



Our Baldrige Journey

by Brian Collins
Executive Director, Illinois Municipal Retirement Fund

I often get asked two questions at once: why did the Illinois Municipal Retirement Fund (IMRF) embark on the long and expensive Baldrige journey? And was it worth it? The answer to the first question is complicated, the second is easy.



First, a little background. IMRF is an organization that was established 80 years ago by the State of Illinois to administer (today) the pension plans of over 3,000 units of local government (cities, towns, school districts, libraries, park districts, etc.—our employers) on behalf of nearly 450,000 working men and women, retirees, and their dependents. IMRF's responsibilities also include the administration of disability and life insurance plans for those same employers and members. As of November 2020, IMRF was responsible for prudently investing over \$48 billion to ensure the sustainability of these plans.

“The Baldrige Journey will pay off, in the short term and the long term. We saw improvement in our first year and the improvements have never stopped. As I noted above, we have the highest quality and lowest cost combination in our industry. What Board of Directors would not want that?”

Our Vision is to provide the highest quality retirement services to all stakeholders, all the while staying true to our values of Respect, Empathy, Accountability, Accuracy, Courage, and Honesty. The administrative complexity of the program is daunting, not to mention the challenge of managing a portfolio that spans the globe and includes every imaginable investment product: stocks, bonds, real estate, private equity, etc. And, just for good measure, we want to do it

at the lowest possible cost. We accomplish all this with only 220 employees. That is no small task.

Ten years ago, when IMRF was roughly half its current size, management and our Board recognized the challenge

ahead and determined that if we were going to accomplish our Vision, we would need a new approach to managing IMRF that would ensure sustainable success. We needed a talented and engaged workforce, sophisticated and secure data systems, and a delivery platform that was easy for our stakeholders to use. After much research, we determined that we already had most of what we needed—great people. What we lacked was a systematic approach and set of organizing principles that would help sustain and guide us in the future, and we found and embraced the Baldrige Excellence Framework.

Today, ten years after we embarked on our Baldrige Journey, IMRF is recognized as a national leader in operational excellence, customer service, low delivery cost, and high investment returns. Independent benchmarking surveys in the public pension space have consistently ranked IMRF in the top decile for service quality and customer satisfaction, while only ranking at the industry median for delivery cost. Our net investment returns have also been consistently strong. High quality at low cost is a combination rarely seen in any industry. Baldrige did not show us how to do this but, rather, gave us a management framework that helped us find our own way.

The Baldrige approach also helped us understand the importance of our people. We have a diverse workforce that deserves a great place to work, opportunities for career growth, competitive compensation, great benefits, and a work/life balance that sustains the organization and our



people. Our employee engagement surveys, taken regularly and administered anonymously by outside consultants, indicate that the IMRF staff is highly engaged and satisfied with their work.

IMRF's commitment to the Baldrige Framework has been particularly helpful over the past year as everyone grappled with the pandemic. As you might imagine, the Baldrige Framework encouraged us to be ready for potential disasters. When the State of Illinois went into lockdown, IMRF was able to immediately pivot to a remote work model. During 2020, despite the pandemic, productivity has been up, as is customer satisfaction and employee engagement.

If you are reading this essay, you may have already started, or are at least considering the Baldrige Journey. You may be worried about the commitment of time and resources to such a long journey. Make no mistake, the commitment is substantial, and it will take a while—it took IMRF ten years! But I can assure you that it will pay off, in the short term and the long term. We saw improvement in our first year and

the improvements have never stopped. As I noted above, we have the highest quality and lowest cost combination in our industry. What Board of Directors would not want that?

I began with two questions: Why did we do it? Was it worth it? Our Board and the men and women of IMRF did it because they wanted to be the very best—for their own sake and the sake of our members. And it has paid off more than we could have ever imagined. Winning the 2019 Baldrige National Quality Award was only the icing on the cake.