



Re-Engineering the Employer Information System.

My name is Chris Lamb, Assistant Director for Information Services and Chief Information Officer for the WA State Department of Retirement Systems.

This presentation is submitted as an open invitation to our employer partners. DRS is embarking on an exciting initiative that will re-think the way the agency collaborates with employers in collecting and reporting employee retirement information.

For this initiative to be successful, DRS will need input from the employer community as it looks to ultimately re-engineer its Employer Information Systems. These systems play a key role for both DRS and employers in facilitating timely, accurate reporting of retirement information.

While improving DRS processing is certainly one goal of this initiative, we are firmly committed to improving the employer experience. Providing a system to employers that is easy to use, intuitive and responsive is paramount to our effort. To this end, we need employers' experiences, ideas and suggestions to help guide us as we look to build a system that meets both DRS and employers' needs.

This is our invitation to you.

Current System



A sample of issues identified in working with employers over the years:

- The requirements for employers to use this system are complex and rigid
- Individual member transaction history is not easy to find
- No way to apply a common adjustment to all members
- SFT is cumbersome
- Transmittals does not always allow full correct reporting (i.e., sometimes you have to “trick” the system)
- Other than WBET (which is limited in capacity), there is no “real-time” feedback on reporting errors
- There is no standard testing environment
- Changes in DRS process often require changes to employer payroll systems (can be costly)

Re-Engineering the Employer Information System

“Partnering for the Future”

In working with employers over the years, DRS has identified many challenges that make it difficult in providing the information required to administer member retirement accounts. Examples include:

Requirements for employers to use this system are complex and rigid. DRS defines the record layouts that must be used to transmit data. There is no flexibility.

Individual member transaction history is not easy to find. Often, employers must navigate several screens or even obtain help from DRS staff to access this type of detailed information.

There is currently no method for applying a single reporting adjustment to more than one employee. Employers sometimes need to apply identical adjustments across all of their employee accounts. Today, these must be done individually; one adjustment for each employee.

Secure File Transfer, or SFT, is cumbersome. Password management is problematic, requiring help from DRS staff should a password need to be reset.

The transmittals process does not always allow for full correct reporting. There are circumstances where employers are forced to “trick” the system in order to complete their reporting to DRS.

Aside from the Web-Based Employer Transmittal application, which is limited in its reporting capacity, there is no “real-time” feedback on reporting errors. Employers typically submit reports, which are edited by DRS that night. Errors are then reported back to employers the next day. This cycle can happen several times, requiring multiple correction reports.

There is no standard testing environment. If an employer wishes to test changes to their payroll system, DRS must build a production-like environment to execute that testing. This is very time consuming.

Changes in DRS process often require changes to employer payroll systems. Depending on the magnitude of the changes, this can be a costly endeavor for employers.

Current System



Issues from a DRS perspective:

- Aging Technology
 - *Resources to support this technology are declining*
- The architecture of the core application is predicated on a fixed business model, defined almost 20 years ago
 - *Required/Requested changes take too long*
 - *System limitations are driving business decisions*
 - *Business process is inextricably tied to programming (lack of flexibility)*
- There is no standard testing environment
 - *To help an employer test their system, we must basically duplicate a production environment. Very time consuming*

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DRS also faces it's own challenges with the current Employer Information System:

This system is based on an aging technology set.

Resources such as hardware, software and personnel with the appropriate skills to maintain them are declining.

The architecture of the core application is predicated on a fixed business model that was defined almost 20 years ago. At that time, pension rules were simpler as compared to those in place today. The original application architecture is simply not equipped to handle the modifications necessary in today's fast-changing pension environment.

Changes to the application require significant time and investment. Large, inflexible components must be dismantled, modified and then reassembled. Because this system is being asked to execute processing outside of its narrowly-focused business model, larger testing efforts are needed to ensure the accuracy of the system.

System limitations are driving business decisions. In some cases, these decisions are not the most efficient use of resources, but due to the inflexibility of the system, there are no other options.

Business process is inextricably tied to programming. This results in a lack of flexibility as well as the inability for the system to adapt quickly to changing needs.

There is no standard testing environment.

If an employer wishes to test changes to their payroll systems, DRS must basically duplicate a production environment and conduct testing there. This is a very time-consuming endeavor.

What is DRS doing today?



- We have completed documenting our "As-Is" processes
 - *How do we do this today?*
- We are beginning to look at potential "To-Be" processes
 - *How can we do this better in the future?*
 - *How can we make this more efficient? Save time? Eliminate waste?*
- We want to talk to the employer community
 - *How can we make it easier for employers?*

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"Partnering for the Future"

In re-thinking the agency Employer Information System, what has DRS done today?

We have conducted a thorough review of our "As-Is" business processes.

DRS has spent significant time and effort in identifying and documenting the way we conduct our employer information processing today.

We are now beginning to look at how DRS business processes might look in the future.

This involves asking hard questions, such as "How can we do this better?"

And "How can we make this more efficient? Save time? And eliminate waste?"

Most importantly, we want to talk with the employer community. The benefits to DRS of a more efficient, adaptable system are obvious. But DRS recognizes the significant time employers expend in using the Employer Information System and its interfaces to conduct their retirement reporting. Making this system the best possible tool for our employers is a primary goal. Which brings us to perhaps the most important question of all:

"How can we make it easier for employers?"

Our Timeline



Sep. 2011	<i>DRS to talk with employer representatives, both business and technical</i>
Oct. 2011 – Feb. 2012	<i>DRS to develop a Design Document for a new Employer Information System; incorporating employer input</i>
Mar. 2012 – Apr. 2012	<i>DRS to validate Design Document with employers</i>
May. 2012 – Aug. 2012	<i>DRS to develop and submit a Decision Package for the 2014 – 2015 Biennium</i>

Re-Engineering the Employer Information System "Partnering for the Future"

The anticipated timeline for this effort is as follows:

In September of 2011, DRS will engage employer representatives in an effort to understand the challenges they face today in reporting employee retirement information.

From October, 2011 through February, 2012, DRS will incorporate this input into a Design Document for a new Employer Information System. The intent of this document is to communicate the requirements needed within a new system and the vision of what that system will look like.

From March, 2012 through April, 2012, DRS will validate this Design Document with employers to ensure that we have captured all requirements from the employer perspective.

From May 2012 through August, 2012, DRS will develop and submit a legislative Decision Package for the 2014-2015 biennium. This package will request project funding for the development of a new Employer Information System.

What If...



- ...Employers had a “one-stop” web portal to:
 - *Submit reports, regardless of method*
 - *Check employee information*
 - *Make payments*
 - *Check statements/balances*
- ...Data translation didn’t require programming
 - *Any new or modified data requirements are a simple “mapping” operation*
 - *Change in record layouts does not require programming*
- ...Employers could submit “Test” reports
 - *Flag a report as “test” and submit as usual*
 - *Processes exactly like a production report, without actually recording it*
- ...Employer reports were edited “real-time”
 - *Employer runs edits before final submission*
 - *Employer can make changes before final submission*
- ...??? This is where we need your help

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Here are some examples of concepts that DRS is exploring as potential components to a new Employer Information System:

What if employers had a “one-stop” web portal. This portal would allow employers one location to:

Submit reports, regardless of the method used to do so.

Review employee information.

Make payments.

Review employer statements and account balances.

What if the translation of data from employer payroll systems to DRS record layouts did not require programming

Any new or modified data requirements would be a simple “mapping” operation. Employers need only identify where required data elements are located. DRS would then translate this information into the record layouts necessary.

Changes in DRS record layouts would no longer require programming on the part of employers.

What if employers could submit test reports the same way they report production reports.

An employer would simply flag a report as a test and submit the report as usual. DRS would then run this report as if it were a true production report; without actually accepting the report into the system.

Employers would receive all normal reports and be able to review their submission the same as any production report without actually reporting it to DRS.

What if employer reports were edited in “real-time”

Employers could run edits against their reports before final submission

Employers would be allowed to make changes to their reports before sending them to DRS.

These are just a few of the ideas DRS is exploring; but this is also where we need your help

What is the next step?



Sep. 2011

DRS to talk with employer representatives, both business and technical

- We need your help
- There is a great opportunity to improve the employer experience and we would like to talk with you about how to accomplish that
- We would like to talk with both business users and technicians
- We need your ideas, suggestions, experiences (both positive and negative)
- If you would like to be involved in these conversations, please contact us
- www.drs.wa.gov/employer/

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What is the next step?

Throughout the month of September, DRS will be petitioning employer input.

These discussions are important for DRS to thoroughly understand the challenges employers face today in reporting employee retirement information.

This initiative is a great opportunity for us to improve the employer experience and we would like to talk with you, the employers, on how we might accomplish that.

DRS is interested in both the business and technical perspectives from employers.

We need your ideas, suggestions and experiences (both positive and negative).

We would like to encourage employers to be involved in this process. The more we can engage and better understand the needs of the employers, the better we can incorporate these concepts into a new Employer Information System.

If you would like to be a part of these conversations, please contact DRS. Contact information can be found on the Employer page of the DRS web site at www.drs.wa.gov/employer.

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"Partnering for the Future"



Thank You.

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Thank you for listening. I hope this presentation has been informative. If you wish to participate in this initiative, please let us know. DRS welcomes your input. Together, DRS and employers can ensure a positive outcome for the future of employer reporting.

My name is Chris Lamb. If you would like to contact me directly, please feel free to do so. My email address is chris.lamb@drs.wa.gov.

Thank you, and we look forward to talking with you.