

ASPPA

STRATEGIC PLAN

- JANUARY 2004 -

Approved by the Board of Directors on January 16, 2004.
Goals reprioritized by the Board of Directors on March 19, 2005.

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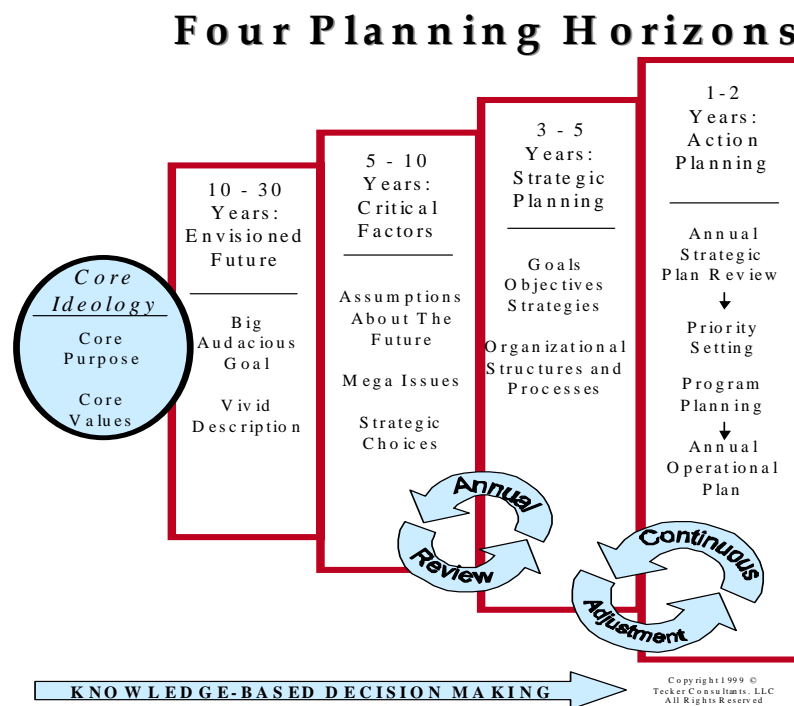
INTRODUCTION

A Strategic Planning Session was held in Philadelphia on August 11 & 12, 2001 with a planning team of 15 ASPPA leaders (two who were invited were unable to attend). Kermit Eide, a Principal Partner of Tecker Consultants, LLC, facilitated the session. The outcomes of this session included: Planning Assumptions, draft Core Ideology, a preliminary Envisioned Future and discussion regarding Membership/Stakeholder Structure. The Board continued conversations during the next year on Core Purpose and Core Values.

On July 26, 2002, the Board met in San Diego to continue development of a draft strategic plan. The Executive Committee met on December 6, 2003 in Dallas to complete this draft plan for consideration by the Board in January 2004.

Planning Framework

The four planning horizons below serve as a planning framework:



Next Steps

- ◆ Review of draft plan the Board of Directors
- ◆ Setting priorities among objectives
- ◆ Developing Action/Implementation Plans and link to budget - responsibility, evaluation, etc. - for high priority objectives

CORE IDEOLOGY

~ TIMELESS ~

Core Ideology describes an organization's identity that transcends all changes related to its relevant environment. Core ideology consists of two notions: **Core Purpose** – the organization's reason for being – and **Core Values** – essential and enduring principles that guide an organization, its behaviors and actions.

Core Purpose

To educate all retirement plan professionals and preserve and enhance the employer-based retirement system

Core Values

Mutual Respect (among retirement plan professionals)

Integrity (ethical conduct; accountability; fostering compliance)

Strategic Thinking (fostering innovation and creativity; looking toward the future; advocating changes needed to reach goals)

Responsiveness (when change occurs, taking initiative to help make it work)

Courage (taking the high road and doing what is right for the system and participants)

Dedication (committed to dignified retirement for individuals; committed to professionalism in the system; striving for excellence)

Fundamental Policy Statements

The employer-based retirement system is an essential part of a national retirement income policy

All employers, regardless of size, should have equal and fair access to the retirement system

Flexibility is important in the design of retirement programs

We are committed to the role of professionals in employer-based retirement programs

Education is fundamental to professionalism

ENVISIONED FUTURE

~ 10-30 YEAR HORIZON ~

Envisioned future conveys a concrete, but yet unrealized, vision. It consists of a Big Audacious Goal and a vivid description of what it will be like when the goals are achieved. The Envisioned Future defines what success will look like.

ASPPA is the premier educator of all retirement plan professionals and the preeminent voice and advocate for the employer-based retirement system. Retirement plan professionals view ASPPA membership as essential to their success.

VIVID DESCRIPTION (WHAT SUCCESS WOULD LOOK LIKE)

The Retirement System

- ◆ The percentage of Americans covered by the employer-based retirement system is substantially increased.
- ◆ All employers regardless of size perceive employer-based retirement plans as essential to doing business.
- ◆ Flexibility exists in retirement plan design to address the individualized needs of employers.
- ◆ The government provides meaningful oversight of all employer-based retirement plans.

ASPPA

- ASPPA is the visionary shaping the future of the employer-based retirement system.
- ASPPA is the preeminent voice and resource on retirement plan policy.
- ASPPA sets the standard for professionalism in the retirement plan industry.
- ASPPA is respected for its capacity to adapt to changes in the retirement plan industry and government policy.
- Organizations in related fields view ASPPA as the preeminent organization for retirement plan professionals.
- The public views ASPPA as the preeminent organization for retirement plan professionals.
- ASPPA is recognized by national media as a preeminent resource on retirement policy and the retirement plan industry.

ASPPA Membership

- Membership in ASPPA is considered an essential part of being a retirement plan professional.
- The public recognizes the value of and seeks the expertise of credentialed ASPPA members.
- Plan sponsors and their advisors seek credentialed ASPPA members to help them develop and maintain retirement plans.
- Retirement plan service providers seek credentialed ASPPA members as employees.
- Universities and other educational institutions incorporate ASPPA accreditation programs into their curriculum.
- The government recognizes credentialed ASPPA members for their expertise on retirement plans (e.g., power of attorney, DC certification).

ASPPA'S STRATEGIC GOALS

~ 3 - 5 YEAR PLANNING HORIZON ~

Goals describe the priorities for ASPPA over the next three to five years. Actions by ASPPA as an organization should further and not deter from these goals. These goals should be reviewed on an annual basis and reprioritized or modified as needed.

Goal A Preeminent Educator

ASPPA will be acknowledged as the premier educational and credential-issuing organization for all retirement plan professionals.

Goal B Preeminent Advocate

Government will consistently rely on ASPPA to provide primary input when developing retirement policy.

Goal C Recognition of ASPPA by National Media

ASPPA will be recognized by national media as a preeminent resource on retirement policy and the retirement plan industry.

Goal D ASPPA Membership Viewed as Essential

Retirement plan professionals will view ASPPA membership as essential to their success.

Goal E Recognition of ASPPA Members by the Industry

Retirement plan service providers will seek and support the development of credentialed ASPPA members as employees.

Goal F Recognition of ASPPA Members by Plan Sponsors

Plan sponsors and their advisors will seek credentialed ASPPA members to help them develop and maintain retirement plans.

GOALS AND OBJECTIVES

~ 3 - 5 YEAR PLANNING HORIZON ~

***Goals** describe the outcomes the organization will achieve for its stakeholders (members, customers, the association itself, etc.). Three to five-year time frame; reviewed every year by the Board.*

***Objectives** describe what we want to have happen with an issue. What would constitute success in observable or measurable terms? Indicates a direction - increase, expand, decrease, reduce, consolidate, abandon, etc. Reviewed every year by the Board.*

Goal A Preeminent Educator

ASPPA will be acknowledged as the primary educational and credential-issuing organization for all retirement plan professionals.

Objectives (5)

- A1. Create new education programs for all retirement plan professionals.
- A2. Increase accessibility of education programs to those working in the retirement plan industry.
- A3. Expand the utilization of ASPPA's education programs within the retirement plan industry.
- A4. Increase the number of credentialed ASPPA members who seek additional ASPPA credentials.
- A5. Increase attendance at conferences.

Goal B Preeminent Advocate

Government will consistently rely on ASPPA to provide primary input when developing retirement policy.

Objectives (5)

- B1. Increase political involvement among our members.
- B2. Prevent legislation that is detrimental to the employer-based retirement plan system.
- B3. Increase the influence and effectiveness of the PAC.
- B4. Ensure that all businesses regardless of size have a fair opportunity to offer a retirement plan for their employees.
- B5. Partner with government to encourage employees to appreciate the importance of retirement savings.

Goal C Recognition of ASPPA by National Media

ASPPA will be recognized by national media as a preeminent resource on retirement policy and the retirement plan industry.

Objectives (4)

- C1. Increase awareness of ASPPA and its expertise among national media.
- C2. Increase exposure of ASPPA through the national media.
- C3. Increase our ability to proactively deliver ASPPA's message regarding retirement policy and employer-based retirement plans.
- C4. Increase capacity for outreach to the national media.

Goal D ASPPA Membership Viewed as Essential

Retirement plan professionals will view ASPPA membership as essential to their success.

Objectives (5)

- D1. Achieve universal membership of practicing enrolled actuaries.
- D2. Increase membership of larger consulting firms.
- D3. Increase membership of retirement plan sales professionals.
- D4. Increase membership of APMs.
- D5. Achieve universal membership of all retirement plan professionals at small TPA firms.

Goal E Recognition of ASPPA Members by the Industry

Retirement plan service providers will seek and support the development of credentialed ASPPA members as employees.

Objectives (2)

- E1. Increase the number of ASPPA credentialed members at larger service providers.
- E2. Increase utilization by retirement plan service providers of ASPPA's education programs as their primary training resource.

Goal F Recognition of ASPPA Members by Plan Sponsors

Plan sponsors and their advisors will seek credentialed ASPPA members to help them develop and maintain retirement plans.

Objectives (4)

- F1. Increase understanding among plan sponsors and advisors of the choices, rules and complexities of retirement plans.
- F2. Increase awareness of the legal risks and costs of failure to comply with rules/regulations.
- F3. Increase understanding among plan sponsors and advisors of the roles and responsibilities of the various types of retirement plan professionals.
- F4. Establish ASPPA as the source for finding professionals who will provide knowledgeable retirement plan advice.

MEGA ISSUES

~ 3-5 YEAR PLANNING HORIZON ~

*Mega-issues are issues of strategic importance that represent challenges the organization will need to face in achieving its vision. They represent potential impediments to achievement of the envisioned future and form a basis for dialogue about the **choices facing the organization**. These questions may serve as an ongoing source of strategic issues for future meetings of the Board of Directors, Executive Committee, or other designated groups.*

1. What is the proper governance structure for ASPPA?
 - a. Should the leadership be more reflective of our future membership?
2. How will we decide which industry-related issues to address and which to not address? (particularly related to advocacy role of ASPPA)
 - a. Can we continue to afford to be the 'guardian of the industry?'
 - b. Is the size of plan sponsor or type of member employer being affected a relevant factor in deciding which issues should be addressed?
3. What value, if any, would there be in having qualifications and/or practice standards for our non-actuarial members?
4. How do we assure ASPPA's continued financial health?
 - a. Where will dollars come from to support ASPPA in the future?
 - b. What impact will consolidation have?
5. What programs and services should we provide to key segments of the growing membership?
6. What is the most efficient and effective way of becoming the preeminent education organization?
 - a. Can we continue with our current approach of relying heavily on volunteers?
 - b. What other models could be considered?
7. What is our vision for future educational programming?
 - a. How will we determine the content of future educational programs? Will we decide what the qualifications for a professional should be, and/or meet the training needs of the industry as they perceive them to be?
 - b. Would we be willing to provide customized training? Is it economically feasible?
 - c. Do we want to develop educational programs that would intentionally not lead to a credential?
8. Are we a professional society or a trade association? Or a hybrid?

9. What is the role of the ABCs? How do we integrate them into national? Should we continue to expand the number of ABCs? If so, what criteria?
10. What is a retirement plan professional?
11. Who are our core members? And what are the implications of that understanding?

[Note: A core member is defined as “those who are central to the identity of the organization.” Members, customers and stakeholders may participate in the association and have access to its products and services, as long as interests of the core membership are not compromised.]

APPENDIX

ENVIRONMENTAL SCAN ~ 5 YEAR PLANNING HORIZON ~

Because we plan for the future and not for the present, we begin planning by determining what we think the relevant future environment will look like during the life of the plan. We attempt to project what the world in which the organization operates, and hence the expectations of those it serves, will be.

In each category, we have identified relevant conditions, trends, and/or assumptions:

Conditions – a dynamic or phenomenon that exists now

Trends - change in progress and the direction of the change

Assumptions – a condition or attribute we anticipate will exist in the future (we may or may not see any evidence of this today); an informed, intuitive judgment you make

Social/Cultural Factors

Conditions - a dynamic or phenomenon that exists now

- The Social Security system is heading toward a crisis, and will need to undergo significant change.
- Health care issues are increasingly important.

Trends - change in progress and the direction of the change

- An acceleration in the increasing cost of health care.

Assumptions - a condition or attribute that we anticipate may exist in the future; an informed, intuitive judgment

- The number of retirees will increase significantly and people will invest differently than they do today.
- There will be new pressures on the private pension system.
- People will be living and working longer.
- Discretionary time will diminish; less time for volunteerism.
- Consumers will increasingly expect more for less, and more immediately/faster.
- Long-term care needs will have a significant impact on retirees.

Business and Economic Climate

Conditions - a dynamic or phenomenon that exists now

- Increased outsourcing of work to other countries; globalization of labor-intensive areas.

- Some member firms have clients with non-US clients.

Trends - change in progress and the direction of the change

- Continued consolidation of businesses and institutions.

Assumptions - a condition or attribute that we anticipate may exist in the future; an informed, intuitive judgment

- The number of entrepreneurial small businesses will increase.
- Practitioners in the US will need foreign compliance training.

Government/Political/Legal Environment

Conditions - a dynamic or phenomenon that exists now

- The current administration is focusing on a consumption tax model.

Trends - change in progress and the direction of the change

- There is a move away from a savings-based system to a distribution-based system.

Assumptions - a condition or attribute that we anticipate may exist in the future; an informed, intuitive judgment

- Fiduciary litigation will impact plan formation and maintenance of plans.
- Demographics will continue to create pressure for government to create legislation to increase pension coverage.
- The future of our industry will always be impacted by politics, rather than based on a National Retirement Income policy; this is beyond our control.
- Regulation will increase.
- Litigation will increase, resulting in increased pressure for regulation. (Increases need for trained professional)
- Institutional vendors will push for legislation that suits their needs, at times in conflict with the needs and interests of small TPAs.
- The future of social security will have a large impact on our industry.
- State regulations in health care will increase with potential impact on our industry.

Science/Technology

Trends - change in progress and the direction of the change

- Advances in technology are affecting the marketplace.

Assumptions - a condition or attribute that we anticipate may exist in the future; an informed, intuitive judgment

- Technology will change how ASPPA operates as an organization, and how ASPPA members operate.
- The Internet will play a greater role in delivering information, education, and administrative functions.
- Technology will drive costs down/"commoditize" services.
- Breakthroughs in science will change longevity; people will live longer.

Industry-Specific Factors

Conditions - a dynamic or phenomenon that exists now

- Volunteers are "burning out"; the pool of volunteers is decreasing.
- Competitors like SPARK and CEBS have inroads to large institutions that we don't have which means they run more like a business, are more nimble in creating products and have more money.

Trends - change in progress and the direction of the change

- Traditional administrative work handled by our members is being taken over by investment providers.
- Polarization of the retirement plan system is increasing.
- There are examples of increased polarization of how retirement planning needs to be handled in the future, e.g., in the under-funding of pension plans.
- There is a drive toward simplification.

Assumptions - a condition or attribute that we anticipate may exist in the future; an informed, intuitive judgment

- There will be fewer small retirement plans (with major impact on membership and ASPPA).
- ASPPA will have a more difficult time financially (as we grow larger, membership dues will not cover all of what we could do; competing for educational, promotional dollars).
- ASPPA's membership will be very different from what it is today, e.g., an increase the number of people who are not doing small plans, fewer actuaries, more investment people.
- Non-employer plans will become the model of the future - e.g., savings-type arrangement.
- DCs will continue to thrive, with traditional DBs never returning to the "glory years", but with some increase in DB plan creation.
- Professionals in the industry will continue to become more specialized.
- Aggregation of all financial information for a participant or employer (checking account, IRAs, savings, 401(k), etc.) will increasingly occur,

especially via the Internet, with participant direction of **all** retirement accounts (not just 401(k), but also PSP, DB).

- The trend from bundled to unbundled arrangements will probably continue for a few years, and then switch back.

Wildcards

What one or two occurrences, that are not possible today, if they did happen, would change everything?

- The Democrats capture both houses of Congress and the Administration
- Mandated employer retirement plans for all businesses
- Adoption of a flat tax system
- Punitive damages in ERISA

CONDITIONS RELATED TO SELECTED GOALS

Conditions related to goals describe a current situation or potential situation in the future related to the goal. Conditions are used to determine appropriate objectives... by creating an objective for each important condition that describes the change in the condition we seek to achieve.

Goal C Recognition of ASPPA by National Media

ASPPA will be recognized by national media as a preeminent resource on retirement policy and the retirement plan industry.

Conditions

- Pension plans are becoming much more political.
- There is enhanced media attention on retirement policy.
- ASPPA is not considered a primary resource for the media.
- The name of ASPPA has been a problem in the past.
- The American Benefits Council and others have devoted more resources to media recognition and visibility.
- To a great extent, ASPPA is an “undefined” organization.
- ASPPA has not spent time and dollars to increase exposure with the media.

Goal E Recognition of ASPPA Members by the Industry

Retirement plan service providers will seek and support the development of credentialed ASPPA members as employees.

Conditions

- Qualified people are difficult to find.
- It is difficult to measure the level of competence in the marketplace today.
- There are not a sufficient number of credentialed members available in the marketplace.
- Many companies do not perceive the need or value in hiring ASPPA-credentialed members.
- Financial and time considerations (requirements to obtain credential) sometimes come into play.

Goal F Recognition of ASPPA Members by Plan Sponsors

Plan sponsors and their advisors will seek credentialed ASPPA members to help them develop and maintain retirement plans.

Conditions

- Plan sponsors don't know about ASPPA or why they need ASPPA-credentialed members.

- Others are doing what we should be doing although they are not as well qualified to do it. Plans are getting bad advice and don't understand why they need expertise.
- Plan advisors don't understand the value of the good advice they get.
- Some sponsors are being bombarded with bad advice.
- The perception is that there is no realistic enforcement in this area.

MEMBERSHIP/STAKEHOLDER STRUCTURE¹

Members – persons and/or companies that will benefit from the advancement of the association’s core purpose and are eligible and willing to join.

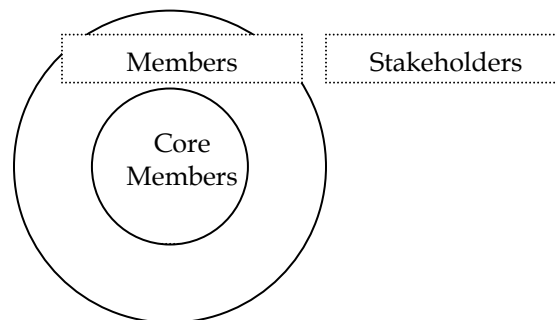
Core Members – those persons and/or companies that are central to the association; the segment(s) of members that the association cannot afford to lose. The association must insure the core members find value in their membership.

Stakeholders – those having an interest in industry issues/activities but are either not eligible to join or perceive no additional benefit to be derived from membership affiliation. Stakeholders are often customers who receive services or pay for what they use on a case-by-case basis or those who want access to core members.

ASPPA, to position itself as the “premier educator” and the “preeminent voice,” will make decisions within a framework of three questions:

1. What is it we want to accomplish?
2. What must we do in order to accomplish it?
3. Who needs or wants to be involved in the process of accomplishing it?

Specifically, this three-question framework will influence decisions about the ASPPA membership and stakeholder structure.



Core Members. The core members of ASPPA will be defined as credentialed members (ASPPA-credentialed members and APMs)

Members. Affiliates, individual members of the ABCs and student members.

Stakeholders. There are a number of stakeholder segments important to ASPPA and its members, including but not limited to governmental officials, employers (clients of members), etc.

¹ This section reflects preliminary thinking from the 2002 session, which was not reviewed by the Executive Committee in December 2003. Note that the question regarding core membership of ASPPA is listed as a mega issue to be considered in the future.