

MPERS' Business Plan

Fiscal Years 2017, 2018 and 2019



Background

MPERS' Board Governance Policy calls for the development of a rolling three-year business plan. Sound business planning should culminate in a plan that presents projects that promote MPERS' business goals and take into account the environment and maximization of resource utilization. The organization should be stronger, more focused, and more effective when utilizing a sound business plan. The business plan is not a stale document but rather one that continues to evolve over time. The Business Plan should follow the MPERS Mission statement which is:

“To provide a foundation for financial security to plan participants by delivering quality benefits and exceptional member service through professional plan administration and prudent management of assets, at a reasonable cost to the taxpayers of Missouri.”

Because the environment is fluid and MPERS intends that this process will be re-visited each year, the Business Plan contains more tasks in the current year compared to successive years.

It should be noted that, on an annual basis, MPERS accomplishes many important and urgent tasks that represent core administrative and investment operations. These core activities are not represented in the Business Plan. Instead, this plan focuses on those tasks that are strategic to improving MPERS' performance and consistency, but do not necessarily have the urgency of core functions.

Core Values

The Business Plan is also reflective and an outgrowth of our Core Values, which are noted below:

- *Our members are our number one focus...we work for them.*
- *Our goal is to provide exceptional service **always** no matter who is on the phone or sitting across from us.*
- *We strive to preserve, protect, and grow our assets.*
- *We are committed to the security and privacy of our members' information.*
- *We make decisions in the best interest of our members based upon statutory guidance.*
- *We conduct business at a reasonable cost to the taxpayers of Missouri.*

Budgeting

No business plan would be complete without some mention of the budgeting process. The current budget process is not strictly “zero-based budgeting” however; staff takes a hard look at each line item to ensure the expenditure is reasonable and not inflated each year to provide a “cushion” for unnecessary expenditures. Staff intends to present the budget committee with our best estimates on the expenditures from the trust fund to administer the pension fund for the current year. It is staff's hope that when unanticipated major expenses are incurred or new ideas come forth that require additional resources that the Board will understand and consider budgetary amendments after a thorough explanation from the executive director.

Business Plan Fiscal Years 2017, 2018, and 2019

Below are the three primary System goals. Following these goals are tables that include action items, level of importance (as defined by staff), estimated duration of the project, and target completion that constitutes MPERS' Business Plan. The number to the left of each action item reflects the original goal this item is intended to support.

Goal 1: Provide MPERS' members with exceptional and cost-effective service.

Goal 2: Protect MPERS' trust fund and resources.

Goal 3: Increase MPERS' capability to outperform investment benchmarks.

FY2017 Action Plans

Goal	Actions	Level of Importance	Duration to Complete	Target Completion Date
1	Distribute two (minimum) retiree newsletters.	High	> 12 months	FY 17 or longer
1	Distribute two (minimum) active member newsletters.	High	2 months	FY 18
1	Initiate library of webinars dedicated to employer and member education (disability first).	High	6 months	FY 17
1	Benefit Basics overview video.	Low	12 months	FY 17
1	Create annual online video funding update.	Medium	6 months	FY 17
1	Summary annual report added/updated to FYI.	High	6 months	FY 17
1	Update web member direct to allow beneficiary designations. ¹	Medium	12 months	FY 17
1	Initiate and implement plan for social media presence (Facebook/Twitter).	Medium	12 months	FY 17
2	Adapt trustee orientation material to highlight key practices.	High	3 months	FY 17
2	Implement new module of GP (accounting framework) to recognize automation/efficiency.	Medium	12 months	FY 17
2	Develop MPERS enterprise risk management policy to document internal controls and manage areas of concern.	High	12 months	FY 17
2	Finalize and test MPERS' Disaster Recovery Plan.	High	3 months	FY 17
2	Design a program for managing the graphic design needs for all of our publications (forms, brochures, website, seminars, CAFR, etc.).	Medium	3 months	FY 17

¹ This is not under the control of MPERS, but rather LRS and their ability to program Pension Gold to accommodate our desire to allow our members to update beneficiaries online.

Goal	Actions	Level of Importance	Duration to Complete	Target Completion Date
2	Move MPERS' employee payroll process to purely electronic platform.	Medium	6 months	FY 17
2	Review and update legal disclaimer, including member acknowledgement, for website (secure site).	Medium	3 months	FY 17
2	Expand workflows.	High	> 12 months	FY 17
2	Remote test with Huber.	Medium	6 months	FY 17
2	Perform a mock event with LRS.	Medium	2 months	FY 17
2	Implement Silversky to enhance IT security.	High	2 months	FY 17
2	Review and update MPERS personnel policies.	Medium	6 months	FY 17
2	Continued implementation of modified service accrual methodology.	Medium	> 12 months	FY 17
2	Establish information security policy for employment policies to promote education and awareness.	High	6 months	FY 17
2	Assess whether an auto-attendant feature has any use/value to our operation.	Medium	3 months	FY 17
3	Develop risk management system for investment program.	High	12 months	FY 17
3	Establish operational due diligence checklist for prospective manager hires.	High	3 months	FY 17
3	Review investment accounting processes to identify efficiencies/automation, including Northern Trust.	Medium	12 months	FY 17
3	Investment staff continue designated ILPA coursework regarding best practices and implement information into our alternatives program.	Medium	12 months	FY 17 and beyond

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FY2018 Action Plans

Goal 1: Provide MPERS' members with exceptional and cost-effective service.

Goal 2: Protect MPERS' trust fund and resources.

Goal 3: Increase MPERS' capability to outperform investment benchmarks.

Goal	Actions	Level of Importance	Duration to Complete	Target Completion Date
1	Develop a new member orientation webinar/video production to be offered periodically.	Medium	12 months	FY 18
1	Develop a complete online retirement application process. ²	High	12 months	FY 18
1	Test feasibility of video counseling.	Medium	6 months	FY 18
1	Create annual online investment update.	Medium	6 months	FY 18
1	Assess electronic registration for walk-ins.	Medium	6 months	FY 18
1	Identify member milestones and develop appropriate communication for each.	Medium	12 months	FY 18
1	Develop video tutorial for members (e.g. how to use the web, filing for retirement, etc.)	Medium	12 months	FY 18
2	Operational benchmark review; do our measures fit, are they complete, and need adjustment.	Low	12 months	FY 18
2	Determine feasibility of call tracking (in/out/voicemail, etc.).	Low	3 months	FY 18
2	Develop email volume tracking.	Low	3 months	FY 18
2	Develop canned responses to common interactions in anticipation of PG contact/event logging tool.	Low	12 months	FY 18
2	Develop generic new staff training plan (benefits/payroll).	High	12 months	FY 18
2	Develop staff training plans for new benefit and payroll staff.	Medium	9 months	FY 18
2	Review and evaluate MPERS' employee/work processes to affirm or improve efficiencies.	High	12 months	FY 18
2	Identify and provide staff training on Excel/Word/Outlook to assure optimal use (in-house).	Low	6 months	FY 18
3	Establish ongoing due diligence protocol for existing managers/relationships.	High	6 months	FY 18
3	Implement automation/efficiencies associated with investment accounting.	Medium	12 months	FY 18
3	Investment Policy Review (compliance, complete)	Low	12 months	FY 18

² This is not under the control of MPERS, but rather LRS and their ability to program Pension Gold to accommodate our desire to allow our members to apply for retirement entirely online.

FY2019 Action Plans

Goal 1: Provide MPERS' members with exceptional and cost-effective service.

Goal 2: Protect MPERS' trust fund and resources.

Goal 3: Increase MPERS' capability to outperform investment benchmarks.

Goal	Actions	Level of Importance	Duration to Complete	Target Completion Date
1	Review and evaluate employee/work processes to affirm or improve efficiencies.	High	12 months	FY 19
1	Review feasibility of "call back" feature for members.	Low	3 months	FY 19
1	1099R's and W-2's distributed online only.	Low	12 months	FY 19
1	Consider alternative communication needs (Braille, disability, etc.).	Medium	6 months	FY 19
1	Complete seminar package available on demand via website (i.e. webinar).	High	12 months	FY 19
2	Perform a mock event with LRS.	Medium	6 months	FY 19
2	Remote test with Huber.	Medium	6 months	FY 19
2	Develop Wharton-like education program in cooperation with MU. (For staff and trustee education, mainly geared toward investments.)	Medium	12 months	FY 19
3	Assess investment manager due diligence process.	Medium	6 months	FY 19

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