

Deferred Compensation Plan BOARD REPORT 11-48

Date: June 7, 2011
To: Board of Deferred Compensation Administration
From: Staff
Subject: Plan Communications and Participant Focus
Group Volunteer Pool

*Board of Deferred Compensation
Administration
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Recommendation:

That the Board of Deferred Compensation Administration (a) approve a proposal to develop volunteer pools of Plan participants interested in serving on focus groups for Plan communication materials and other Plan administrative issues and (b) direct staff to return with a proposed solicitation and application form.

Discussion:

Staff views effective Plan communications as one of the Plan's most crucial responsibilities. Communications includes all of the various ways in which participants interact with the Plan to process transactions, engage themselves with information about Plan features and services, and otherwise manage their accounts. As discussed under Board Reports 11-37 and 11-38 at the Board's June 21, 2011 meeting, communications will be a fundamental component of future Board meetings as well as strategic plan development.

Recently, development of communication materials for the Roth savings options presented a unique challenge and learning opportunity for the Plan. Because Roth represented a change to one of the most fundamental concepts of the Plan (the nature in which funds are contributed and withdrawn), staff believed it was important to determine how participants would be likely to receive and process the information. Staff therefore used a highly disciplined development process for Roth communication materials. The elements of that process included:

- Collaborative concept development
- Development of bold metaphors and engaging imagery
- Message reinforcement through use of multiple communication venues
- A thorough review of all Plan communication materials to ensure consistent application of concepts, imagery and metaphors
- Focus group testing
- Results testing (pending following implementation)

Of these elements, perhaps the most valuable was the use of focus groups at multiple points in the process of developing Plan materials. This type of feedback is important to ensure that communications avoid becoming overly skewed by technical jargon or extraneous detail. Focus group feedback provided crucial information concerning aspects of Roth about which

participants were curious, confused, or concerned, and this resulted in key modifications and revisions to draft materials. The result was a final product that received top marks from participants in terms of simplicity and understandability. Focus groups were used for both the core Roth brochure as well as the Roth informational seminar.

Because the development process for Roth communication materials worked so effectively, staff would like to replicate it for use in potential future communications initiatives, of which there are a considerable number. These include but are not limited to the following:

- Revisions to key documents such as the enrollment guide and distribution guide
- Quarterly statements
- Revisions to the Plan website
- Use of alternative technologies such as social media and video
- Revisions to frequently used forms (e.g. distribution, beneficiary designation, rollover, etc.)
- Educational seminars
- Enrollment seminars
- Retired participant outreach
- Coordination of messaging with the City's retirement/pension plans

Some Roth focus group participants expressed an interest in serving on future panels. In considering this, staff concluded that it would be helpful to solicit Plan participants broadly to volunteer for a pool of potential focus group panelists. Developing a pool would provide the Plan with a ready list of individuals that could be broken out by various demographic categories (e.g. retirement plan membership, age, City department, job classification, etc.). These focus groups could be used not only to test communications pieces, but also other potential Plan administrative issues for which the Board may be interested in obtaining participant feedback.

There is precedent for this type of solicitation. In 2005, as part of responding to a City Council request to review the Plan's third-party-administrator procurement and governance structure, the Board solicited Plan participants to serve on two separate task forces. These all-volunteer task forces generated recommendations which led to a revised Request for Proposal for TPA services and changes to the Plan's governance structure.

This proposed volunteer pool would not be constituted as a task force, but simply an assortment of interested participants who could be drawn from on an as-needed basis. By creating a broad pool, the Plan has flexibility to not only assemble focus groups quickly and easily, but to create demographic balance. Staff therefore recommends that the Board approve development of these volunteer pools, and direct staff to return with a proposed solicitation and application form.

Submitted by: _____
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Approved by: _____
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