

PENSION INSIGHTS

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Message from our Director of Customer Advocacy

Richard Branson once said “The key is to set realistic customer expectations, and then not to just meet them, but to exceed them – preferably in unexpected and helpful ways.”

Sagitec truly believes in providing value and solving complex problems for current and potential customers. We have been thinking of innovative ways to provide you with solutions and thought-leadership that spark ideas leading to efficiency, effectiveness, and productivity.

I am proud to announce that our first newsletter is ready for your reading. We will be publishing these on a regular basis and our goal is to provide you with some relevant thought leadership, news about Sagitec that you might not be aware of, and our take on some pension industry topics.

This edition focuses on what Pension agencies can focus on in terms of technology, for example, cloud, and how Sagitec addresses advocacy. In this regard, we would like to let you know our focus on customers goes beyond just the projects we win. The theme for our customer advocacy events this year is “Hearing the Voices.” Sagitec is dedicating events this year to customer listening.

This newsletter also has an article on top conversations we have seen in various pension industry conferences. Lastly, we are also proud to be included in the top GovTech 100 list that validates our approach to serving the public sector with new technology offerings.

We hope you enjoy these articles. Do forward them to your teams and let us know if they help in igniting new ideas and what else you would like to hear about.

Cheers,

Stephanie Schrankler
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Top 5 Ways Modern Technology can Help Pension Agencies Realize their Mission-Critical Goals



Diann Clift
Business Development Manager

- 1 INVEST**
in a Framework-Based Solution that Continuously Evolves and Improves
- 2 IMPROVE**
Member Centricity
- 3 ENHANCE**
Member Communication and Outreach
- 4 BOLSTER**
Organizational Efficiencies
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Cloud Hosting Options

While every public pension agency has their unique differences, a common purpose unites them: to maintain the financial security of the trust fund and provide exceptional service to external stakeholders. In terms of protecting pension funds, there are numerous investment strategies to close the funding gap: using asset monetization and dedicated revenue sources, issuing well-designed pension obligation bonds, closing tax loopholes, among other tactics. Investment strategies aren't the only way to maintain the sustainability of the plans, however. By updating the technology that is used to administer pension benefits, pension agencies can ensure financial security while simultaneously achieving customer service excellence.

Following are five best practices for how technology can help pension agencies achieve their mission-critical goals.

1. Invest in a Framework-Based Solution that Continuously Evolves and Improves

Considering the complexity and constantly changing nature of retirement law, pension agencies should strongly consider replacing their legacy systems with technology that can easily evolve and scale. Strategic investments in modern technology is also fiscally responsible. According to an article in Government Technology, "Government at all levels remain shackled to legacy systems, which can account for 70 to 80 percent of IT dollars."

2. Improve Member Centricity

There are incredible opportunities to improve member experience through technology. Focus on technical solutions that utilize multiple communication channels to ensure your agency keeps pace with other service industries. This means a chatbot integrated within web self-service portals, mobile-based offerings, and member surveys, among other things. Sophisticated levels of service delivery is clearly a trend among pension agencies, with 14 percent of pension agencies polled in the 2016 NCPERS Public Retirement Systems Study stating they are considering investing in a member web portal.

3. Enhance Member Communication and Outreach

A pension administration solution should illuminate member benefits and foster retirement readiness by offering full-service retirement planning tools. Look for member self-service portals that offer personal wealth manage-

ment features. These types of tools help members visualize the impact of contributions and other deductions on their paycheck, while also providing a holistic picture of their personal wealth by combining other retirement accounts (e.g., 401K, IRA, etc.) into one dashboard.

4. Bolster Organizational Efficiencies

To help you achieve operational cost effectiveness, pension administration systems should leverage automated workflow management to the greatest extent possible. This functionality improves internal efficiency, and the associated metrics and reports promote continuous process improvement. Modern solutions should also incorporate knowledge management and organizational learning to ensure staff have the necessary information and tools to perform their jobs competently.

5. Provide Cloud Hosting Options

Considering the prevalence of cloud hosting, look for a pension administration solution that will allow your agency to adopt an infrastructure on demand approach. By hosting your solution on the cloud, you can decrease labor, increase scalability, and pay for what you use instead of what you have.

By following these best practices in conjunction with the aforementioned investment strategies, pension agencies can ensure a secure retirement for their members and provide superior customer service.

State CIOs Plan Strong Cloud Growth

Source: 2018 Digital States Survey

State 2019 Est. IT Spend:

\$53.1 Billion

States

- Business Intelligence and Analytics
- Cybersecurity
- Shared or Collaborative Services
- Cloud Computing
- Healthcare

Cities

- Cloud Computing



Don't get Left Behind in the Digital Race



Ranjith Kotcherlakota
Senior Partner

Cloud momentum continues to accelerate all across industries, but the uptick in adoption by government agencies has been slow. Organizations that run their own IT have to deal with hardware, software, patches, data security, networking updates, disaster recovery, and IT staffing which are all resource intensive. Cloud vendors like Microsoft efficiently and economically handle those activities.

There are a number of reasons why cloud is here to stay:

1. Reduces Infrastructure Costs and Overall Total Cost of Ownership

The cloud eliminates physical servers and storage space, real estate, power, and personnel to a large extent. While it may seem like the costs of an on premise solution are lesser, most organizations forget that most of these costs are hidden and recurring. The subscription fees¹ of a cloud solution might be high, but the ongoing costs are minimal thus providing long-term benefits to government agencies often riddled with low budgets and lack of resources.

2. Scalability

Instead of using all the space all the time, cloud solutions can scale during peak times and ramp down at other non-peak times due to low usage.

3. Business Continuity and Automatic Updates

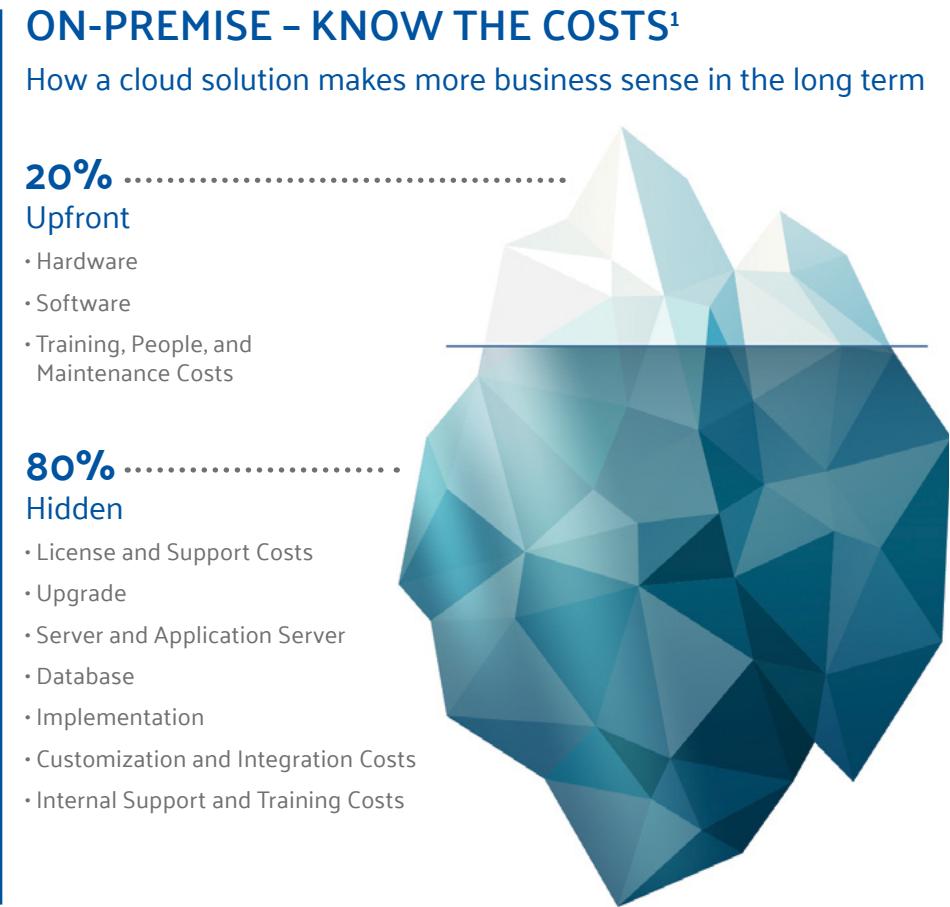
Most cloud solutions guarantee 99.9% uptime. Innovative disaster recovery solutions like one-click-DR on the mobile are also available that makes business continuity a no-problem area.

Regular software updates are provided automatically thus eliminating precious time of government agency personnel.

4. Security

Contrary to popular belief, the cloud provides greater protection if implemented right. According to Gartner, "In nearly all cases, it is the user – not the cloud provider – who fails to manage the controls used to protect an organization's data."

Even if personal machines get hacked, the data on the cloud is secure as the data is physically separated from employees, vendors and visitors.



¹ "The Cost and Benefits of On-Demand vs. On-Premise Procurement Software" <http://get.coupa.com/rs/coupa/images/on-demand-vs-on-premise.pdf>

5. Increased Collaboration

A cloud solution makes it possible to share documents amongst colleagues, even remotely, which is not possible with an on-premise solution. Emails, which are still a popular file sharing channel, restrict file sizes and on-the-go productivity.

Cloud collaboration tools are available anytime, anywhere and employees can work simultaneously on one document.

Public sector entities exist under a microscope of expectations and demands. On the one hand, the vision is to tie all technology investments across business functions and on the other hand, funds are also looking at future innovations that they can implement in their agencies. To make both

visions come together requires robust management tools that create a simplified IT experience. But that's strictly at the IT level. At the resource level, these agencies need the agility to respond to almost any situation. At the economic level, they need to maximize their investments in ways that address constrained budgets. Finally, they need to evolve their security levels to minimize risk continually.







According to a recent survey by Penn Schoen Berland, 693 US Government customers were asked to rank their top 20 most important needs from a cloud services provider. In addition to security and privacy, compliance and data residency were in the top five most important needs.

So the question today is not whether the public sector should adopt cloud or not, but how fast and how far can the public sector go to the cloud? The benefits of cloud far outweigh the problems, and clear strategies can be set to overcome adoption inhibitors. Government agencies can rely on IT partners who have experience in multiple cloud migrations and trust them to help migrate to the cloud.

WHY CONSIDER MICROSOFT AZURE GOVERNMENT CLOUD

Approximately 5.2 million people use Microsoft Cloud for Government, which includes Azure Government, Office 365 Government, and Dynamics CRM Online Government, according to Curt Kolcun, vice president of the US Sector for Microsoft.

The Azure Cloud can be a good choice for you to consider as it adheres to the foundational principles of security, privacy, control, compliance, and transparency. Microsoft Azure is a government-community cloud that extends world-class security and control for dedicated US public sector workloads and provides a full commitment to government compliance standards.

 Provides a physical and network-isolated instance of Microsoft Azure.	 Offers continuous commitment to rigorous compliance demands (i.e. FedRAMP, CIIS, and HIPAA) of a government-community cloud.
 Provides screened U.S. citizens and policies to help protect customer data and applications.	 Provides rich infrastructure, storage, and identity management capabilities delivered through cloud, on-premises, and hybrid solutions.
 Stores data within the United States.	 Delivers integrated, familiar experiences with Office 365 for Government in the cloud.



By 2022,
public cloud services
will be essential for
90% of business innovation

Source: Gartner 2018

10 Topics Pension IT Staff Are Talking About Today



Stephanie Schrankler
Director of Customer Advocacy

Sagitec is in a unique position when it comes to understanding trends and themes. We are at the forefront of the pension industry with 25 clients spread across the U.S. and Canada. We work diligently to solve the problems faced by “the business” and tackle complex challenges faced by IT departments. This gives us a perspective that others just can’t see.

As you are thinking about your strategy and technology roadmap for the future, you can benefit from understanding what trends and themes are emerging for pension IT staff. In working with and talking to hundreds of pension funds about their IT challenges and solutions that they are considering, we’ve boiled down a list for you of the top 10 conversations pension IT staff are having today:

1. Security

Security has and will continue to be the top priority for pension IT departments. Identity theft, hacking, penetration testing, security awareness training, and cybersecurity insurance, are all top of the mind for IT professionals – and, that’s no surprise.

2. Modernizing Applications

There is also no surprise that lots of funds have just finished, are in the middle of, or are planning pension administration modernization – with the understanding that “modernization” is continuous. Once looked at as a one-time project, many funds now think of



modernizing as a continuous evolution in order to keep up with the rate of exponential change in technology today. Pension funds who aren’t focused on system replacement, are focused on system upgrades. Strategizing for continuous improvement and how organizations are going to handle continuous change will be a game changer for pension funds.

3. Automated Testing

With an eye on continuous innovation, lots of funds are strapped for testing resources and looking for or implementing ways to automate testing. Of course, with the changes that pension technical environments face, the need for testing has also exponentially increased. Pension funds are looking at both more effective and more efficient testing.

4. Disaster Recovery (DR) and Business Continuity

Gone seem to be the days where DR and business continuity planning were only for the largest funds. Lots of funds spoke about upgrades to their DR sites and continuity plans. Current trends aren’t just considering DR. They are making DR efficient, easy, and effective. IT departments are prioritizing ease of use and speedy responsiveness, like one-click-disaster-recovery.

5. Enhancing Self Service

Within the last five years, almost every pension fund has brought self-service through online portals to their membership. But, now funds are turning an eye to adding new functionality online. While additional self-service functionality empowers members, increases

data accuracy, and allows for fewer staff touch points, balancing the pros with security is a challenge for most funds. The trend, however, seems to be high-quality member experiences (UI/UX) and best practice implementation and then finding security solutions that can accommodate these changes – rather than the other way around.

6. Moving to the Cloud

There is certainly a trend for pension IT organizations to move to cloud computing. Reaping benefits like flexibility, security, disaster recovery, and automated software updates are attractive for many organizations. Of course, benefits are being balanced with concerns such as perceived lack of security, fast pace of cloud innovation, and potential vendor lock-in. Pension IT organizations seem to be overcoming their concerns and moving forward with the cloud, none-the-less.

7. Technology Assessments

With the focus on continuous improvement, many pension funds are assessing the health and maturity of

their technology and technical department. Technology maturity assessments seemed to be a popular way for pension IT departments to determine how they measure up against other IT departments and how they should prioritize their next set of projects.

8. Intranet Sites

Intranet sites are also a hot topic as IT departments are trying to meet the needs of internal employees dealing with constant change. Discussions revolve around tools pension funds use, as well as intranet strategy.

9. Infrastructure Changes

It was impressive how many funds have been investing in upgrading their infrastructure. The most popular infrastructure changes recently have been to move to Windows 10, VOIP, MS 365, Exchange Online, SharePoint Online, and DocuWare.

10. An Eye Toward the Future

There’s also a set of topics that pension IT departments are interested in learning about, but they haven’t

started strategizing for. The most popular of these kinds of topics include: Artificial Intelligence, Business Intelligence, Interactive Intelligence, and Social Engineering. These conversations are about how pension agencies will benefit from these technologies and/or where these newer technologies fit in the world of pension. The jury is still out on whether or not pension IT departments will adopt these new technologies.

It’s wise for pension IT departments to take some time to think through each of these trends and what their approach or philosophy might be. Of course, we recognize just because something is trending, doesn’t mean that you should prioritize it as your next investment! At Sagitec, we have a set of guiding principles that help us to analyze and assess new technologies and trends in determining whether or not we should consider adopting them. This strategy works well for us as we continue to keep our thumb on the pulse of trends and keep our eye on continuous improvement.



Top Areas for Increased State and Local IT Spending

Source: Govtech Navigator

State 2019 Est. IT Spend:
\$53.1 Billion

States

- Business Intelligence and Analytics
- Cybersecurity
- Shared or Collaborative Services
- Cloud Computing
- Healthcare

Cities

- Cloud Computing
- Disaster Recovery
- Business Intelligence and Analytics
- Cybersecurity
- Citizen Engagement and Experience

Local 2019 Est. IT Spend:
\$54.5 Billion

Counties

- Business Intelligence and Analytics
- Cloud Computing
- Shared or Collaborative Services
- Cybersecurity
- Networking and Broadband





Advocacy Defined: We Have Your Back

Customer advocacy done right, in its truest form, is the most special kind of customer service. Many organizations treat customer advocacy as the practice of getting their customers to advocate on their behalf – but, not Sagitec. We believe that customer advocacy is the practice of advocating on behalf of our customers, every day and in every way. Our customers, after all, are the reason that we are in business! And, it’s for that very reason that Sagitec has developed our Customer Advocacy Program.

The Proof is in the Pudding

Sagitec’s Customer Advocacy Program is wrapped inside Sagitec’s broader Engagement and Effectiveness function – which is aimed at integrating solutions to improve customer experience, employee experience, brand experience, and product experience. We strategically united the most important experiences into the fabric of our company so that we can improve continuously and be a better partner for our customers.

Right Fit Partnerships
Advocate for Customer Needs

FINDING OUR CENTER

Sagitec realized long ago that when we seek to understand, share our joy and our sorrow, and never lose sight of continuous innovation and improvement, we delight our customers. And, it’s in delighted customers that we find our center – our purpose and our mission. It took us a little time to formalize what makes us feel whole and officially launch our Customer Advocacy Program, but when we did, here’s what we wanted to accomplish:



Continuously experiment, improve, measure, and refine delighting our customers every day and in every way.



Drive effectiveness and efficiency into the way we communicate with and educate our customers, but value transparency as the highest communication virtue.



Assist customers in collaborating with each other and with Sagitec’s experts in order to solve problems, generate new ideas, and build lasting relationships.



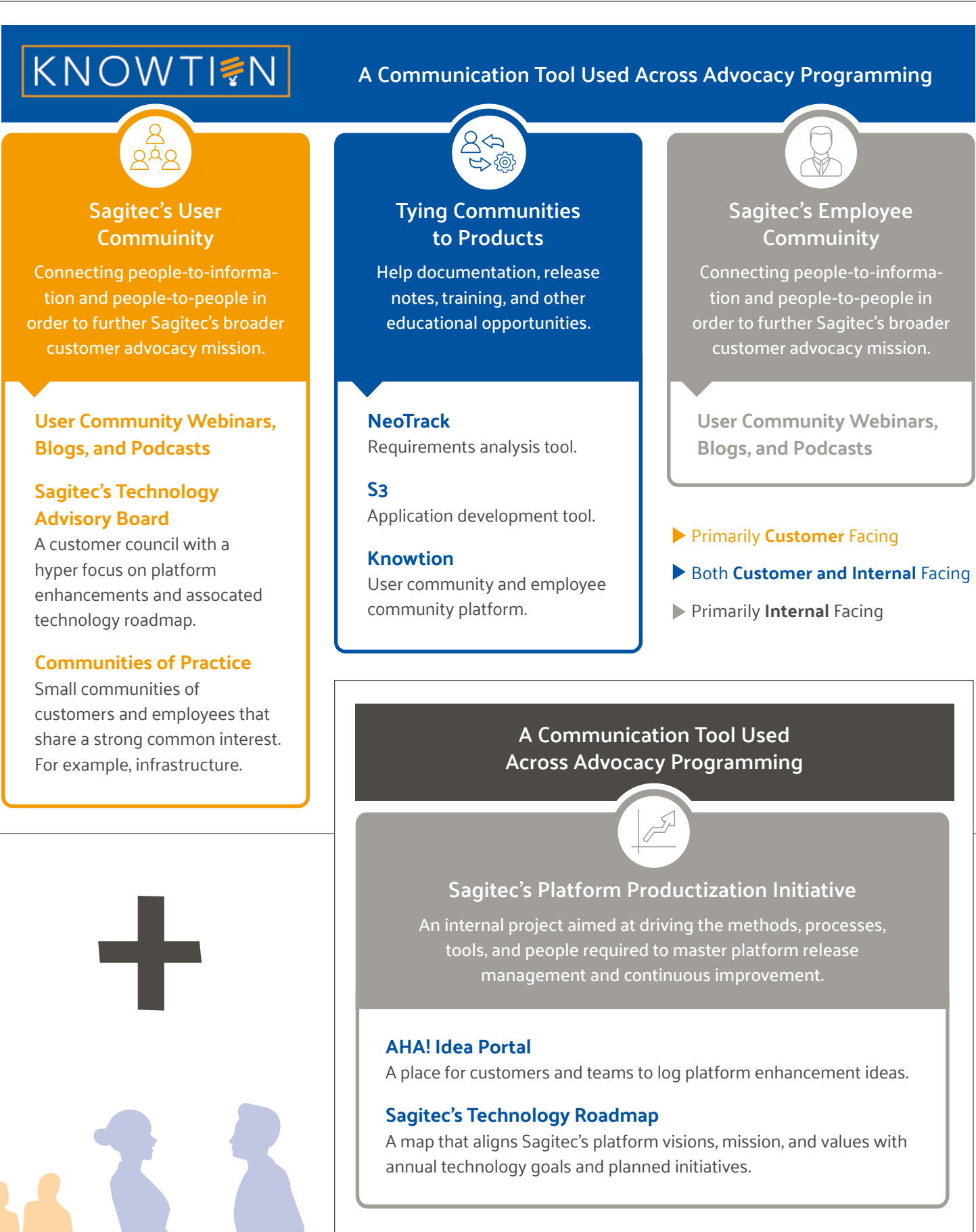
See the big picture, but start with small wins, and scale the things that work well.



Elicit the voice-of-the-customer and drive that voice into everything we do.

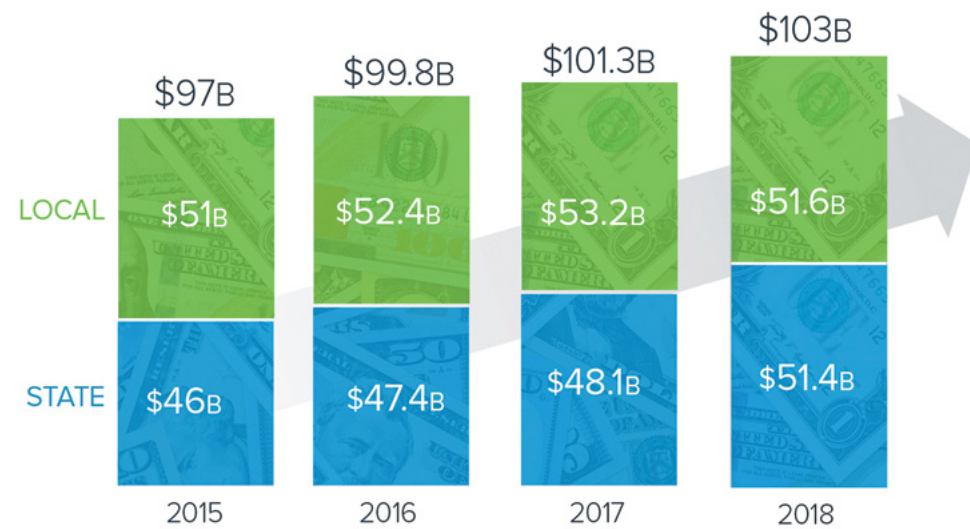
If you want to know more about our customer advocacy initiatives and want to be a part of them, reach out to Stephanie.Schrankler@sagitec.com.

A PEAK INSIDE SAGITEC’S CUSTOMER ADVOCACY TODAY



State & Local Government IT Spending

Source: Govtech Navigator



GovTech 100 Top Government Technology Companies List



The GovTech 100 is an annual list compiled and published by Government Technology as a compendium of 100 companies focused on, making a difference in, and selling to state and local government agencies across the United States.

It is a great way to recognize companies founded to solve problems unique to the public sector. GovTech 100 companies represent a growing set of scalable, digital solutions addressing the tough, complicated problems that governments face – from health care and public finance to pension administration and labor and employment.

“Four years in, the GovTech 100 continues to provide a glimpse at the

most innovative companies partnering with government to solve mission-critical problems,” said e.Republic Chief Innovation Officer Dustin Haisler, who was heavily involved in the list’s creation.

2018 was remarkable for the number of large, significant deals that reshaped the landscape, bringing the sometimes fuzzy outline of how a government technology company can be a profitable investment into clearer focus.

2018 also saw companies gradually moving into competitive spaces with one another. Oracle jumped into the permitting and licensing space, putting it in competition with Tyler and Accela.

Accela partnered with Microsoft for cloud services, which Oracle is also set on increasing its presence in.

Sagitec has been featured on the list for the first time and is proud to be part of this year’s list and is certain that it can help the public sector and the benefits administration industry a lot more with its focus on cloud and cutting edge technology solutions.

Last year, the gov tech market brought bigger deals, more investment, new companies and many fresh new innovations that moved the needle in the public sector. For more on the list and which companies made it, read more on the GovTech website: <https://www.govtech.com/100/2019/>



It is an honor to be part of this prestigious list, amongst a lot of innovative players because it validates our approach to helping clients become more effective, efficient, and customer-centric. Our goal has been to help government agencies in the benefits administration industry. We have been doing so for the last 14 years and will continue to invest in innovative technologies, faster processes, and domain expertise to modernize legacy systems.

Piyush Jain, CEO, Sagitec

SPOTLIGHT

The recent International Social Security Association (ISSA) Regional Social Security Forum for Asia and the Pacific, recognized The Fiji National Provident Fund for its responsiveness to its stakeholders' needs, as well as developing online services to ease doing business with its customers.

The awards that FNPF received are:

Certificate of Merit Awards for Practices in managing natural disasters: delivery of service in times of need

Certificate of Merit Awards for Employer Online Portal

This is the seventh time in six years that FNPF has been acknowledged by the ISSA for various initiatives, including the Pension Reforms.

Sagitec congratulates FNPF for this recognition.

Source: <https://myfnpf.com.fj/index.php/media-center/media-releases/300-issa-recognition-for-fnpf>



DRIVING VISION INTO ACTION



About Sagitec

Sagitec Solutions, LLC, is a global software provider focused on solving complex, business-rule driven problems with domain experts and proven technology. They serve some of the largest pension organizations in the world. Their fully integrated, web-based pension administration solution supports millions of plan participants, many thousand 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 unemployment insurance, paid family leave, disability, and healthcare. With deep industry experience in software implementation and systems integration, project management, knowledge management, predictive analytics, chatbots, cloud services, consulting, hosting, and software support, Sagitec is a partner clients can trust to drive their vision into action. For more information, visit www.sagitec.com.



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