Client Case Study: Oregon Public Employees Retirement System (PERS)
Consultant: Jim Clark

Need:
Leadership for Oregon's Public Employee Retirement System (PERS) recognized the need to improve the agency's effectiveness in managing the multi-billion dollar pension plan for state employees. Leadership was facing multiple challenges. One was the "silver tsunami," retirement of large numbers of baby boomers from the workforce which would generate a large increase in benefit payments. PERS was also integrating a new IT system and was under pressure to show a benefit for the millions invested in the system.

PERS leadership wished to examine and improve its operational processes, management system and framework in order to understand how all Agency processes were organized and where they would find the greatest opportunities for improvement. Improvements needed to be made to the routine business to free up the resources needed to pursue their strategic initiatives.

Project Goals
- Establish a management system for the entire agency with the appropriate tools, methods, and cultural influences
- Provide leadership the ability to use the tools and new methods
- Create a robust visual PERS fundamental map of core processes, inter-dependencies and process owners
- Provide managers with accurate and timely data to facilitate improved decision making
- Make metrics transparent and enable improvement plans where needed on the most pressing issues
- Increase employee accountability and engagement
- Be in a position to resource and execute strategic initiatives

Solution: Mass Ingenuity Results Management System
The PERS Director and Deputy Director have engaged Mass Ingenuity to provide the following services and deliverables:
- Build a visual PERS Performance Management System including:
  - "Line of sight" connections through the agency's mission, goals, outcome measures, detail core process, and process measures
  - Scorecards and Quarterly Target Reviews to measure and evaluate progress
  - Problem solving and decision making prioritization applied to areas in need of improvement

- Seamless integration with the Agency's Process Improvement Team and its practices
- Alignment and implementation of the management systems throughout the agency
- Cascade measures, build problem-solving teams and address needed leadership skills improvement
- Centralize data-management capabilities
- Develop capabilities to fix the IAP internal retirement program through Breakthrough Project
- Analyze and draft recommendations to address the expense and quality of service issues resulting from employees being situated at multiple PERS locations

Client Results

Building the Fundamentals Map has connected each employee to the process and outcome measures of the agency. Quarterly Target Reviews have created a culture of openness and transparency between staff and management that has allowed them to coordinate and address longstanding issues in core processes.

- The Agency's Process Improvement Team uses the Management System to identify constraints and to meet state legislated KPMs
- The Agency has conducted five Quarterly Target Reviews and is now reporting on 54 process measures and 19 outcome measures
- Senior managers and mangers at all levels are using common language and focusing on measures deemed the most important to the agency
- The Director and Deputy Director use the management system Fundamentals Map and Scorecard as a communication mechanism both with the legislature and for the budgeting process
- In Q1 2012, the first QTR for PERS, data showed members reporting 80% employer satisfaction. By Q2, satisfaction had increased to 86%
- In Q2 2012, the second QTR, 54% of process measures showed improvement toward goal
- In Q4 PERS members were reporting 99% satisfaction with the agency's customer service.
- Disciplined problem solving is driving accountability and focusing attention that offers the most benefit to the agency
- In August of 2012, Problem Solving Teams were formed with the goal to improve measures from the first official scorecard. Measures of critical importance to the agency were selected.
  - **Process Measure - Disability applications completed within 15 days**. In Q3 2012 this measure reported 62%. A team of people close to the work redesigned the process to eliminate non-value add work from the flow. By Q1 2013 the measure had increased by 31% to 81%.

- **Process Measure – Service Purchases posted within 15 days.** This measure initially reported 59% to target and by Q3 of the same year (2012) the measure had improved by 85% to 84%. In addition, the improvement is being sustained.

PERS today has a deeper understanding of their process and outcome measures, has launched 7 problem Solving groups, the culture is embracing Lean thinking, and Leadership has launched 3 strategic initiatives using the Results Management Breakthrough Methodology.