

Strategic Plan 2015 | 2018

Foundation to Transformation

PENSION
CORPORATION





INTRODUCTION FROM THE CEO

The new strategic plan aims to be an ambitious program of business transformation to enable the corporation to shift from a predominately reactive business model that relies on Pension Corporation staff to continuously stretch to meet service demands to a higher functioning service organization that understands and anticipates its environment and is able to effectively meet the needs of its clients and stakeholders. The plan will focus on developing scalable and flexible solutions, some no tech, some low tech and some high tech. The plan will also ensure a deepening of the capacity in the organization for research, planning and effective project execution.

from *Shaping the Pension Corporation
Now & for the Future*
Spring 2011

What I find most remarkable about these words written in March 2011 is the strength of our conviction and confidence in a nine-year enterprise transformation strategy from 2012 to 2021. Today I am even more convinced of the validity and correctness of our direction. As we look ahead at the three-year transformation phase of the strategic plan, I am pleased to see our ambitious plan come to life.

Beginning to live our strategy means operating a more efficient business—using an operating model that looks quite different from how we do our work today. In fact, efficiency will be a dominant theme in the transformation phase. Efficiency for the corporation means improving our processes and information technology so we can get more done with the time and resources available. We know that service demands

are increasing, complexity is continually growing and member, trustee and employer expectations are rising. Becoming more efficient, while also enhancing the member, employer and trustee experience, is our imperative.

As you will see in this report when we discuss the plan for our 2015–2018 transformation phase, efficiency will come from several key strategic actions such as enabling online retirement applications, launching a new multi-channel service centre, redesigning the payment of benefit process, and aligning our systems and organizational structure to our strategy.

Laura Nashman
CEO
BC Pension Corporation



OUR FOCUS

A dual focus: Performing in the present while preparing for the future

As important as our strategy is, we continue to be grounded in our dual focus of performing in the present while preparing for the future. The large majority of our budget and attention is on the day-to-day—ensuring members and employers are well served, trustees are supported and staff are engaged.

Finding the right balance between strategy and operations is an active and ongoing effort and requires thoughtful management and leadership. There is constant attention to the most effective allocation of resources and to ensure staff remains clear on priorities.



THE FOUNDATIONAL DRIVERS

In 2012 we identified five drivers we believed would affect and shape our organization for the foreseeable future. These drivers demanded a response, and our nine-year strategic plan addresses these inherent issues and challenges.

When we established the drivers, we gave them equal weight. This, however, has changed. We now attribute more focus to certain drivers as their underlying risks are greater for this next period. Our drivers are prioritized for this plan as follows:

DRIVERS

- 1** Growing complexity and diversity in plan design and administration
- 2** Evolving demographics and expectations for services among clients
- 3** Increasing importance of information and process management as a core competency
- 4** Rising stakeholder value expectations
- 5** Shifting workforce characteristics

With these drivers and priorities established, management developed a response—the transformation phase plan for 2015–2018.



OUR RESPONSE—STRATEGIC ACTIONS AND ENABLERS

We believe our strategic actions will mitigate key risks, enable the corporation to achieve its goals and ultimately fulfill its purpose, which is *to make the pension experience easy for those we serve*.

For 2015–2018, there are three strategic actions, and these actions are supported by three strategic enablers.

STRATEGIC ACTIONS

- Comply with substantive plan design changes and new subgroup rules
- Enhance online service and integrate with existing service channels
- Improve the efficiency of our core business processes

STRATEGIC ENABLERS

- | | | |
|---|--|---|
| Re-architect our Integrated Pension Administration System (IPAS)* | Align organizational structure to our strategy | Add operational staff to meet immediate demands for service |
|---|--|---|

* IPAS is one of the Pension Corporation's core pension administration software systems.



STRATEGIC ACTIONS

Comply with substantive plan design changes and new subgroup rules

Ensuring pensions are administered in compliance with plan and plan subgroup rules is at the heart of what we do at the corporation. In addition to complying with new rules, we need to be prepared in the event that some plans change their benefit formulas and/or create subgroups with unique rules. Our approach to address these changes is to ensure they continue to be administered in sophisticated systems such as our Integrated Pension Administration System (IPAS) and Retired Members System (RMS). The upfront investment in making changes to our systems pays off

down the road with greater efficiency and enhanced flexibility.

System changes will be made to IPAS so we can effectively and efficiently administer plans and subgroups.

The risks we will address by complying with substantive plan design changes and new subgroup are as follows:

- out of compliance with relevant legislation and plan rules
- inefficient service delivery to plan members and employers



STRATEGIC ACTIONS

Enhance online service and integrate with existing support channels

Plan members and employers expect to receive more services online and to be able to reach out for assistance to an efficient integrated contact centre for support.

Our primary initiative in the next three years is to provide members with online retirement applications and have them processed efficiently. Additionally, members will have the ability to do the following online:

- opt out of paper-based information,
- print a duplicate tax receipt, member benefit statement or retiree member statement, and

- update personal information such as address, nomination of beneficiary details and banking information.

The corporation's online strategy is aligned with redesigned websites for each of the five pension plans. However, increasing online services is only part of the story.

Over the next three years, a fully integrated service centre will be implemented to assist with the additional online self-serve options and manage increased volumes in other areas. Modernizing our service-

centre technology will enable tracking and monitoring of interactions and volumes. This will better equip the corporation to proactively manage increasing service demands.

The risks we will address by enhancing online service and integrating our existing support channels are as follows:

- evolving demographics and expectations for services among clients
- rising stakeholder value expectations



STRATEGIC ACTIONS

Improve the efficiency of our core business processes

Improving the efficiency of our core business processes is strongly linked to our strategic action of enhancing online services. To capitalize on our shared service model, the corporation will move away from our current operating model that has multiple ways of completing a core business process, to a standardized and integrated approach to completing core business processes for services similar to all plans.

We have five core processes:

- pay benefits
- purchase service
- transfer service
- manage service, salary and contributions
- manage client details

In 2015–2018, we will begin redesigning the pay-benefits process. Work on this process will support online service development and is the process where we can create the greatest efficiencies. Focusing on the pay-benefits process is also important to manage increasing service demand volumes and maintain high standards of service delivery.

The risks we will address by improving the efficiency of our core business processes are as follows:

- growing complexity and diversity in plan design and administration
- evolving demographics and expectations for services among clients
- rising stakeholder value expectations



STRATEGIC ENABLERS

Re-architect our Integrated Pension Administration System (IPAS)

IPAS, the corporation's core pre-retirement pension administration system, has been the engine behind our pension calculations and reporting for more than 15 years. Over this time, IPAS has been customized in response to changing needs. As a result, the system has become increasingly challenging to maintain or adapt. This creates risk, time delays and increased costs whenever we need to accommodate plan rule or legislation changes and add functions that support our strategic actions.

To address the challenges with IPAS we have a new architecture for the system, and we will begin to retool IPAS to fit the new architecture. The new IPAS architecture supports our strategic actions and will provide the following short, intermediate and long-term benefits to all plans:

- Enhanced channel choice for members and employers, including online retirement application and more efficient member data submission
- Greater efficiency and straight-through processing
- Improved ability to respond to plan rule and legislative changes
- Extended system life
- Increased capacity to manage growing volumes of transactions
- Enhanced efficiency through greater automation
- Improved system documentation

For 2015–2018, our work on IPAS will enable us to move more services online and support potential plan redesign initiatives.

We expect to meet or exceed member and employer service expectations while also decreasing the time and effort to implement plan rule and legislation changes and reduce the risk associated with our reliance on manual calculations.

The risks we will address with improvements to IPAS are as follows:

- growing complexity and diversity in plan design and administration
- increasing importance of information management as a core competency



STRATEGIC ENABLERS

Align organizational structure

A broad restructuring of the organization is required to align the organization to our first two strategic actions. As the adage goes—form follows function. As you change how you do business, you must also change how you structure the work being done.

Highlights of structure changes:

- The corporation will move from plan-based divisions and centralized support to one that is organized along processes. Our new structure will support our core business processes and drive operational efficiencies.
- The structure will achieve the benefits of:
 - Improved stakeholder (pension plan trustees, members, employers, employees) accountability
 - Clear process ownership across multiple operational areas
 - Efficiencies to minimize gaps and risks resulting from multiple operational areas
 - Create new career opportunities and improved succession planning



STRATEGIC ENABLERS

Add additional operational staff to meet immediate demands for service

Due to ongoing growth in demand for services and the necessity to maintain quality and timeliness standards, the corporation will need to modestly increase the number of front-line staff. Over the past five years, staff-serviced volumes have increased 36 per cent. Additional front-line staff increases have been significantly less. Assuming growth will continue, likely to a greater extent than in the past, the corporation is now at the point that it needs

to increase front-line staff to maintain service and quality standards. Remember, we must perform in the present, while preparing for the future.

The risks addressed by adding operational staff to meet immediate service demands are as follows:

- evolving demographics and expectations for service among clients
- shifting workforce characteristics



MEASURING OUR PROGRESS

By being process focused, the corporation will better be able to demonstrate the value of changes. During the transformation phase of the strategic plan, we will measure and report on the goals of the strategic plan, and our progress on those goals, to the Board of Corporate Directors.

At established semi-annual sessions with our board of directors we will review the

status and forward-facing risks of a number of our strategic actions and enablers. For 2015–2016, these include:

- Compliance (including plan design)
- Online retirement
- Multi-channel contact center
- Core business process improvement
- IPAS



SUCCESS INDICATORS

Our success indicators will help us measure our success over the next three years.

DRIVERS	GOALS	OUTCOMES	SUCCESS INDICATORS
Rising stakeholder value expectations	Deliver relevant services at good value	Maintain top-quartile ranking on cost with relevant benchmarking peer organizations, while enhancing our service and increasing satisfaction levels	<ul style="list-style-type: none"> • CEM cost ranking • CEM service score • Quality Service Index (QSI) score
Growing complexity and diversity in plan design and administration	Be leading experts in plan design and pension services	Be trusted advisors to our plan boards and committees in the areas of plan policy, member and employer communications and finance services	<ul style="list-style-type: none"> • Trustee satisfaction score • Advisory effectiveness score • Meet or exceed all service delivery plan measures
Evolving demographics and expectations for services among clients	Provide service experiences that address evolving client expectations	The service experience for plan members, employers and trustees consistently meets or exceeds expectations	<ul style="list-style-type: none"> • Member and employer satisfaction scores • My Account usage and online activity metrics
Increasing importance of information and process management as a core competency	Ensure high-quality information that is secure, accessible and useful	Data management systems that support enhanced productivity, improve scope and breadth of business intelligence and provide a positive end-user experience for members, employers and staff	<ul style="list-style-type: none"> • Security events • Systems accessibility score
Shifting workforce characteristics	Have a high-performing workforce that adapts to changing needs	Highly engaged and skilled staff who deliver superior client service	<ul style="list-style-type: none"> • Staff survey participation rate • Staff enablement score • Staff engagement score • Overall staff satisfaction score



CONCLUSION

Our strategic plan, *From 12 to 21: Our Way Forward*, describes a future state that supports high service levels and value through better technology, improved business processes, and staff training and development. As we move through the 12 to 21 plan, we continue to fulfill our purpose, realize our direction and demonstrate our commitment to investing in our people.

The transformation phase begins April 2015 and continues to 2018. Our three priorities for the transformation phase are:

- **Compliance**—Comply with substantive plan design changes and new subgroup rules
- **Online Retirement**—Enhance online service and integrate with existing service channels
- **Efficiency**—Improve the effectiveness and efficiency of our core business processes

We believe that focusing on these three areas will address our most important issues—the need to administer plan design changes, meet evolving member and employer expectations and address growing transaction volumes.

Throughout the transformation phase of our strategic plan, *From 12 to 21: Our Way Forward*, we continue to perform in the present to meet members' and clients' immediate service needs while building for the future.

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