

Deferred Compensation Plan BOARD REPORT 11-81

Date: November 29, 2011
To: Board of Deferred Compensation Administration
From: Staff
Subject: Strategic Plan: Revised Mission/Vision/Values
Statements & Primary Goals

*Board of Deferred
Compensation Administration
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Recommendation:

That the Board of Deferred Compensation Administration receive and file for discussion information regarding revised mission/vision/values statements, and primary goals, for a Strategic Plan for the City's Deferred Compensation Plan.

Discussion:

At the Board's direction, staff is drafting a Strategic Plan for the Deferred Compensation Plan. The purpose of the Strategic Plan will be identifying the Plan's mission, goals and strategies over a five-year period (2012-2016).

At the Board's September 20, 2011 meeting, the Board provided guidance to staff concerning the assumptions to be used in estimating available Plan resources. The discussion regarding resources occurred first because goals and objectives, if they are to be realistic, must be established relative to the available resources. At the Board's October 18, 2011 meeting, Board members provided direction to staff regarding proposed mission mission/values statements for the Plan.

Following is a summary of prior and outstanding discussions:

- Identification of Plan Resources
- Mission/Vision/Values Statements
- Primary Objectives and Goals
- Implementation Strategies
- Evaluation Factors
- Related Policies

In this report staff will present revised proposed missions/values/vision statements, as well as proposed primary goals.

A. MISSION/VISION/VALUES STATEMENTS

The objective of a **mission statement** is to define the purpose of an organization. The objective of a **vision statement** is to define an organization's aspirations for the future. The

objective of a **values statement** is to describe the principles most important to the organization in how it accomplishes its mission.

As an example, a widget maker’s “mission” might be to make high-quality widgets at a competitive price. The widget maker’s “vision” might be to become the premier widget maker in the country. The widget maker’s “values” might include accomplishing its task by using a collegial workforce, encouraging leadership, and manifesting accountability to customers.

MISSION STATEMENT

At their October meeting Board members discussed creating a more abbreviated mission statement which has been revised to read as follows:

The mission of the City of Los Angeles Deferred Compensation Plan is to provide active and retired City employees with a supplemental retirement and savings program that offers opportunities for enhancing retirement and financial security.

VISION STATEMENT

Board members discussed creating a more broadly-themed vision statement which staff has redrafted as follows:

Our vision is that the City’s Plan will establish itself as a premier governmental supplemental retirement savings program dedicated to engaging and effective communication; personalized, expert and friendly customer service; and diligent, forward-thinking Plan administration guided solely by what is in the best interests of Plan participants.

VALUES STATEMENT

Board members suggested developing a values statement to supplement the mission and vision statements. Staff reviewed values statements from a wide variety of private firms and public sector entities. The typical values statement contains a list of concepts that are important to the organization and its specific mission. After reviewing them, and considering the history and function of the City’s Plan, staff is proposing the following as a proposed Values Statement:

The City’s Plan will be guided the following core values in pursuit of our mission:

Integrity – The integrity of each and every one of our decisions and actions is paramount, and is demonstrated by our commitment to the highest ethical standards at all times, and to always and exclusively acting in the best interests of our Plan participants.

Transparency – As a public entity and as part of safeguarding the trust of,2 and accountability to, our participants, we believe all of our deliberations, decisions, and actions must be fully transparent to participants, colleagues, and the public.

Collaboration – We believe that one of our greatest strengths in administering the Plan flows from the degree to which we collectively collaborate internally and externally with those whose experience, wisdom, insights, creativity, and judgment support the mission of the Plan.

Innovation – We believe in creative and innovative approaches to fulfilling our mission, recognizing that achieving excellence frequently requires a willingness to critically examine our processes and challenge conventional thinking in order to ever more successfully expand the borders of what is possible for our Plan and its participants.

Customer Service Excellence - We recognize that our participants rely on us to be proactive, empathetic, engaging, patient, and friendly, and to demonstrate competence, professionalism, and credibility, so that they can be successful in managing their accounts, and we are committed to these qualities in all matters in which we serve them.

B. PRIMARY GOALS

The Strategic Plan must develop broad concepts of goals so that it can then detail specific implementation strategies in support of those goals. Staff is proposing the following primary objectives and goals for the City's Plan:

- (1) **EFFECTIVE COMMUNICATION** - Effectively communicate to Plan participants the opportunities created by the Plan, and the information and processes necessary to take advantage of those opportunities.
- (2) **PROVIDE QUALITY INVESTMENT CHOICES** - Establish and maintain a menu of high quality, diversified core investment options that allow participants of varying risk tolerance to construct portfolios tailored to meet their particular financial goals; and provide a broad-based Self-Directed Brokerage Option (SDBO) to meet the needs of participants who prefer a broader range of investment choices.
- (3) **PROVIDE EXCELLENT CUSTOMER SERVICE AND PLAN ADMINISTRATION** – Provide direct customer service that is proactive, empathetic, engaging, patient, and friendly; and design support services and administrative processes which safeguard participant assets and demonstrate competence, professionalism, and credibility.
- (4) **EXECUTE DILIGENCE IN PROCUREMENT/CONTRACTING** – Design procurement processes which create opportunities to consider the widest range of potential service providers and contract with firms providing the highest quality services relative to reasonable cost.
- (5) **EFFECTIVE RESOURCE MANAGEMENT** – Establish and maintain an operating budget which fulfills the Plan's mission in an efficient and cost-effective manner.
- (6) **DEVELOP INTELLECTUAL RESOURCES** - Ensure that the Board and its staff have the informational tools and resources to properly perform their functions.

Upon refinement of the concepts presented in this report, staff will next develop draft implementation strategies for the coming calendar year and beyond. These strategies will be

presented in the form of a preliminary draft of an actual Strategic Plan document incorporating previously discussed mission/vision/values statements and goals.

Submitted by: _____
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