



Date: March 27, 2014

To: Mike Huebsch, Secretary
Department of Administration

David Cagigal, Chief Information Officer
Department of Administration

From: Michael Williamson, Executive Director
State of Wisconsin Investment Board (SWIB)

A handwritten signature in black ink, appearing to read "Michael Williamson", is placed over the name in the "From:" field.

SWIB FY15 IT PLAN

In response to the annual requirement to submit agency IT plans for Executive review, SWIB has attached its FY 2015 plan per the standard template format. If you have any questions or would like additional clarification, please contact me or Erich Huemoeller, SWIB's Information Technology Director at 261-9348.

- I. **Top Five IT Goals** – Identify your agency's top five goals/objectives for utilizing information technology in FY15, and how they serve your agency's business needs. This response can be a high-level, one-page summary.

As an investment organization, we continue to improve the way we approach investment management in order to meet our goals and provide for the retirement of the over 570,000 participants in the WRS. As part of SWIB's three-year strategic plan, we are implementing a number of new investment initiatives that will better position SWIB to continue to provide solid returns while limiting risk. We plan to upgrade our portfolio management technology systems and operational processes to improve our access to and management of financial data. This is a critical component to SWIB's competitive edge and ability to make information investment decisions. SWIB's top 5 goals and objectives involving technology in FY 15 directly support the strategic plan.

- **Planning and design work for improving SWIB's Investment Management systems, processes and capabilities.**
This goal relating to SWIB's Investment Management systems is focused on identifying an ideal future state environment for SWIB's investment activities. This includes the identification of new systems, processes and data needed to help perform their investment jobs more effectively. This is driven by the need for enhanced portfolio management, trading, performance and risk management capabilities.
- **Planning and design work for improving SWIB's Investment operations and accounting systems, processes and capabilities.**
SWIB's investment accounting needs are unique within State government. This

initiative is designed to identify an outsourcing partner to help service the investment accounting needs of SWIB. This will likely mean utilizing new systems and changing processes, but the specifics will likely be dictated by the relationship in which SWIB engages.

- **Planning and design work for enhancing SWIB's Financial and Administrative systems and processes and integrating them with SWIB's investment management platform.**

In order to effectively manage profit and loss of investment strategies, apply costs and manage investment administrative functions, SWIB will be looking to implement administrative systems that allow for close integration and coordination with our investment management and accounting systems. Due to the integral nature of these functions, this initiative is highly dependent on the investment accounting relationship and how that might be implemented going forward, and must also provide for integration with the state's systems.

- **Planning and design work for improving SWIB's data architecture including identification of systems, processes and capabilities that should be enhanced in future years.**

Feeding the many investment management systems used by SWIB has become a challenging function for SWIB. In order to more effectively meet the requirements of the various systems in use at SWIB, the implementation of enhanced data architecture is needed. The business drivers behind this project include the need to increase individual analyst access to critical investment data. Complex multi-asset portfolio structures have significantly elevated the challenges associated with the investment processes and many of those challenges have been data related. This includes providing data for risk analysis, multi-asset portfolio exposure reporting, economic and industry analytic reporting, etc.

The design of the architecture, selection of tools and the initial implementations will begin during this period. These include data integration, data administration and reporting tools.

- **Implementation of an interim Risk and Portfolio Attribution and Reporting Service to help bridge the gap between our current systems and the future state environment being planned in item 1 above.**

Immediate needs exist for tools to help manage the risk exposures currently taken by SWIB. Interim solutions are being sought to help put the urgently needed tools in the hands of the investment professionals who need them. These will focus on risk and performance attribution capabilities to support our multi-asset funds.

- II. Provide your agency's IT budget** – At a minimum, include the budget for your central IT organization. If you also have budget figures for IT within program areas, please include those and identify the additional areas from where the numbers are derived

SWIB's IT Budget has not been set yet for FY15 but is expected to grow by 10% to accommodate new staffing. The FY14 budget was \$775,000.

- III. Provide your agency's number of IT employees** – At a minimum, include the employee numbers for your central IT organization. If you also have numbers for IT employees within program areas, please include those and identify the additional areas from where the employee numbers are derived.

FTE	18
LTE	2
CONTRACTORS	
OPEN POSITIONS	1

- IV. Agency Projects** – List all of your agency's IT projects expected to cost \$1 million or more. (\$1 million is the statutory threshold for reporting to the Legislature on IT projects, e.g., Wisconsin s.16.973(16), stats.) This includes projects that are starting, ongoing or ending anytime between July 1, 2014 and June 30, 2015. Include all types of IT projects (not just application development). You also can include IT projects expected to cost less than \$1 million that your agency views as high-visibility and/or particularly critical to serving business needs.

For each project listed for Item IV, complete the table on page 4 of these instructions.

Our top five strategic efforts are all in the planning stages and no other projects currently fall within this category.

- V. Potential Agency Projects** – List all potential agency IT projects expected to meet the \$1 million cost threshold that are in the conceptual phase, or that might be initiated in FY15 due to potential legislative changes (state or federal), or that might be dependent on securing grant funding (from a state, federal or nongovernmental organization). Note: The difference between projects listed in Item IV above and Item V is that projects in Item IV are currently active or scheduled projects, and Item V is for projects that are only in the conceptual or planning phases.

In FY15, SWIB will be conducting planning activities associated with its top five goals. During that time we will begin collecting business requirements, evaluating potential software providers and assessing costs. We will provide an update to this plan when the specific solutions are known and costs have been identified.

- VI. IT Infrastructure Projects or Expenditures** – Describe any projects or anticipated expenditures over \$100,000 related to augmenting IT infrastructure (e.g., hardware, servers, storage, networking components, security, backup and disaster recovery), if these projects have not already been described in sections IV or V above. Use the same abbreviated format as in

section V.

SWIB does not have any planned infrastructure augmentation projects that will exceed \$100,000 during FY15.

- VII. Issues (OPTIONAL)** – Identify and explain issues or other activities not described already that are influencing, or could influence, successful execution of your agency’s IT plan and about which DOA/DET should be aware. Be sure to include the issue type and description.

No issues currently exist that will appear to have a potential to impact projects underway, planned or conceptualized at SWIB.