the largest SOA solutions in Norway. It is programmed in Java and based on several open source frameworks such as Ajax4JSF, JSF, Spring Web Flow, Spring and Hibernate.

The Result

With Capgemini's help, the objectives of the pensions reform have been reached. New IT solutions handling new retirement pension rules are in production, serving both working and retired citizens. Norwegian citizens have been given a fantastic tool to help plan their retirement, to simulate different retirement schemes and make informed choices about their pensions. Through *Your Pension*, every citizen has a general overview of all his or her pension funds.

NAV has introduced one of the leading self-service solutions in the public sector, automated every step of the casework procedure to ensure quality and efficiency, and centralized casework to five special units. This has been achieved without reduced human resources. NAV is now better able to meet today's demands for rapid processing, respond to pensioners' needs quickly and efficiently, and provide the correct benefits

at the right time. Case managers now access one modern, centralized system instead of numerous legacy systems. As a result, staff in local NAV offices have more time to spend with their customers.

How NAV and Capgemini Worked Together

Careful sourcing of large development projects has long been part of NAV's strategy. Capgemini was selected as the preferred vendor for development of the largest part of the Pension Program, the self-service solution and the casework system. Following NAV's specifications and requirements, Capgemini developed the solution on time and within budget. Capgemini's effort in the program was approximately 280,000 man-hours with a team of 60 consultants at the peak of staffing.

The Pension Program fully implemented the solution between 2005 and 2011. After the first minor release in 2007, the full roll-out of the new IT system based on the existing retirement pension rules was delivered in 2008-9. In parallel with the roll-out, the development of the new pension rules continued and the system support for the pensions reform was released from 2009 to 2011. The Pension Program had a complex delivery model with several suppliers that needed to cooperate closely and deliver successfully together. Capgemini communicated

actively within the program from the start, and championed a collaborative approach.

Capgemini introduced Scrum, an agile software development technique, early in the program. This resulted in better collaboration between team members, vendors and NAV's own resources, sharing of ideas, a philosophy of continuous learning and a team-oriented mindset. Teams became more motivated thanks to their increased influence and responsibility.

Capgemini helped to establish proactive and valuable communications within the program. These included demonstrations for the end-users in each delivery, and daily meetings to ensure alignment between different vendors' project leads and the client. A project dashboard and burn down charts (development progress) were presented daily, creating transparency around the project's status and key metrics such as spend, progress against milestones, testing outcomes and code metrics. Capgemini also successfully established agile principles in application management, increasing the project's pace and overall responsiveness to NAV's needs.

For more information on the project, please contact:

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In collaboration with



The Norwegian Labour and Welfare Organization was established on July 1, 2006, and is a

comprehensive welfare reform for the nation of Norway.

For more information, please visit:
<http://www.nav.no/In+English>