STATE OF WISCONSIN
Department of Employee Trust Funds
A. John Voelker
SECRETARY

Wisconsin Department
of Employee Trust Funds
PO Box 7931
Madison WI 53707-7931

1-877-533-5020 (toll free)
Fax 608-267-4549
etf.wi.gov

Correspondence Memorandum

Date: May 28, 2024

To: Budget and Operations Committee

From: Michelle Baxter, Director
                 Office of Enterprise Initiatives

Subject: ETF Transformation Update

This memo is for informational purposes only. No Board action is required.

This memo is a presentation of ETF's long-term transformation journey moving from serving our customers as we can to supporting our customers as they prefer. The information contained within this memo is to provide the Committee context relative to ETF's strategic goals, objectives and desired outcomes, annual strategic initiatives, two-year biennial budget requests, proposed legislative and administrative code changes and other ETF activities to effectuate changes to transform the agency. Updates will be provided periodically, but no less than annually.

Background

ETF has four strategic goals. These include the following:

1. Create an effortless customer experience,

2. Implement outcomes-driven performance measurement and process management,

3. Build a talented and agile workforce, and

4. Implement modern, secure, and resilient information technologies.

ETF's Transformation efforts are critical to accomplishing these goals and focuses on outcomes within people, process, technology, data, and governance across the enterprise. The Transformation is a multi-year effort that consists of several initiatives that will modernize ETF's technologies, processes, workforce, and improve our customers' experience. Our current planned initiatives (Ref. ETF | 06.20.24 | 5C) are annually set by our Strategic Council with input from other governing groups, including

Board	Mtg Date	Item #
BUD	06.20.24	6

the Agency Management Council and Portfolio Committee. To set and execute on our strategic initiatives, consideration is given to our operating budget and resources. These same governing groups oversee the progress of our initiatives relative to our day-to-day operational demand of administering benefits and recommend course corrections.

Customer Experience

To create an effortless customer experience, ETF has several objectives including determining the strategy, programs, and organizational infrastructure needed to drive customer experience improvements across the enterprise; increase employer competency for managing employee benefits; and ensuring program sustainability.

Current Focus Areas:

- Deploy and build out of employer training modules.

- Initiate planning for a holistic future state Voice of Customer (VoC) program.

- Develop strategic sustainability road map to be defined with the Group Insurance Board in quarter three.

Performance & Process Management

To implement outcomes-driven performance measurement and process management, ETF is focusing on optimizing processes to leverage capabilities of modern technology initiatives.

Previous work to create a business capability model and maturity framework and development of ETF's scorecard has set the stage for continued work within this area.

Current Focus Areas:

- In concert with the Insurance Administration System implementation, identify, optimize, and implement new insurance administration system processes leveraging best practices within insurance solution.

Talented Workforce

To build a talented, diverse, and agile workforce, ETF has several objectives including to attract, integrate, and advance top talent; advance employee development through meaningful and intentional performance management approaches; and build the culture, recruitment, and retention practices that will make ETF an equitable and inclusive organization.

Current Focus Areas:

- Identify the positions facing the greatest impact from insurance administration system.

- Implement selected functional competency for job families and determine functional competency rollout approach for the 2024-2025 performance management cycle.

- Using performance management results, develop training content specific to supervisors to recognize, build, and provide mechanisms for improved employee performance.

- Increase data literacy through training program to ensure ETF understands, uses, and communicates data in context as it relates to ETF business goals.

- Using performance management results, develop training content specific to supervisors to recognize, build, and provide mechanisms for improved employee performance.

- Implement strategies and action steps of the ETF E&I Plan scheduled for this fiscal year.

Modern Technologies

To implement modern, secure, and resilient information technologies to support an effortless customer experience, ETF has several objectives including develop and deploy solutions to support an effortless customer experience that enables accurate self-service and timely benefit administration services; integrate systems and data to support an effortless customer experience; and preserve the safety and security of all ETF systems and data through standard practices, appropriate security controls, risk management, and information security.

Modernizing technologies within ETF's transformation was initially focused on technology and data management foundational capabilities, including development and alignment of technical, business application, and data architectures. A strong foundation is critical to support ETF's modernized business applications, including our Enterprise Content Management System, Insurance Administration System, Pension Administration System, and potentially, a Customer Relationship Management system.

Current Focus Areas:

- Design, configuration, and testing the Insurance Administration System.

- Design, configuration, and testing the identity proofing solution to ensure individuals trying to access our systems are who they say they are.

- Implementing a data warehouse solution to support the creation of dashboards, reporting, and analytics.

- Engineer and implement Security Operation Center Platform.

For detailed project updates please see the "ETF Modernization Projects Update" memo (Ref. BUD | 06.20.24 | 5).

Key Risks and Issues

Transformations are inherently risky, and ETF's Transformation is no exception. With a transformation of this size and complexity comes risks and issues that need to be addressed throughout the transformation. The following are key risk areas that are being monitored.

- People Resource Risks

- Budget Risks

- Third-party Risks

- Customer Risks

- Organizational Change Risks

- Federal and State Mandates

Transformation Roadmap

Below is ETF's Transformation Roadmap for reference. This will be reviewed and updated periodically to ensure that we continue to stay organizationally aligned in implementing the initiatives under each of the four goals as we progress toward serving our customers as they prefer.
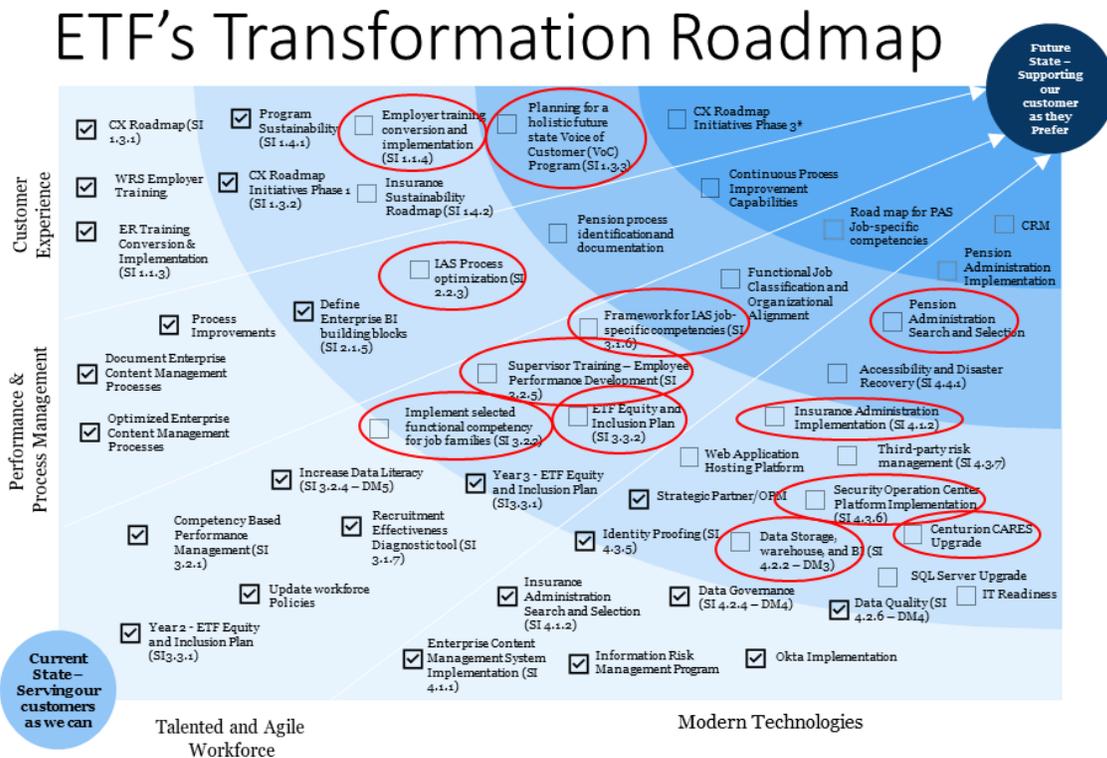
Staff will be available at the Board meeting to answer any questions.