



Agenda Item 8b

February 18, 2015

ITEM NAME: my|CalPERS PIER Plus Report

PROGRAM: Administration

ITEM TYPE: Information

EXECUTIVE SUMMARY

CalPERS engaged a Post Implementation Evaluation Review (PIER) Plus assessment of the my|CalPERS system implementation. This item presents the final report to the Board on the PIER Plus Review and addresses the approach, key findings, and recommendations. A representative of the external consultant Grant Thornton will present the results of the review.

STRATEGIC PLAN

This agenda item support Strategic Plan Goal B: Cultivate a high-performing, risk intelligent and innovative organization.

BACKGROUND

In July 2004, CalPERS staff provided the Board of Administration with a proposed path forward for developing the architecture for an enterprise information and business system to complete the consolidation of core retirement system functions such as enrollment, contribution reporting, and benefit payments in a modern and sustainable model. The path forward was in response to several drivers that made it clear to CalPERS that the current technology environment would not meet future needs.

The Pension System Resumption (PSR) project scope was finalized in 2006, and in partnership with system integrator Accenture, the PSR project team moved forward with development and implementation of the system, which was to replace numerous standalone legacy systems with an enterprise system. The vision was to create an environment that offered flexibility, expandability and scalability to meet the changing and dynamic business in the present and future.

During the course of the project, CalPERS and Accenture worked together to overcome significant challenges that required reevaluation of approaches and extension of the launch date, which took place in September 2011.

In April 2013, CalPERS reached a significant contractual milestone with Final System Acceptance. Final System Acceptance represented completion of the project's original scope and authorized changes.

While much was accomplished in achieving final system acceptance, CalPERS also recognized much more was to be done to continue to enhance the system, maximize system functionality, and to realize the full spectrum of benefits to be gained from an enterprise system for members, employers, staff and management. The optimization process, started in September 2013, was initiated to improve and mature system performance and functionality.

ANALYSIS

The purpose of the PIER Plus assessment was to evaluate whether the project outcomes, end-user satisfaction, and business expectations of my|CalPERS have achieved the originally intended objectives, and to assess the realization of benefits through the enterprise system solution. The results will help provide guidance for the optimization of benefits of the my|CalPERS system and identify ways to improve and optimize the delivery and outcomes of future projects by CalPERS.

In summary, the PIER Plus assessment found that although missteps early in planning and execution set the project up for significant challenges, my|CalPERS succeeded in going live through the extraordinary efforts of CalPERS and Accenture over a three-year post recovery effort. The my|CalPERS system is now functional and meets the needs of a majority of users although several of the original strategic goals are not yet fully met. The optimization effort is now underway to continue improvement in performance and to maximize efficiencies, and as recommended, the need to build a stronger alignment of the my|CalPERS target state is being addressed as part of the development of the CalPERS' 2015-17 Business Plan.

The PIER Plus assessment identified a number of findings and recommendations both going forward with the current my|CalPERS optimization and also based on lessons learned from the PSR project from August 2004 through Initial Go Live and stabilization. The findings and recommendations are set forth in Attachment 1.

BUDGET AND FISCAL IMPACTS

The findings from the PIER Plus should help guide assessments of resources to ensure the realization of future benefits from the my|CalPERS system. Successfully applying lessons learned throughout the project and implementing optimization strategies in the future should assist in the successful completion needed for future projects and enhancements.

BENEFITS/RISKS

Through the PIER Plus, which includes key findings, issues, and related recommendations for the realization of benefits, CalPERS will be able to identify ways to optimize my|CalPERS benefits and improve the delivery and outcomes of future projects. Optimization of my|CalPERS with a view toward support of strategic goals will improve CalPERS ability to achieve its goals, and in addition, adoption of

lessons learned for delivery of other future projects will further support achievement of strategic goals.

A risk is that the PIER Plus recommendations will not be adopted and successfully implemented in future projects. If this risk is realized, the optimization efforts currently underway could be less effective than they should be. In addition, failure to implement lessons learned on my|CalPERS could result in sub-optimal delivery of future projects and enhancements, resulting in less successful implementations and less efficient and effective use of resources.

ATTACHMENTS

Attachment 1 – my|CalPERS Post Implementation Evaluation Review (PIER) Plus Report – Briefing to the Finance and Administration Committee

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