



JUNE 2024

Strategic Plan

2025–2027

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Letter from ERFC Executive Director

A three-month collaborative process has culminated in the development of the ERFC 2025-2027 Strategic Plan. This strategic plan represents a significant milestone in our journey toward enhancing the supplemental retirement system for Fairfax County Public Schools employees and ensuring its sustainability and effectiveness in the years to come.

Throughout this intensive process, which involved stakeholders from across the organization, we have identified four key strategic objectives that will guide our efforts moving forward: Excellent Governance, Impactful Member Experience, Effective Operations, and Purposeful Education. Each of these objectives plays a crucial role in shaping the future direction of our organization and in achieving our overarching goal of making ERFC the best it can be.

I am proud to say that the commitment and dedication demonstrated by our employee team throughout this process have been truly exemplary. As Executive Director, I want to reaffirm our unwavering commitment to working hand in hand with the Board of Trustees, our partners at the Fairfax County school system, and all relevant stakeholders to realize the objectives outlined in our strategic plan. By fostering a spirit of collaboration and cooperation, we will harness our collective expertise and resources to drive meaningful change and create a retirement system that truly serves the needs of our members. Together, we can make a lasting impact and ensure a secure future for all those who rely on our supplemental retirement system.



Ryk Tierney

Ryk Tierney, CEBS
ERFC Executive Director

ERFC Mission and Vision



MISSION

To enhance the financial security of our members through prudent financial stewardship of a defined benefit plan while providing outstanding retirement services and education.

VISION

To be the leader among peers providing professional and personalized service to our members and beneficiaries to support their efforts to achieve financial independence.



Our Values and Prudent Management Principles

Our values and management principles drive what we do every day to meet our mission requirements and work toward our vision.



VALUES

Accountability

We always operate with transparency and a commitment to think strategically while fulfilling fiduciary obligations.

Customer Service

We always respond promptly with quality as we strive to exceed the expectations of our members and their beneficiaries.

Open Communication

We provide timely and pertinent information that improves processes, removes barriers and establishes accountabilities.

Integrity

We conduct operations by adhering to the highest standards of ethical conduct, striving for accuracy, efficiency and effectiveness.

Continuous Education

Through ongoing education efforts, we enable ERFC employees to continuously improve the service and value they provide to our members; our Board of Trustees to more effectively guide and inform ERFC strategy; and our members to better understand and maximize their ERFC benefits.

Our Values and Prudent Management Principles



MANAGEMENT PRINCIPLES

Adequate Funding

To maintain adequate funding of all promised benefits and to ensure the financial integrity of the System.

Prudent Investments

To adopt comprehensive objectives, methods for evaluation of performance, and policies that ensure the highest possible investment return consistent with the prudent investment of plan assets.

Actuarial Studies

To have an annual actuarial valuation performed by an enrolled actuary in accordance with actuarial standards and to implement an actuarial experience study at least every five years.

Annual Reports

To keep, as part of the public record, annual financial, actuarial, and investment information that will be available for members and elected officers.

Financial Audits

To prepare an annual financial statement in accordance with generally accepted accounting principles and to implement an annual audit of the System's financial statement in accordance with generally accepted auditing standards.

Strategic Objectives



STRATEGIC OBJECTIVE

Excellent Governance

Underpins our Mission of “prudent financial stewardship”



STRATEGIC OBJECTIVE

Impactful Member Experience

Amplifies our Vision of “personalized and professional service”



STRATEGIC OBJECTIVE

Effective Operations

Enables our Values of “integrity and accountability”



STRATEGIC OBJECTIVE

Purposeful Education

Supports our Value of “continuous education”



STRATEGIC OBJECTIVE

Excellent Governance

Goal 1: Pension Fund Sustainability



Keeping our promise of a secure pension has remained a cornerstone of ERFC's mission for over 50 years. We have provided retirement funds to those who serve Fairfax County Public Schools (FCPS) and their beneficiaries since July 1, 1973. We continue to make progress toward strengthening the pension fund and continually strive to mitigate risks, integrate sustainable investment strategies, and balance contribution levels and volatility. We do this by analyzing the health of the fund on a regular basis.



Strategy 1.1: Implement Internal Investment Management Reviews (IMRs)

Initiative 1.1.1: Establish internal procedures for conducting IMRs.

We have already begun developing internal procedures and will complete this in the first quarter of FY25. We will also develop a calendar of reviews and will hold ourselves accountable for adhering to the procedure and calendar.



Success Indicators:

- Updated internal IMR procedures
- Following the procedures and adhering to the calendar



STRATEGIC OBJECTIVE

Excellent Governance

Goal 1: Pension Fund Sustainability



Strategy 1.2: Continue Peer Benchmarking

Evaluate the cost benefit and effectiveness of engaging an external firm to provide investment benchmark reporting against a focused peer group, in addition to the pension operations benchmark reporting. ERFC will conduct research on any other peer benchmarking resources that might be useful (e.g., NCPERS, NCTR, IFEBP). ERFC will also continue to monitor and assess our performance against internal benchmarks.

Initiative 1.2.1: Evaluate value vs. cost of investment benchmark and pension administration benchmark reporting.

Initiative 1.2.2: Conduct internal benchmarking of KPIs to compare current performance against past performance, allowing for the ability to identify trends and evaluate for improvements. Self-benchmarking allows for the setting of realistic goals, measured success, and the ability to make informed decisions.



Success Indicators:

- Improved peer benchmarking using traditional industry measures of investment performance and pension administration expense determined through cost-effective and reliable industry sources
- Self-benchmarking that allows for the setting of realistic goals, measured success, and the ability to make informed decisions



STRATEGIC OBJECTIVE

Excellent Governance

Goal 2: Continued Strengthening of Governance



Strategy 2.1: Explore Opportunities for Improvement

Continue implementing operational procedure enhancements based on industry best practices, Board of Trustees and legal advice, appropriate stakeholder* feedback and recommendations.

Initiative 2.1.1: Evaluate our governance practices with newly published best practices for public pension funds, published by NCPERS.

Initiative 2.1.2: Ensure cybersecurity policies and standards are current, leveraging FCPS policies and procedures, and build formal exercise routines with FCPS IT Security as part of the broader cybersecurity ecosystem.

Initiative 2.1.3: Develop procedures for conducting proactive risk management reviews to safeguard the integrity and security of pension fund assets through risk management protocols and fraud prevention.

Initiative 2.1.4: Establish a Compliance Monitoring Program for tracking permanent records, vendor contracts, and required reporting compliance.



Success Indicators:

- Successful evaluation of ERFC governance against best practices, with implementation of changes if necessary
- Completed review of cybersecurity policies and standards, along with establishment of formal exercise routines with FCPS IT
- Development and implementation of proactive risk management tools
- Enactment and maintenance of Compliance Monitoring Program

*Stakeholder: School Board, Board of Trustees, ERFC Staff, Members, and FCPS



STRATEGIC OBJECTIVE

Excellent Governance

Goal 2: Continued Strengthening of Governance



Strategy 2.2: Improve Reporting Capabilities

ERFC provides information tailored to the diverse needs of numerous stakeholders, offering varying levels of detail. A new reporting capability will make it easier for ERFC staff to collect and disseminate relevant, timely, and accurate financial information to stakeholders for decision-making purposes.

Initiative 2.2.1: Define requirements and evaluate potential options for implementation of dashboard capabilities.



Success Indicators:

- Implementation of dashboard reporting capabilities that provide useful, timely, and accurate information for the end user



STRATEGIC OBJECTIVE

Excellent Governance

Goal 2: Continued Strengthening of Governance



Strategy 2.3: Expand the Use of KPIs Across ERFC

Leveraging industry best practices and key performance indicators (KPIs), define a complete set of KPIs for all ERFC functions. Utilize best practices in performance measurement to establish metrics for which data is available, enabling ongoing tracking to enhance overall operational excellence. In addition, adopt data-driven decision making through regular data gathering and evaluation.

Initiative 2.3.1: Develop KPIs based on industry best practices and ERFC historical trends.

Once KPIs have been established, track the data and benchmark against others, in accordance with strategy 1.2.

Initiative 2.3.2: Evaluate the need for a business process audit.

Evaluate the potential benefit and relative costs of having an external entity conduct a business process audit once KPIs have been established and SOPs have been updated.



Success Indicators:

- KPIs defined and reported, including, but not limited to:
 - Statistics that measure productivity, accuracy, and effectiveness related to member services, pension process, finance, and use of technology
- Business Process Audit findings (if needed)



STRATEGIC OBJECTIVE

Impactful Member Experience

Goal 3: Enhance Member Experience



ERFC has made investments in several different areas to improve the member experience and support our ability to provide the services members need. As a strategic priority, we will continue to grow outreach and member education to enhance member services and communications addressing two focus areas: member relations and quality delivery methods. We have made recent adjustments to *ERFCDirect*, but it will be important to make continual updates to *ERFCDirect* as well as to the ERFC website and other member-facing technologies.



Strategy 3.1: Improve ERFC Website

Based on appropriate stakeholder feedback, continually improve the ERFC website and make upgrades including UX/UI enhancements. We will integrate appropriate stakeholder feedback regarding additional functionality that would provide the greatest value to them and ERFC.

Initiative 3.1.1: Plan and implement continuous improvements to the ERFC website.



Success Indicators:

- Implementation of continuous improvement to ERFC website, based on industry standards and stakeholder feedback



STRATEGIC OBJECTIVE

Impactful Member Experience

Goal 3: Enhance Member Experience



Strategy 3.2: Enhance *ERFCDirect*

Brand *ERFCDirect* as a retirement education and planning resource by instilling a sense of ownership among our members and promoting *ERFCDirect* as a secure, accessible, comprehensive, and easy-to-use resource for retirement information, education, and tools. This may include adding “calendly-like” functionality to make it easy for members to schedule appointments with a retirement specialist and enhance the retirement specialist’s ability to manage their schedule.

In addition, consider developing other interactive tools that help enhance the member experience and communications (e.g., pension modelling and forecasting tools like what VRS has). Lastly, improvements to *ERFCDirect* will aid in improved communications internally and externally.

Initiative 3.2.1: Seek opportunities to continually enhance *ERFCDirect*.

Leverage existing educational resources by providing access to them via the secure platform, *ERFCDirect*. We have learned that offering educational materials through *ERFCDirect* would significantly enrich the member experience.



Success Indicators:

- Member satisfaction and appropriate stakeholder feedback regarding the improvements and user-friendly nature of improvement to *ERFCDirect*



STRATEGIC OBJECTIVE

Impactful Member Experience

Goal 3: Enhance Member Experience



Strategy 3.3: Track Member Campaigns Using Analytics

Use analytics to evaluate the effectiveness of campaigns and member communications. Website usage analytics will be used to create additional educational campaigns and improve communication with members. We have already begun using analytics and are committed to learning from the analytics to enhance the member experience.

Initiative 3.3.1: Continue to glean opportunities for improvement based on data analytics and implement when appropriate.



Success Indicators:

- Identification and implementation of appropriate improvement opportunities based on data analytics



Strategy 3.4: Continue to Capture Member Feedback Through Surveys

ERFC has developed several surveys to collect member feedback regarding their interactions with ERFC. We are committed to continuing the use of surveys to collect feedback to improve the member experience as well as identify opportunities for operational improvements.

Initiative 3.4.1: Identify technology solutions and engage appropriate software development support to automate consistent answers to member questions across ERFC (e.g., member services, finance, IT, etc.).



Success Indicators:

- Appropriate stakeholder feedback
- Accuracy of ERFC's responses to stakeholder questions
- Click-through rates
- Campaign impact on website traffic
- Web page views



STRATEGIC OBJECTIVE

Impactful Member Experience

Goal 3: Enhance Member Experience



Strategy 3.5: Enhance Call Center Capabilities

Interactions with the call center play a significant role in shaping the member experience and support members' ability to make informed retirement decisions. ERFC envisions several enhancements that will not only improve the member experience but will foster learning and development for call center staff. For example, unlike many call centers, ERFC does not record calls. Implementing this feature would help facilitate the identification of coaching needs among call center staff and enhance training effectiveness. Additionally, the current phone system doesn't give leadership the ability to track call volume and dropped call rates or to change the hold time message.

Initiative 3.5.1: Analyze call center needs and propose a cost-effective solution.



Success Indicators:

- Improved member experience as measured by call follow-up survey
- Measurement of Call Center effectiveness through the use of appropriate KPIs, benchmarked to peers and against historical internal performance



STRATEGIC OBJECTIVE

Effective Operations

Goal 4: Operate Effectively and Efficiently



Focus ERFC staff's ongoing efforts to evaluate performance, reduce costs, and eliminate redundancies in business processes, and embrace appropriate technology investments to support these ends.



Strategy 4.1: Evaluate the Operational Effectiveness of the Current ERFC Benefit Administration System (BAS)

With system improvements, leadership will have an opportunity to improve the visibility of operations data and enhance communications and reports to key stakeholders. Staff will also gain from a focus on improving the BAS based on increased functionality.

Initiative 4.1.1: Evaluate current BAS against existing and projected requirements.

This will include reviewing Pension Gold V4 as well as other vendor BAS features and functionalities, collecting staff feedback, and outlining potential solutions.

Initiative 4.1.2: Evaluate solution options and perform cost/benefit analysis to determine implementation options.

This may include implementing an updated version of our current BAS, implementing a newer version of our BAS, and migrating to a new BAS vendor solution.



Success Indicators:

- BAS requirements defined, cost-benefit analysis performed, and system changes implemented if deemed necessary and appropriate



STRATEGIC OBJECTIVE

Effective Operations

Goal 4: Operate Effectively and Efficiently



Strategy 4.2: Lower Costs and Improve Operational Efficiencies Through IT Environment Improvements

This may include migration to VM servers, migration of phone services to the cloud, and rolling out a business intelligence tool. ERFC will work closely with FCPS IT to evaluate and implement IT solutions that lower costs and/or increase operational efficiencies. IT enhancements will also provide flexibility and the ability to scale as needed.

Initiative 4.2.1: Enhance the ERFC IT environment to support business continuity, systems and data security, and operational productivity.



Success Indicators:

- Establishment of baselines and implementation of ongoing reporting capabilities to monitor infrastructure downtime, frequency of planned and unplanned outages, and security incidents



Strategy 4.3: Develop “Knowledge-Based” Resources

The ability to quickly find information to support members in their inquiries will aid in operational efficiency and effectiveness.

Initiative 4.3.1: Develop and implement an ERFC knowledgebase.



Success Indicators:

- Implementation of an ERFC knowledgebase based on stakeholder input, using cost-effective software



STRATEGIC OBJECTIVE

Purposeful Education

Goal 5: High-Quality Training



Strategy 5.1: Continually Enhance Trustee Training

Support continual training and certification opportunities and informational programming for the Board of Trustees. This knowledge is essential to support Board decision making with respect to the Plan.

Initiative 5.1.1: Enhance Trustees' ability to govern the fund through training, webinars, conferences, etc.



Success Indicators:

- Increased Trustee engagement, knowledge, and skills, and improved decision-making abilities as measured through Trustee feedback.



STRATEGIC OBJECTIVE

Purposeful Education

Goal 5: High-Quality Training



Strategy 5.2: Continually Seek Opportunities to Engage With Stakeholders

Adapt our focus to provide members with a complete understanding of the need to financially prepare for retirement throughout their FCPS career. ERFC recognizes that providing members with useful and user-friendly tools, resources, and education, earlier as well as throughout their careers, will better support our goal of engagement and education of our stakeholders.

To determine areas for improvement, ERFC will work to:

- Identify profiles, life events, and career stages (e.g., onboarding, year four alerts that a member is almost vested, mid-career, and near retirement) and create tailored information, resources, and tools for each event and stage.
- Leverage member feedback from surveys.
- Maintain open and consistent dialogue with FCPS to facilitate a shared understanding of member needs.

Initiative 5.2.1: Develop online, on-demand resources.

Initiative 5.2.2: Develop and implement member engagement plans that span their career.

Initiative 5.2.3: Develop and execute a plan to connect members to their ERFC plan through branding and the use of the secure portal, correspondence, and social media.



Success Indicators:

- Implementation and usage tracking on new online, on-demand resources
- Evaluation of utilization rates for tools and online resources, including webinars, both live and recorded
- Implementation and tracking of member career engagement plans completed



STRATEGIC OBJECTIVE

Purposeful Education

Goal 5: High-Quality Training



Strategy 5.3: Support Employee Development

Provide opportunities for ongoing employee training, development, and certifications around job-related requirements. This should also include the development of tools to enable more effective communication across ERFC departments, cross-training opportunities, and improved responsiveness to member inquiries. In addition, we will integrate and sustain leadership competencies to promote behaviors across ERFC that support the retention and engagement of a high performing workforce. This will enable staff at the supervisor level and above to ensure continued growth opportunities.

Initiative 5.3.1: Seek opportunities for staff development training beyond immediate job-related requirements.

Initiative 5.3.2: Develop leadership and management employee development program.



Success Indicators:

- Development and implementation of employee, leadership, and management development programs that result in improved productivity, efficiencies, and employee relations.
- Reporting on successful utilization of these programs by ERFC employees
- Appropriate stakeholder feedback



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