

Purpose

The Board of Trustees recognizes that the best way to plan systematically for the future and efficiently fulfill MPERS' mission is through strategic planning. This policy establishes the structure MPERS follows for strategic planning that guides the annual budget and strategic planning cycles. By adopting this policy, the Board states its intention to engage with management in a systematic planning process to assess the needs of members, evaluate new opportunities to fulfill MPERS' mission, focus resources on high-value activities, and establish a plan that sets the general parameters within which decisions will be made.

The following are the principles the Board has adopted for strategic planning¹:

- The Board will adopt a three- to five-year strategic plan.
- Input from staff, stakeholders, and other interested parties will be solicited when developing and updating the plan.
- Understanding long-term capabilities for people, processes, and systems is required for pension soundness.
- Strategic goals and objectives shall be stated and presented in a concise manner. When a new strategic plan is developed, ensure long-term opportunities and threats are considered and evaluated and the plan is not simply incremental updates to processes.
- When the plan has been updated it will be communicated to the entire staff of the organization and to other stakeholders.
- Each year, progress under the plan will be provided to the Board for its review in conjunction with the Executive Director's annual evaluation. The report shall also be submitted to the Board at a regular board meeting.
- The Board's consensus view of progress under the plan will be one factor in the performance assessment of the Executive Director, and the Executive Director will, likewise, use planning progress as a factor when assessing the performance of other staff.

The roles and responsibilities for the Board and Executive Director related to strategic planning are outlined below.

The Executive Director is responsible for the following actions:

- Drafting each strategic plan with input from the Board, executive team, and staff, that reflects the MPERS' mission, vision, and core values, and management's strategies for implementation (in accordance with the consensus view of the Board and management as to goals and objectives).
- Assigning responsibility to staff and others through action plans that include timelines and budgets.
- Closely monitoring progress under the plan and promptly informing the Board of any obstacles that are impeding progress.
- Preparing the annual progress report to the Board regarding implementation of the plan (noted above under board principles).
- Coordinating the review and development for any new interim initiative or change considered for the plan.
- Seeking input from staff and stakeholders about key strategic issues prior to finalizing the plan.
- Identifying business risks, opportunities, and needs for the System.
- Preparing white papers or other research, as needed, to aid the Board in the discussion of strategic issues.

¹ Revised June 20, 2013, and February 25, 2016. Significantly revised November 16, 2023, to reflect a move from a business planning model to a more traditional strategic planning model.

- Identifying and prioritizing strategic issues.
- Recommending to the Board any objectives that should be added to or deleted from the plan as well as any other modifications to the contents of the overall plan.

The Board is responsible for the following actions²:

- Reaching consensus and adopting the strategic plan for the System, including the vision, mission, core values, goals, and objectives.
- Identifying the critical success factors for the plan.
- Approving the method for performance measurement, including metrics and benchmarks, to evaluate progress under the plan.
- Approving an operational budget that considers the upcoming year's activities under the strategic plan.
- Reaching consensus and providing input to management on the plan.
- Overseeing the implementation of the strategic plan.
- Assessing the System's strengths and weaknesses as well as the opportunities and threats in its environment to update the strategic plan.

The Board will review the Strategic Planning Policy periodically to ensure that it remains relevant and appropriate.

² Revised June 20, 2019, June 18, 2020, and November 16, 2023 (policy overhauled to reflect a shift from a business plan model to a three- to five-year strategic planning model).