Adapting for Tomorrow: Preparing for Pension Administration Modernization

Webinar

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NATIONAL INSTITUTE ON
Retirement Security
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Agenda

- Logistics and Introductions

- PAS Modernization and the Pension Plan Team

- PAS Modernization – Practical Matters

- Planning for a Successful Modernization

- Q&A

Speakers

Tyler Bond
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National Institute on Retirement Security

Managing Change

- This is critical – do not underestimate its importance

- Consider a dedicated resource who is well informed on the project and who has excellent communication skills

- Don't delay – this happens along the way

How Ready Is Your Team?

- Readiness assessments early in the process are very important

- Find out what you need to know, dig out the surprises and deal with them early in the process

- Here are a few things to discover.

  - What are staff's worries and concerns about the change?

  - The new system will likely require different skill sets?

  - Will users benefit from new hardware or a different physical set up as they interact with the new system?

Leadership Messaging

- Staff NEED to hear from their leaders

- Leaders need to send confident, positive messaging

- Consider weekly email updates or weekly videos

- Create a feedback mechanism for questions to be asked and answered

- Plan for milestone celebrations

Training and Documentation

Training requires business staff, not just technical experts

- It's one thing to understand how a system functions, it's another to make sure that the steps you are taking honor laws and policies

- Often, training your own internal team to train the entire staff is your best option.

- Consider down-the-road processes for training new team members

Your PAS vendor will provide documentation for you

Consider the following.

- ✓ Who makes sure the documentation is consistent with your laws and policies?

- ✓ Documentation must provide information on HOW to do the work, not just on how the system operates.

- ✓ Who will update documentation in the future when policies change?

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Municipal Employees' Retirement System

Practice Makes Perfect

- You can help your team adapt to new processes and the new system by scheduling conference room demonstrations and inviting staff to see the system

- If possible, schedule hands-on opportunities to view the new system

As a leader, what else can you do to engage staff to increase their comfort level?

Employer Partners

- Change management is not just about staff, it's also about your stakeholders

- If your project includes your employer portal, or if you are making policy changes alongside your system changes, you need to carefully consider the impact on them

- Do they need changes to their payroll systems?

- Do the payroll officers need updated training, and will you provide it?

- What kind of technical support are you able to provide them?

- Consider starting an employer advisory panel early in the process.

PAS Modernization – Practical Matters

Laurie Mitchell, RFP Management and Marketing

TEGRIT

Your Subject Matter Experts

Once your project begins, success will hinge on the people who know your laws, policies and your as-is procedures. If you can dedicate them solely to the project, requirements gathering will be more effective and move faster. But they will have a lot to do!

- Understand the as-is process and *why* actions are done the way they are.
- Participate in the requirements review and analysis.
- Help design processes using the new system and document new procedures.
- Read, review and approve system design documents.
- Lead the internal team through UAT.
- Possibly assist with staff training or employer training.

You cannot hire institutional knowledge. Leverage it for success.

Your Subject Matter Experts

Choose your SMEs wisely.

- Spread the work around to prevent bottlenecks. For example, you might have an expert for service credit and a different expert for benefit estimates.
- Before work begins, ensure that they are aligned with leadership on how much process change you will tolerate.
- *Empower them!* Authorize your SMEs to provide candid feedback during requirements reviews, to make decisions and to approve requirements documentation.
- Remind them that wants and needs are different – and wants can get expensive.

Nothing moves requirements to closure faster than knowledgeable decisiveness!

Your Subject Matter Experts

You've chosen your best and your brightest and they're going to work very hard. Take care of them.

- Where possible, lighten their burden by assigning multiple SMEs for each functional area.
- Consider backfilling with temporary staff to support regular, ongoing work while your team designs the new work.
- Check in regularly to see how they're holding up.
- Provide frequent, sincere and specific appreciation for their work.

It's a marathon, not a sprint. Pace yourself!

Let's Talk Data

What Is Bad Data?
- Data that doesn't conform to existing (or new) business rules.
- Examples of bad data
  - Accounts with missing names (e.g., only an initial for a first name)
  - Missing or unusual birthdates (e.g., people born in 1900)
  - Incomplete ZIP codes
- During conversion, this data can't be processed and is instead written to error reports.
  - Bad data needs to be fixed before it can be moved into your new PAS database.
  - Your people are already pretty busy, right? Plan how to manage this.
- How bad is it and do you need a data cleansing vendor?

Let's Talk Data

Where Is Your Data?

- Is 100% of your data stored tidily in a single database?
- How many external spreadsheets are you running?
- How many MS Access databases do you have that need to be merged into your master?

Impact on Communications

- Collect and review your forms and letters ahead of requirements review.
- Consult your call center team.
- Consider important process changes, like where printing happens (and if it happens)
- How can your communications team help?

Impact of a Member Portal

On your members
- Establishing and maintaining credentials.
- Learning to use the system in ways that help them and help you.

On your call center team
- May need to triage calls about Portal use to different (very patient!) staff.
- Consider a gradual roll-out so your phone volumes are manageable.
- As members ramp up their Portal use, staff may now receive more complex, longer phone calls.

Vendor Selection

Once chosen, you are likely going to be working together for a very long time, possibly decades. *Choose wisely.*

- Take your time and consider your options carefully.
- Remember that as good as the software is, it will be delivered by people.
    - Focus on your implementation team.
    - Choose a partner you can build trust with.
    - Whomever you choose, always keep the communication lines open and transparent.
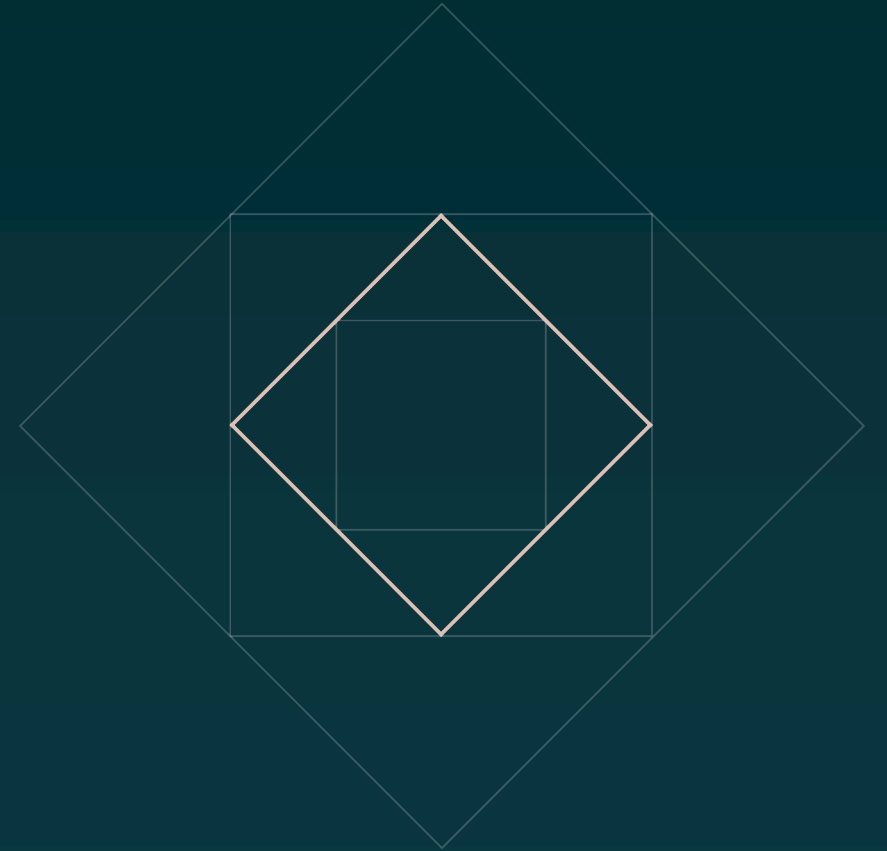
Planning steps when considering a modernization

Conduct a full assessment

- Ensure you have the best solution for your org

Future State Design is crucial

- Make sure the new system you are getting is not replicating the outdated business process you had
- Implement a Business Process Improvements Initiative to document the current state and desired future state
- Continually review Future State Architecture/Technical/Operations Goals for key guidelines and objectives

Be proactive in vendor management

- The system you want should be the system that you are getting

Cybersecurity structure and data governance needs to be developed in tandem with all of this

Organizational Assessment & Strategy

When you are beginning to plan your modernization path, one key step is determining the "why" you are looking to modernize.

Related Activities

- Strategic Visioning

- People, Process and Technology Review

- Organization and Culture Assessment

- Business and Technical Readiness

- Transformation Planning, Business Case, and Roadmap

Key Work Activities

- Potentially organize vendor demos

- Conduct Peer interviews and discussions

- Workshops with key stakeholders on goals, vision, and pain points

- Review of documentation, interviews with staff, high level analysis
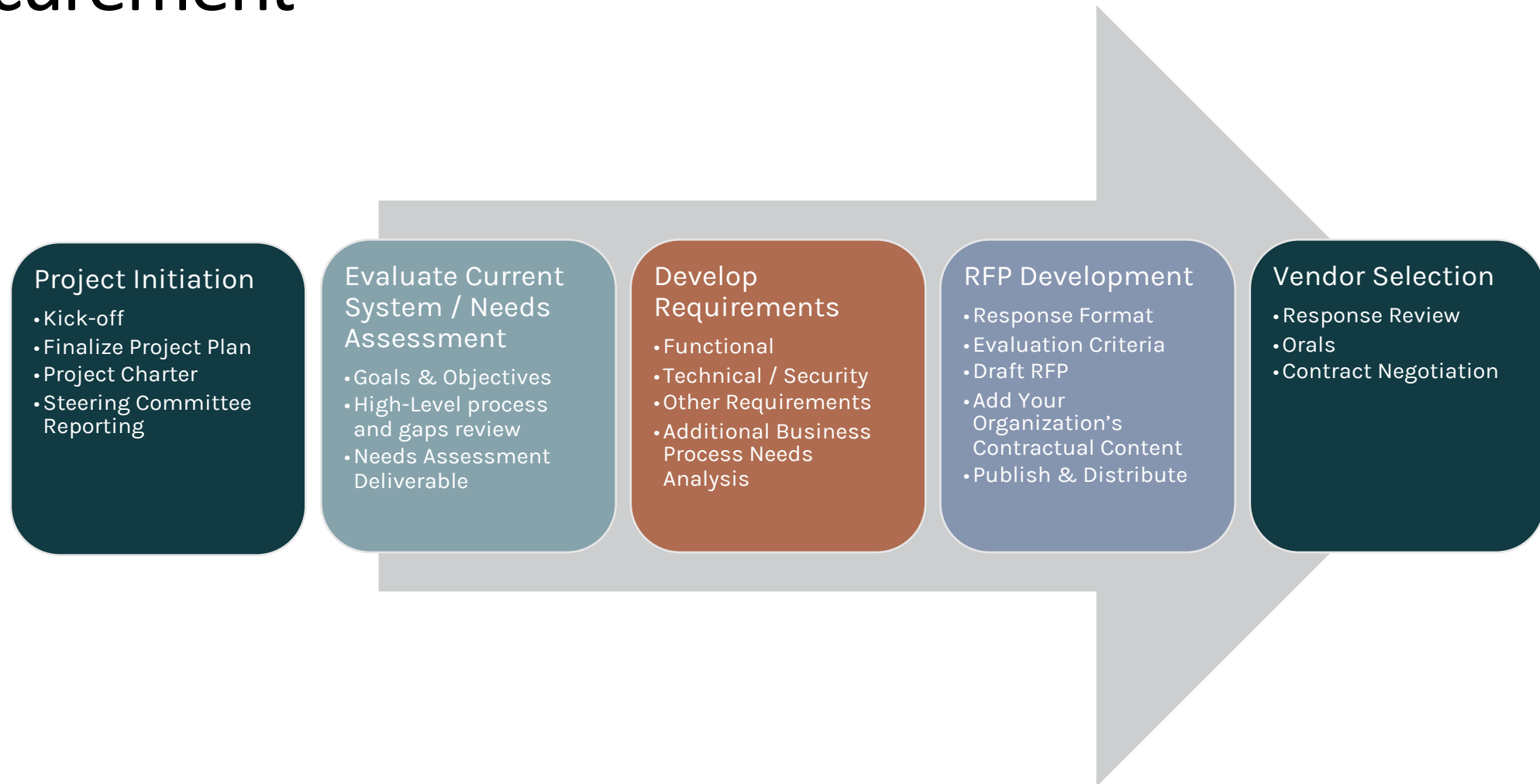
Business Process Improvement

- Make sure you are not recreating the old processes that were not working in a new or updated system

- Understand industry best practices

- Create a transformation roadmap

- Account for Cybersecurity when reengineering processes (especially those that require approval for payments)

4 Common Process Challenges

1. Resolving interdepartmental communication and process challenges

2. Obtaining reviews and approvals to complete projects

3. The need for efficiency without sacrificing accuracy and correctness

4. Completeness – ensuring that no cases are ever missed or forgotten

Procurement

Project Initiation
- Kick-off
- Finalize Project Plan
- Project Charter
- Steering Committee Reporting

Evaluate Current System / Needs Assessment
- Goals & Objectives
- High-Level process and gaps review
- Needs Assessment Deliverable

Develop Requirements
- Functional
- Technical / Security
- Other Requirements
- Additional Business Process Needs Analysis

RFP Development
- Response Format
- Evaluation Criteria
- Draft RFP
- Add Your Organization's Contractual Content
- Publish & Distribute

Vendor Selection
- Response Review
- Orals
- Contract Negotiation

Writing an RFP

In addition to the Technical, Functional and Cost Requirements there are many other requirements that differentiate vendors

Focus on the areas that are important to you

Cybersecurity requirements

Legal & Contract requirements

Data Conversion requirements

Implementation requirements

Project staffing requirements

Any other requirements important to you
(DEIA, company financial, etc.)

Develop Information Security Program

Perform a Cyber Assessment

- Policy Audit
- Network/Wireless
- Applications
- Social Engineering
- Risk Assessment/Cyberscore

Develop the Programs

- Incident Response
- Security Vendor
- Vulnerability/Pentesting
- Security Awareness

Ongoing Activities

- System Security Management
- Threat Management/Managed Detection and Response
- Meetings & Reporting
- 3rd Party Vendor Risk Management

Questions