

**STATE OF WISCONSIN
DEPARTMENT OF EMPLOYEE TRUST FUNDS
801 West Badger Road
Madison, WI 53702**

CORRESPONDENCE MEMORANDUM

DATE: May 28, 2002

TO: Employee Trust Funds Board

FROM: Pam Henning, Director
Office of Strategic Services

SUBJECT: Strategic Business and Information Technology Plans

Background

The Department of Employee Trust Funds (DETF) hired the Segal Company and Covansys in December 2001 to facilitate and assist in the preparation of the Department's 2002-2005 Strategic Business and Information Technology Plans. DETF's current plans were developed in 1995 and had only minor modifications since creation.

In January 2002 the Segal Company conducted interviews with DETF management including all supervisors focusing on three major areas: general environment, information technology (IT) and communications. In addition, surveys were developed and distributed to all DETF Board members, DETF employees, Wisconsin Retirement System (WRS) employers including state and local units of government, and a statistical sample of annuitants (10,000), and WRS active and inactive participants (50,000). The surveys concentrated on assessing the services delivered by DETF in relation to customer service and benefit information.

Covansys also conducted separate interviews with key DETF business users and IT staff to prepare a high-level IT assessment of DETF's environment and IT architecture. Over the next two months, DETF management participated in numerous sessions facilitated by both the Segal Company and Covansys to identify current business goals and priorities and establish direction for implementing IT initiatives for the next biennium and beyond. The sessions resulted in the development of both the Strategic Business and IT Plan for 2002-2005.

Findings of Surveys

The Segal Company in conjunction with DETF developed and distributed five separate surveys to the following DETF customers: five Governing Boards, DETF employees, WRS employers, annuitants, and active and inactive participants. The Segal Company compiled the confidential results. Significant results and comments of the survey are summarized as follows:

- **Five Governing Boards** (48.6% response rate)
 - ◆ Responsibilities and functions of Board(s) and DETF satisfactorily defined and communicated
 - ◆ Prefer earlier receipt of board meeting information and in an easy-to-understand format
 - ◆ Additional training suggested on fiduciary and legal responsibilities, investment benchmarks and general information on WRS benefit programs
 - ◆ Indicated that Board meetings are appropriate in duration and timing
 - ◆ Boards felt top priority for DETF should be improving overall response time while more telephone access to specialists was rated a second priority

- **DETF Employees** (49.6% response rate)
 - ◆ Overwhelmed with the volume of the work
 - ◆ Unnecessary duplication of work (lack of computer system integration requiring duplicate entries and auditing of work; lack of documentation, etc.)
 - ◆ Lack of formalized training (need more specialized work related computer training)
 - ◆ Enjoy the DETF staff and atmosphere (rated own DETF co-workers as “above average”)
 - ◆ Concerned with IT support and computer response time
 - ◆ Stressed need for more direct communication from the Secretary’s Office and between divisions/work units

- **WRS Employers** (33.8% response rate; 53% county or local government)
 - ◆ Highest priority was telephone access to DETF representatives
 - ◆ Want more employer field visits/training opportunities
 - ◆ Would like more Internet access to enrollment, contribution and employee information and electronic ability to transmit that information
 - ◆ 60% preferred DETF distribute annual Statement of Benefits, special notices and other materials directly to employees rather than through the employer
 - ◆ Rated WRS publications high in value (*Trust Fund News*, *Employer Bulletins*, etc.)

- **Annuitants** (23.1% response rate)
 - ◆ Most common source of income other than WRS annuity was Social Security
 - ◆ Prefer more information on post-retirement health insurance before retirement
 - ◆ Want more easy-to-understand, detailed publications but personalized to individual situations and life events
 - ◆ Prefer to receive benefit information in paper, but also 45-50% indicate would use the Internet to update address/personal information and access their account information
 - ◆ Top priority was improved telephone access to specialists (79% of respondents indicated they contact us by telephone)
 - ◆ Not getting through on the telephone to DETF was major complaint raised

- **Active and Inactive Participants** (8.6% response rate)
 - ◆ Top priority was access via telephone to specialist or Internet on participant information
 - ◆ Want more detailed publications – stressing “easily understood”
 - ◆ Over 58% satisfied with how DETF communicates with participants
 - ◆ 68% indicate they would use the Internet to obtain answers to general retirement and other benefit questions – change eligibility, estimate benefits, change address, etc.
 - ◆ Interested in DETF offering pre-retirement seminars

Summary of Surveys

Overall responses from our customers surveyed indicate that DETF's accuracy, timeliness, helpfulness and knowledge were highly regarded. The *Trust Fund News* was viewed as a useful document for benefit information and rated high as a resource familiar to our customers. In general, more detailed publications or information was desired by our customers while also stressing the need for the information to be in an easy-to-understand format. The most common negative response related to the ability to "get through" on the telephone to a DETF representative, and as a result was listed as a top priority for DETF in providing service to its customers.

Final Conclusions

Based upon the survey results of our customers, individual interviews with DETF management and supervisors, and strategic planning sessions with management, it is clear that DETF has a need for increased flexibility in responding to customer service requests and legislative demands while working within the framework of our resource availability.

In addition to the operational challenges that lie ahead for DETF in terms of responding to the baby boom generation, there are five other critical issues facing DETF today. These include the following: (1) the ability to streamline operations and use electronic functionality for self-service to increase customer service; (2) expand communications both externally and internally in terms of content, volume and frequency; (3) increase flexibility to effectively respond to meet changing benefits and legislative environment; (4) integrate and adapt information technology systems; and (5) engage in team building throughout DETF to implement strategic planning initiatives.

The IT assessment conducted by Covansys indicated that DETF has limited IT resources due to Act 11 implementation and benefit payment system development and implementation and these resources will remain constrained through October 2003. Any large projects cannot be undertaken until additional resources are available in the next biennial budget cycle.

The IT assessment and review of technology trends within the public retirement industry indicated that self-service is becoming a standard in customer organizations. It enables high quality information availability and provides customers with information in a user-friendly manner. In addition, self-service capabilities enable staff to become more productive to handle more member interactions while providing a broader range of services to its members (i.e., improved service levels and faster and friendlier access to information).

The Strategic Business Plan and Information Technology Plan for 2002-2005 are founded on a continuous incremental improvement approach. The focus of both plans is to increase customer service to our customers through better access to information and communication with limited risk and the ability to adapt to changing environments.

A summary of the Strategic Business and Information Technology Plans for 2002-2005 are attached for your information. The Department will be conducting informational sessions with our staff to highlight the results of the surveys and to discuss integration of the plans' goals and tactics into daily functions within each work unit. In addition, both plans will be placed out on our Web site.