

Software Modernization Done Right



Sagitec helps a large Teachers' Retirement System (TRS) transform critical business processes with software modernization



Executive Summary

In 2011, a large Teachers' Retirement System (TRS) selected Sagitec Solutions to replace their legacy pension administration solution (PAS). The main objective was an integrated PAS that would support the agency's member-centric mission for decades to come. Since the conclusion of the modernization project, which was on time, on budget, and on scope, this TRS has experienced measurable benefits and business process improvements. Below is a glimpse into some of the modernization project's critical success factors:

- In 2016, employers performed **96 percent of all employee registrations using the employer web portal**. Before Sagitec, employers had to submit their annual data via paper or disk form which was time-consuming and inefficient.
- In 2016, members performed 38 percent of all member demographic updates using the member web portal. The legacy system was mainly for benefit estimate and only had read-only functionality with information that was not very robust.
- The TRS has 83 different workflow processes, and in 2016, there were over 120,000 workflows initiated – of which 79 percent were triggered by scanning a document and 21 percent were triggered by the new PAS system.
- The TRS receives 100 percent of member contribution data online and manual data entry has been **reduced by 16 percent**.

Client Background

The TRS is a multi-employer public employees' retirement system. It provides retirement and medical benefits for retirees in addition to life insurance and death and survivor benefits. As of 2016, this TRS had over **\$17 billion in net assets and served over 120,000 active members, retirees, annuitants, beneficiaries, and survivors**.

The Opportunity

In an effort to improve business processes and customer service, the TRS embarked on a major software modernization initiative in 2011 to replace their decades-old legacy PAS. While the PAS was upgraded incrementally throughout the years to take advantage of updated technology and to respond to legislative changes, it could not integrate with many of the agency's ancillary systems (e.g. employer reporting, financial management, telephony). The lack of integration required significant manual processing to meet members' needs. Furthermore, because the agency didn't have a single, integrated database, staff had to search in multiple systems to perform their jobs and data had to be entered in different places.

The TRS partnered with Sagitec Solutions to replace their legacy PAS with a fully integrated solution that leverages automated workflow,



paperless business processing, web self-service portals, and other business optimizing features. In addition to fixing their technical and business process inefficiencies, the agency selected Sagitec Solutions to help them implement a PAS that can easily scale and upgrade, allowing the agency to meet their members' needs for decades to come.

Objectives

The agency sought a solution and vendor that could foster the following business process improvements:

- Enhance automation of data input to increase accuracy and reduce data entry
- Expand web-based self-service for members, employers, and other third parties
- Integrate enabling technologies such as imaging and workflow, providing users with automated business process flow
- Improve auditability and traceability throughout all the TRS processes
- Automate rote tasks so staff can focus on exceptions and customer service activities
- Conduct business process re-engineering of core business processes to increase processing efficiency
- Improve staff's ability to create their own ad-hoc reports
- Improve the retirement application process by eliminating the need for staff to conduct manual calculations

Solution

The multi-phase modernization initiative to replace the legacy PAS with a new modern solution included the following activities:

Mobile App

After the new pension system went live, the agency requested help from Sagitec for the development and support of a mobile app. Sagitec developed a mobile app using their MOBIAS™ application framework and deployed it within 6 months. The expedited design and delivery are attributed to the fact that MOBIAS™ uses existing functionality and business objects from the agency's member web portal. The mobile app rolled out for the agency, is enhancing the level of member self-service while simultaneously reducing operating costs. Members and retirees are using the app to access their information and submit documents and inquiries to the agency. Additionally, users can exploit the following native mobile features to communicate and engage with the agency staff: camera (to scan and submit documents), GPS, click-to-call buttons, messaging, and email.

Member Self-Service

To help the agency in their fundamental mission of providing exceptional service to their members, Sagitec built a member self-service (MSS) portal. The portal comes with an intuitive graphical interface that helps members better understand the benefits they receive from the agency. The portal is equipped with functionality that enables members to generate benefit estimates, calculate the cost to purchase service, submit a retirement application, and a multitude of other activities. As Sagitec staff was building the MSS portal, they designed the business processes to promote straight-through processing whenever possible. Therefore, many of the processes are handled entirely by the members and require zero staff intervention (e.g., updating direct deposit information or tax withholding data). The MSS vastly improves service levels to members – and it does so safely. The new system incorporates Entrust IdentityGuard into its self-service architecture. This provides multi-factor authentication using a combination of machine credentials, image verification, and a series of passphrases, providing the agency with a secure environment for the receipt and transmittal of member information.

Business Process Reengineering

Sagitec developed new business processes that exploit the inherent features of the integrated and web-based system. The redesigned

business processes improve staff productivity and the quality of services in multiple ways. The Sagitec team expanded web-based self-service functionality to members and employers to the greatest extent possible – focusing on leveraging straight-through processing to automate rote tasks and improve productivity. The single, integrated database eliminates duplication of data entry and streamlines data retrieval, as all data are stored in one location. The new business rules engine improves data accuracy and eliminates the need for manual calculations.

Digital Workflow Management

The new system includes a workflow engine that provides users with an automated business process flow that drastically increases work efficiency. This technology helps the agency increase the quality and quantity of work completed through case-based processing, workload balancing, routing, and auditing. The robust reporting features improve management reporting and foster continuous process improvement by helping the staff identify process inefficiencies. The new PAS's workflow engine integrates with the updated document imaging solution to provide a holistic paperless and automated work environment.

Document Management

The lack of accessibility and searchability of documents posed a major problem for agency employees. The staff had to search through the entire document-set in order to find what they were looking for. Sagitec overhauled this process by creating more than 600 document types, which greatly enhanced usability and provided the staff with more granular metrics.

The new document management solution is tightly integrated with the new system, allowing staff to access documents from most screens within the system. The agency enjoys enhanced security because Social Security Numbers are no longer used to locate member-related documents. The upgraded document imaging solution also improves efficiency, as staff no longer need to print and scan an additional copy into the imaging system for archival purposes.

Employer Self-Service

With the implementation of the new PAS, the agency no longer has a separate employer reporting sub-system for the collection of wage and contribution data. Sagitec staff built an employer self-service (ESS) portal that provides more than 200 employers with a web-based platform for submitting contributions and reporting member service data. The ESS portal is integrated with the new PAS system, which means employers have the same set of screens and data that are available in the agency system. This integration provides the capability

for employers to report data in multiple file formats: file transmission, web-based data entry or paper-based submission. The ESS portal promotes more frequent reporting and updating of member data, which reduces the amount of data validation that the staff needs to perform in downstream processes (e.g. retirement application). Through the utilization of workflow and automated communication messages, the ESS portal also automates routine tasks – freeing staff to focus on exceptions and better customer service.

Results

Since the new pension system has gone live, the agency has witnessed tremendous business process improvements that validate the success of the modernization initiative.

Employer Reporting

- They receive 100 percent of member contribution data online and manual data entry has been reduced by 16 percent.
- In 2016, employers performed 96 percent of all employee registrations using the employer web portal.

Member Account Maintenance

- In 2016, members performed 38 percent of all member demographic updates using the member web portal.

Benefit Estimates

- In 2016, members created 27 percent of all benefit estimates using the MSS portal.

Retirement Applications

- In 2016, members completed 18 percent of all retirement applications using the MSS portal.

Document imaging

- On a daily basis, staff now scan 20 percent fewer images into the imaging system.

Digital Workflow Management

- The agency has many different workflow processes, and in 2016, there were over 120,000 workflows initiated – of which 79 percent were triggered by scanning a document with the updated imaging system and 21 percent were triggered by the new system.

Members Are Now Able To:

- Access and update their records using a secure MSS portal or mobile app.
- Perform benefit estimates, submit retirement applications, and other high-frequency business processes using the web portal or mobile app.
- Receive email and text correspondence from the agency.
- Obtain a real-time overview of their benefits anytime, anywhere.

Employers Are Now Able To:

- Submit and update member contribution data using an ESS portal.
- Engage in automated workflows with the agency staff.
- Receive alerts, email, and notifications on the web portal.
- Enroll new employees and update existing employee information using the portal.
- View contribution and remittance data in real-time.

The TRS Staff Are Now Able To:

- Engage in automated workflow activities.
- Generate ad-hoc reports by exporting data to Excel and access more than 45 different reports on topics ranging from security and workflow to employer contributions and seminar enrollments.
- Record member interactions (e.g., phone calls, scheduled meetings) using the new system's integrated Customer Relationship Management module.
- Rely on the new system to perform calculations accurately, effectively eliminating the need for spreadsheets to perform calculations for them.
- Trigger the auto-generation and auto-archival of correspondence.





Questions? Call Us.

We're here to help. Diann Clift, our business development director, is available to answer any questions you might have.

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Request a Demo

One of our business development representatives will show you how our Neospin™ solution can help you improve business processes, reduce annual operational costs, and improve customer service.

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About Sagitec Solutions

Sagitec Solutions is a global technology company serving some of the largest public pension organizations in the United States and Canada. Their fully integrated, web-based **pension administration solution** supports over 4 million plan participants, 15,000 employers, and administers multiple types of pension plans: defined benefit, defined contribution, provident, cash balance, hybrid, and Taft-Hartley. In addition to serving the pension industry, Sagitec Solutions also designs and delivers software solutions for the unemployment insurance and healthcare and life sciences industries. With deep industry experience in software implementation and systems integration, project management, consulting, hosting and software support, Sagitec is a partner clients can trust to deliver mission-critical IT projects.



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