

IMRF STRATEGIC PLAN

November 2011

The Illinois Municipal Retirement Fund Board of Trustees and staff developed our 2011-2013 IMRF Strategic Plan in 2010, and began implementation in 2011. The Strategic Plan includes Strategic Objectives for each of our five Key Result Areas, plus our Mission, Vision and Values.

The framework and requirements of the Baldrige *Criteria for Performance Excellence* helped shape the development of the Strategic Plan, which aligns our objectives with the five key result areas of the Fund.

- ***Financial Health and Sustainability***
- ***Investment Returns***
- ***Customer Satisfaction***
- ***Employee Engagement***
- ***Service and Operational Excellence***

For most of the key result areas, our Strategic Objectives challenge us to achieve top 10% performance. These objectives are supported by a set of key strategies critical to the success of our plan. The complete list of Strategic Objectives and Key Strategies is included in the enclosed Strategic Plan.

Detailed Action Plans are the means by which we ensure implementation of each key strategy. During year one of our three-year plan, significant progress was made toward achievement of all five Strategic Objectives. The Action Plans that drive accomplishment of the strategies were updated to ensure continual progress during 2012.

Our Strategic Plan provides the Fund with a road map for meeting the challenges and opportunities in providing the highest quality retirement services to our members, their beneficiaries, and employers. It guides our efforts to continuously improve our service to our 2,963 employers; 176,703 participating members; 96,067 benefit recipients; and the taxpayers of Illinois.

We appreciate your interest in IMRF and welcome your feedback.

Louis W. Kosiba
Executive Director

Illinois Municipal Retirement Fund

STRATEGIC PLAN

2011 – 2013

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Executive Summary

IMRF implemented a formal strategic planning process and methodology in 2005 to ensure the IMRF Board of Trustees and staff had a mechanism to plan for the future needs of the Fund. This systematic process facilitates discussion and agreement between the Board of Trustees, staff, and key stakeholders on the appropriate direction for IMRF. Consistent with the spirit of our continuous process improvement program, the process was updated and improved in 2007, 2010, and again in 2012.*

IMRF has a long history of implementing improvements in response to the increasing needs and demands of our stakeholders. These changes have allowed the Fund to effectively and efficiently respond to many challenges, including new benefit programs and ever-increasing workloads. Our success continues to be validated through the high marks received on customer satisfaction surveys and through outside benchmarking services.

We expanded our strategic planning process in 2010 to include elements of the Baldrige Criteria for Performance Excellence to ensure we align our objectives, processes, and resources with our Vision. Our application for the *2009 Lincoln Award for Performance Excellence* was a logical extension of our continuous process improvement program and provided a new sense of direction for our planning process. In our efforts to quantify our Vision, we considered the Baldrige framework which offers a blueprint for organizations striving to become the best. Baldrige recipient organizations often set their overarching strategic objectives to achieve a top 10% ranking in each key area of importance to their stakeholders. We want to follow that same path.

While the measures of success that we use for our strategic objectives may change over time, we will strive to achieve top 10% performance for most key result areas. We believe this high level of performance is how we should benchmark ourselves. This is consistent with our Values, and provides a means to assess progress toward realization of our Vision. Our Strategic Objectives force us to think strategically about how we can achieve and/or maintain excellence in each of our key result areas. They provide a target we can aspire to over the three years of this Strategic Plan.

As a critical part of our formal planning process, the Board of Trustees and staff completed a re-examination and validation of our Mission, Vision, and Values in July 2010. We also completed a comprehensive overview of our external environment, as well as an analysis of our strengths, weaknesses, opportunities, and threats. These analyses resulted in a list of strategic advantages and challenges that helped validate our five Key Result Areas and provide a framework for establishment of our new Strategic Objectives.

Our five strategic objectives provide the basis for our 2011 - 2013 Strategic Plan. Staff developed action plans, including timelines, for the key strategies associated with each of these objectives. We made significant progress in executing these action plans during 2011.

*Revised 02/21/12

IMRF MISSION, VISION, and VALUES

Mission

To efficiently and impartially develop, implement, and administer programs that provide income protection to members and their beneficiaries on behalf of participating employers in a prudent manner

Vision

To provide the highest quality retirement services to our members, their beneficiaries and employers

Values

Accuracy

Performing our duties in an accurate and timely manner ensures our members receive the service and benefits to which they are entitled

Accountability

Accepting responsibility for our actions cultivates the trust of our coworkers, members, and employers

Respect

Recognizing the worth, uniqueness, and importance of ourselves, our coworkers, and our membership builds collaboration and cooperation

Empathy

Being aware of the feelings of others and how our actions affect them enables us to be responsive to the needs of our membership

Honesty

Acting in a truthful, ethical, and professional manner builds confidence with our membership and the public

Courage

Recognizing the need for innovation and being willing to change strengthens our ability to meet future challenges and opportunities

(Approved August 2010)

STRATEGIC OBJECTIVES FOR 2011 - 2013

The five Strategic Objectives define our approach to realize our Vision, and as such, constitute the aim of our Strategic Plan for 2011 -2013. These five inter-related objectives address both internal and external challenges and advantages, and were used to identify key strategies for each key result area. The objectives and strategies are aligned with our Vision and across key result areas. This integration is critical to the success of our Strategic Plan, as these objectives must be considered as five parts of one plan. The Plan highlights the five Strategic Objectives, and provides an overview of the Key Strategies we will utilize to achieve these objectives.

Key Result Area: ***Financial Health and Sustainability***

Strategic Objective

To achieve a funding level whereby we are in the top 10% on a market-value basis, as measured versus a universe of public pension funds with December 31st year-ends

Key Strategies

- *Monitor GASB'S proposed changes to pension accounting and reporting standards for governmental employers*
- *Evaluate techniques to moderate rate volatility, including phase-in rates and minimum employer contribution rates*
- *Introduce legislation to address pension abuses*
- *Continue to educate and advocate the "prudent man rule" and 100% funding principle, and defend against adverse legislation*

Key Result Area: ***Investment Returns***

Strategic Objective

Achieve a 7.5% net annual return and outperform the annual total portfolio benchmark

Key Strategies

- *Continue to utilize portfolio construction tools and principles, including asset liability models, long-term strategies, portfolio optimization, risk management, and performance measurement*

Key Result Area: **Customer Satisfaction**

Strategic Objective

To achieve a level of satisfaction whereby a minimum of 90% of member and employer survey respondents assign us a “Very Satisfied” rating

Key Strategies

- *Utilize Voice of the Customer surveys and implement a corresponding improvement process based on customer feedback and survey results*
- *Re-design IMRF.org to provide an improved customer experience*
- *Utilize targeted messaging and enhanced communications venues to reach all segments of our membership*
- *Improve customer interactions and follow-ups, including contacts with our call center*

Key Result Area: **Workforce Engagement**

Strategic Objective

To achieve a top 10% ranking in overall workforce engagement as measured by a nationally benchmarked survey

Key Strategies

- *Administer an annual employee engagement survey with national comparisons and address identified improvement opportunities*
- *Develop a formalized program to provide training and development opportunities for staff*

Key Result Area: **Service & Operational Excellence**

Strategic Objective

To achieve a top 10% ranking in overall service as measured by the CEM Service Score while keeping our “per member” cost near the median of the CEM administrative cost measure

Key Strategies

- *Develop plan to replace or upgrade SPECTRUM to address needs for improved correspondence, Customer Relationship Management, Reporting and Analysis, and full integration of our various technology systems*
- *Enhance our online services and tools*
- *Emphasize data security, redundancy, and disaster recovery systems*

- *Utilize transaction process analysis, scorecarding, and benchmarking to identify best practices and opportunities for improvement*
- *Work with our reciprocal systems to align our systems and services to provide excellent service to our shared membership*
- *Integrate Tier II and other mandated legislative requirements into all IMRF systems, communications, websites, processes, and training materials*