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Success Stories From Buck Consultants

Outsourced Employee Share Ownership Plan (ESOP) administration



BUSINESS ISSUES

BMO Financial Group is a highly diversified financial services provider offering a broad range of retail banking, wealth management, and investment banking products and solutions. With more than 34,000 employees, BMO serves clients across Canada and in the United States through BMO Bank of Montreal, BMO Nesbitt Burns, BMO Capital Markets, and their Chicago-based subsidiary, Harris.

BMO Financial Group had been outsourcing administration of their ESOP since the plan's inception. In 1992, changes to tax legislation caused their provider at that time to cease offering outsourcing services. BMO was notified of the vendor's decision in the fall of 1992, and needed to find a new outsourcing provider and trustee quickly. The new suppliers had to be ready to go live on January 1, 1993.

SOLUTION

ACS/Buck had already worked with BMO Financial Group providing consulting for their DB pension plan, and as a result of the working relationship, BMO knew that ACS/Buck had the capability to provide ESOP administration services, as well.

BMO engaged ACS/Buck to administer the ESOP, and ACS/Buck successfully implemented the plan within the short timeframe.

The original ESOP was only available to senior management and executives at BMO Financial Group. In early 1999, BMO decided to expand the ESOP program to the general employee population – a decision that involved potential growth in plan membership from 3,000 to 33,000 members. Among other deliverables, BMO and ACS/Buck worked together to redesign the plan, establish new system interfaces, determine reporting requirements, and provide promotional launch materials. The technology had to accommodate the specific requirements of BMO's plans, including rules relating to enrollment, vesting, and withdrawals. Again, the timeframe for implementation was tight, as the new ESOP was scheduled to be rolled out in June of 1999.

"In our view, ACS/Buck does what they say they are going to do. They take promises seriously, and deliver on their commitments"

David Minifie
Director, Benefits & Pensions
BMO Financial Group

RESULTS

The new ESOP was successfully launched on time, in spite of the short timeline. Enrollment materials were sent out prior to the launch, support systems were in place when employees enrolled, and the first statement was produced on time.

ACS/Buck later expanded the support offered to employees by assuming responsibility for the call centre services in-house.

BMO Financial Group felt that ACS/Buck did a good job of managing the relationship during the transition, listening and responding quickly to any concerns, and resolving them to BMO's satisfaction. They were pleased that ACS/Buck was able to deliver the project in different phases at the appropriate times, yet make the transition on the whole appear seamless to employees. Taking the call centre services in-house at ACS/Buck meant that BMO employees received better service, with more knowledgeable resources available to respond to their inquiries.

BENEFITS

BMO employees benefited from an ESOP program with significant compensation value, delivered with a great deal of support. Employees found it easy to enroll in the plan using the Interactive Voice Response (IVR) system, and BMO noticed a significant decrease in employee issues when ACS/Buck assumed the call centre responsibilities. BMO and ACS/Buck have a strong, long-term working relationship. BMO feels that the quality of service has been consistent since the launch, and has confidence in the strength and stability of the ACS/Buck organization. Not only has ACS/Buck met BMO's requirements and standards as they've changed and evolved, they have exceeded expectations.

BMO Financial Group is a satisfied client, and has been for many years.