



STATE OF WISCONSIN
Department of Employee Trust Funds
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CORRESPONDENCE MEMORANDUM

DATE: November 10, 2009

TO: Employee Trust Funds Board
Executive Committee
Budget and Operations Committee

FROM: Bob Conlin, Deputy Secretary
Matt Stohr, Director, Legislative Affairs, Communications and Quality Assurance

SUBJECT: Department Strategic Planning Effort (2010-2015)

This memo is for information only. No Committee action is required.

Every two years the Department of Employee Trust Funds (Department or ETF) engages in a strategic planning exercise to establish its administrative priorities for the following two-year period. Typically, the Department reports to the ETF Board in December of odd-numbered years on its plan. This year, we began our planning process earlier than usual. We felt it was important to go beyond our normal two-year plan and focus on a longer time period.

Background

As you know, the Department administers retirement, health insurance, life insurance and other fringe benefits for more than 550,000 Wisconsin public employees and retirees. The Department pays out over \$3.5 billion annually in retirement and disability benefits and transacts more than \$1 billion per year in insurance premiums.

As the principal fringe benefits administrator for public employees in the state, the Department's most significant challenges tend to involve service delivery. Our primary challenges include a burgeoning number of retirement-eligible public employees (including Department staff), changing customer expectations, operating budgets that have not kept pace with workload demands, sub-optimal facilities, compensation and other workforce constraints, and inadequate information technology resources.

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Despite these challenges, the Department can rely on its strengths to continue carrying out its mission. These strengths include an experienced and dedicated workforce, a good reputation among stakeholders, well-designed and well-run benefit programs, a new Benefit Payment System and the soon-to-be fully-functional Lump Sums Payment System and Employee Validation and Payment System, and a willingness and commitment to try new ways of doing business.

The Process

It was with these challenges and strengths in mind that the Department undertook its strategic planning process. The process formally began in February when the Department's senior leadership team (executive team, division administrators and office directors) held a half-day, off-site retreat at the Educational Communication Board offices. The team concluded the Department's Mission Statement still reflected the Department's current mission. In addition, the team reviewed the results of a recent electronic survey of all Department staff. Just over 50% of staff responded to the survey. The first part asked whether staff agreed with the following statement: "ETF delivers quality services to our customers." Nearly 85% of respondents "agreed" or "strongly agreed" with the statement. In addition, we asked staff to list up to three things the Department could do to improve customer service. Slightly fewer than 50% of staff responded with at least one suggestion. The team also reviewed preliminary findings of the most recent report from CEM Benchmarking, Inc., and the Governor's budget proposal. It also discussed the Department's challenges and opportunities for the future. Finally, the team began coalescing around a vision statement for the Department for the next five years.

Subsequent to the retreat, the team finalized a vision statement and presented it to the rest of the Department's managers in March. After discussion with the managers, minor wording changes were made to the vision statement and the statement was adopted. The vision statement, mission statement and values are attached. Although the Department's primary focus during the summer was on the state budget, managers were also busy brainstorming ideas and analyzing potential initiatives.

In August, managers participated in a "strategic planning 101" session, conducted by a local strategic planning consultant, to highlight some of the key elements of a successful strategic planning process. Department leadership then provided managers with additional direction and asked each major work unit (divisions and offices) to identify three or four major goals to be accomplished within the next five years that will help ETF achieve the vision. Collaboration between work units and engagement of staff in the development of the plan was stressed. Managers then began leading strategic planning sessions for their work units and engaging staff in discussions about the future. Managers also regularly communicated with each other to find common areas of agreement and to begin aligning priorities.

Work units submitted their strategic plans to the Secretary's Office on October 23, 2009, and the Secretary's Office met with key managers on November 2, 2009, to discuss the key initiatives and further steps that needed to be taken. The next two weeks were spent aligning and prioritizing the initiatives. The Strategic Priorities and Goals that are attached reflect the results of this prioritizing.

About the Vision Statement

The vision statement establishes the Department's commitment to providing members of the Wisconsin Retirement System (WRS) with service that is based on best practices in the industry. Many of the services we provide already meet this standard. However, one area in which ETF is notably lacking in best practice customer service is in the area of "self-service" – the ability of members of the WRS to transact business with us without actually having to interact with a staff person. Every day, people across Wisconsin are transacting electronic business with financial institutions, utilities, medical providers, merchants and governmental entities. Although ETF has an Internet site, it is relatively one-dimensional. That is, members can get good general information about their benefits on our site, but they can't get information about their personal account or change information about their account without contacting us. They cannot, for example, log into a secure site and download a copy of their *Statement of Benefits* or change their address or beneficiary. When they call or write to us to get this information, they often experience delays and frustration getting through or waiting for a response. Staff time spent with individuals who are able and willing to help themselves is time that is not available to assist those who truly need or want the help.

The vision statement reflects the Department's belief that it is time to establish a secure on-line service presence to serve those members willing to serve themselves and to better allow ETF to focus our resources on those who need more "hands on" service. In addition, it is important for the Department to continue to find more efficient ways to provide services because of the inevitable growth in WRS membership. To that end, ETF is committed to implementing on-line service over the next five years.

We want to create a system that will meet our members' needs, employ best practice security and use resources wisely. ETF doesn't need to break new ground on this. Being a leader in this area does not necessarily mean being the first to try something. We will gauge our members' interests and needs, see what other service providers do, and move forward deliberately. This initiative has the potential to help fundamentally transform the way ETF delivers services by automating many of the Department's current labor intensive "clerical" processes.

On-line access, however, is only part of what's called for by the vision statement. The vision statement is not one dimensional and ETF's strategic plan shouldn't be either. The Strategic Priorities and Goals reflect the other initiatives that the Department will be

undertaking. Notable highlights include: (1) the Department intends to increase its presence throughout the state by offering more retirement planning and information sessions outside of Madison; and (2) the Department intends to focus considerable attention on increasing the training tools and opportunities available to Department staff.

Next Steps

The Department will spend the next several months refining the Strategic Priorities and Goals, establishing and implementing specific tactics to achieve the goals, establishing specific metrics to help measure our progress and success in meeting our goals, and honing in on the budgetary resources we will need to be successful.

With regard to the budgetary resources necessary to implement the plan and achieve our goals, the Department will pursue three separate courses of action.

- *Reallocation of existing resources.* Since passage of the biennial budget, the Department has been focusing its budgetary efforts on reducing lower priority spending in order to redeploy these resources to strategic priorities developed as part of the strategic planning process.
- *Supplemental funding.* As part of the biennial budget, the Department received authority to submit supplemental funding requests to the Joint Committee on Finance without the necessity of having to establish the existence of an emergency. The Department intends to pursue this option in the near future. (See Employee Trust Funds Board Agenda Item 4E.)
- *Biennial budget.* Late next spring, the Department will begin actively compiling its biennial budget request. The strategic planning initiatives will help form that request.

We will be available at the Board and Committee meetings to answer any questions you might have regarding the Department's Strategic Plan.

Attachments: Department's Mission and Values, 2010-2015 Vision Statement and Primary Strategic Goals



ETF Mission Statement

To develop and deliver quality benefits and services to our customers while safeguarding the integrity of the Trust.

Our Values

INTEGRITY

We earn the trust of our members by keeping our promises. We maintain their confidence by adhering to the highest standards of ethical conduct in all of our activities.

RESPECT

We appreciate the diversity of those we serve and we treat each individual with respect. We listen to our members, we are helpful and courteous and we make their needs our highest priorities.

QUALITY

We believe in providing quality service that is timely, accurate, thorough and accessible. We approach the challenges of the future by continuously improving our service through creativity and innovation.

PEOPLE

We strive to develop employees to their fullest potential and foster diversity and team effort. Enthusiasm, skill, dedication and pride in their work make them our most valuable assets.



ETF Vision Statement

Within the next five years, it is our goal to become a leader among large public employee benefit systems by offering best practice customer services to our members. To achieve this goal:

- We will offer a suite of tools that will empower our customers to become better educated about their benefits, have access to meaningful, up-to-date information about those benefits, and to be able to enroll in, change critical information about, and apply for those benefits without reliance on staff resources;
- We will be more available to more members in more parts of the state to provide critical retirement planning, problem solving and direct education;
- We will build our infrastructure (human resources, information technology, facility, etc.) to ensure it has the capacity to support achieving our goal; and,
- We will make the most of our resources by incorporating modern best practices into our activities, by continually evaluating all of our processes for their effectiveness in meeting the needs of our customers, by safeguarding member data, and by delivering the best value to our members not only in the benefits we offer but in the services we provide.



Department of Employee Trust Funds

2010-2015 Strategic Plan

Strategic Priorities and Goals:

- I. Offer self-service tools to Wisconsin Retirement System (WRS) members and employers.**
 - a. Provide WRS members with secure online access to their account, including the ability to securely update information online.
 - b. Expand online retirement planning tools, including the online calculator and instructional videos.

- II. Expand outreach to more members and employers in more parts of the state.**
 - a. Implement more timely and efficient electronic communications with members and employers.
 - b. Serve more members and employers throughout the state by offering more retirement planning and other information sessions outside of the Madison-area.
 - c. Empower members and employers by making benefit program materials more user-friendly, accessible and easily understood.

- III. Strengthen internal workforce training programs to maintain a highly skilled and knowledgeable workforce.**
 - a. Develop training modules, utilizing computer-based programs, for new hires.
 - b. Ensure adequate opportunities for “on-the-job” training are offered to new and existing employees.