



CalPERS

California Public Employees' Retirement System

Transforming Enterprise
Subscription Management

Comprehensive solution reinvents
and harmonizes vendor management



The Client

CalPERS

THE CLIENT MANAGES THE LARGEST PUBLIC PENSION FUND IN THE US, DELIVERING RETIREMENT AND HEALTH CARE SECURITY FOR THOSE WHO SERVE CALIFORNIA AND THEIR BENEFICIARIES.

The California Public Employees' Retirement System (CalPERS) is the largest public pension fund in the US. It manages an investment fund of more than \$380 billion across a range of asset classes in both domestic and international markets. One of the largest private equity investors in the world, CalPERS is responsible for securing sustainable retirement and health care benefits for its 1.9 million members.

Summary

CALPERS SAVES 60% WITH TRG SCREEN TECHNOLOGY COMPARED TO MAINTAINING ITS LEGACY SYSTEM.

- Commercial, purchasing and financial processes relating to all vendor contracts, subscriptions and services are aligned under a single function
- The legacy system is no longer fit for purpose and will require a re-engineering investment upward of \$2m
- Third-party research and consultancy firm recommends enterprise subscription management solution from TRG Screen as the best available on the market
- Comprehensive solution encompasses spend management (FITS), usage management (ResearchMonitor, DART and XMon) and enquiry management (Quest) products
- In making this 'Build or Buy' decision, CalPERS will save 60% with TRG Screen technology compared to maintaining its legacy system
- In the 8 months following implementation, CalPERS has around 600 contracts set-up, including market data services, external investment manager and investment consulting services, and other subscription services
- CalPERS has experienced significant workflow and process efficiencies, greater visibility and control over vendor contracts and complete transparency over subscription cost and value
- Implementation is ongoing as the team expands functionality and refines processes to realize the full potential of the TRG Screen solution

CalPERS

The California Public Employees' Retirement System (CalPERS) is the largest public pension fund in the US

CalPERS saves 60% with TRG Screen's built-in, operational best practice technology compared to maintaining its legacy system

Challenges

Multiple contracts with vendors under different terms

Contract information buried in 1,000s of documents

Time consuming manual reporting with limited answers

No big picture contract negotiations

Arbitrary and outdated cost allocations

System workflow no longer made sense

CalPERS had difficulty responding to the business in a timely manner – manual routing and reporting caused operational inefficiencies.

CalPERS faced a potential system re-engineering investment upward of \$2m. Based on a fit for purpose analysis, it didn't make sense for CalPERS to move forward with their legacy system that wasn't built for their new operating model.



Comprehensive solution encompassing spend, usage and enquiry subscription management products

SPEND



USAGE



ENQUIRY



Benefits

Operations and reporting more efficient, easier and faster

Comprehensive view of all services across all platforms

Managers can make informed decisions based on accurate data

Increase in usage and savings from subscription right-sizing

Improved awareness and ownership across the business

Monitor and demonstrate greater vendor compliance

The Challenge

A NEW SYSTEM FOR A NEW OPERATING MODEL

The Investment Finance Services Team focused on financial accounting for the investment office until it inherited contract oversight during an organisational restructure. This changed the team's remit to span across commercial, purchasing and financial processes related to all vendor contracts, subscriptions and services.

By aligning these processes under one function, CalPERS had the opportunity to drive efficiency gains and cost savings across vendor management. However, it became apparent that legacy systems and buried institutional knowledge was impacting the team's ability to embrace a new operating model.

The inherited system wasn't developed to handle the new workflows, nor provide the total visibility CalPERS needed across its inventory. The team was exposed to the following complexities:

- 1.** Vendor relationships were previously managed by the various asset classes and program areas, resulting in multiple contracts with the same vendor under different terms
- 2.** Valuable contract information was buried in thousands of documents, as well as institutional knowledge in the heads of people across the business
- 3.** It was extremely challenging to answer any questions from the business, and reporting was very time consuming involving data exports and manual manipulation in Excel
- 4.** There was a lack of big picture contract negotiations which meant no economies of scale, and with no review process the business was potentially exposed to risk
- 5.** Cost allocations were arbitrary, typically by applying a percentage split and never routinely reviewed against need or usage
- 6.** The system workflows no longer made sense resulting in difficult workarounds, inefficiencies and bottlenecks, also lacking operational risk controls or audit trails

CalPERS needed to be more effective, streamline processes and gain control. It needed to enhance commercial insights, speed decision-making and improve risk mitigation. Identifying a new system with the right tools and capabilities was the first step in making this transformation.

The Solution

COMPREHENSIVE BEST-OF-BREED SOLUTION FOR VENDOR MANAGEMENT

In its search for a way forward, CalPERS commissioned Cutter Associates in 2017. The independent research and consultancy firm helps the global asset management industry with their operational and technology needs. Following an extensive market review, Cutter recommended enterprise subscription spend and usage management solutions from TRG Screen.

After multiple analyses – cost-benefit, fit-for-purpose, etc. CalPERS decided to move forward with Cutter’s recommendation for a comprehensive solution that encompassed spend, usage and enquiry products from TRG Screen.

- FITS: Offers complete visibility and control over subscription spend across the enterprise
- ResearchMonitor: Monitors and analyzes usage of product and service subscriptions
- DART: Monitors and analyzes usage of terminal based product and service subscriptions
- XMon: Controls and reports on usage of reference data
- Quest: Request management system for managing requests and enquiries more efficiently

FITS spend management was prioritized in concert with ResearchMonitor for usage management and Quest for enquiry management. Phase two was to later include DART and XMon usage management products to build a total picture of their vendor environment.

The Implementation

DECADES OF OPERATIONAL BEST PRACTICE IN A BOX

Now equipped with the right system, CalPERS was ready to start the transformation in earnest. Embarking on a multi-year journey with a dual program of system implementation and process reengineering.

CalPERS wanted an out of the box managed service solution built upon operational best practice. They are no different than any other asset management firm or institutional investor. Data is data and analytics is analytics – the issues they face are not unique to CalPERS.

When migrating to the new system, the team had to rethink their approach and transform ways of working across all areas. With a big learning curve and collective effort (alongside their day job), it involved:

- Defining how to apply functionality for greatest operational impact
- Applying new nomenclature and recategorizing documents
- Finding live contracts, standardizing data and populating templates
- Aligning vendor agreements to secure economies of scale
- Driving CalPERS values across vendor community through these agreements
- Managing platform linkages, assigning contracts and allocating costs
- Embracing opportunities from new functionality that had never been considered before
- Expanding use from market data contracts to external manager contracts

FITS is integral to the new model, with ResearchMonitor and Quest at the early stages. In the 8-month period following system implementation, CalPERS has nearly 600 contracts set-up in FITS. Along with market data services, this includes memberships, periodicals, external investment managers, consultants, research, operations tools and software.

The Result

THIS IS THE START OF SOMETHING BIG

At the outset CalPERS faced the 'Build or Buy' software conundrum. Invest in developing the legacy system or buy an off the shelf solution? Over 5 years, this decision alone is expected to cost around 60% less than maintaining its previous system.

This benefit is compounded by the significant gains from using TRG Screen software, with decades of operational best practice built-in. This includes workflow and process efficiencies, greater control over vendors and contracts, complete transparency over cost and value, and more informed decision making that will lead to direct cost savings.

1. Streamlined Operations and Reporting

Every aspect of contact oversight, purchase acquisition and finance processing is more efficient, easier and faster. The team can do things that previously would not have been possible, such as more accurate, systematic cost allocations.

Accurate data and analytics are now readily available with intuitive reporting tools and dashboards. Routine and ad hoc reports including forward looking data for budgets and forecasts can be generated with a few mouse clicks, significantly improving the ability to answer questions from the business in a timely manner.

Introducing Quest request management has given the team visibility into their own operations. It is now possible to track, analyze and report on enquiries, activities and transactions coming into the team. Further operational efficiencies have been gained through a better understanding of what each team needs, and reoccurring requests can now be fulfilled proactively.

2. Complete Transparency and Insight

With a comprehensive view of all services delivered across all platforms, the team has more time for analysis and can deliver faster reports which was extremely manual. Managers can now make informed decisions based on accurate data, such as the products and services they are paying for and to whom they are assigned.

They can now be strategic about what they want and proactive about what they do not, and ensure costs are allocated to the right areas. ResearchMonitor usage management helps to ensure that products and services are fully utilized and has led to greater accountability from users.

With increased transparency comes improved ownership and engagement. This new knowledge and information has elevated management team curiosity, sparking conversations that would not have been possible before.

3. Increase Both Usage and Savings

CalPERS has experienced immediate gains due to greater cost awareness across senior management. It has also shifted focus to make more strategic decisions based on the value of the services, rather than cost alone.

The business is expecting cost savings down the line through subscription right-sizing, improved utilization and cancellations. With the insights now available, the team has instigated an annual review process that is expected to lead to economies of scale with fiscal savings by Summer 2021.

The data is also being used to help leverage systems that can bring wider productivity gains to the business. Should insights show that a valuable software platform is underutilized, CalPERS can now embark on an engagement program to increase usage. This was the case for Salesforce.com as a result of data generated from ResearchMonitor.

4. Compliance

Finally, CalPERS has been able to monitor and demonstrate greater compliance with the terms specified in vendor contracts. While still in the early stages of implementation, ResearchMonitor offers the ability to identify whether users are sharing log-in credentials. It has also shown that, while remaining compliant with license numbers, the amount of staff using licenses was a valuable datapoint for senior management.

Next Steps

ONGOING IMPLEMENTATION WILL BRING ESCALATING RETURNS

Implementation is ongoing and continuous improvement is embedded into the project. The team is expanding functionality across all TRG Screen systems, while refining processes to ensure business needs are met as efficiently as possible. CalPERS will experience greater impact and returns as the full potential of the TRG Screen solution is implemented more fully.

About TRG Screen

TRG Screen is the leading provider of software used to monitor and manage subscription spend & usage across the entire enterprise.

TRG Screen is uniquely positioned to offer the full spectrum of enterprise subscription management capabilities across:

- Spend management – FITS & INFOmatch (inbound licensing)
- Usage management – ResearchMonitor (online resources), DART (terminals) & XMon (data feeds)
- Enquiry & workflow – Quest
- Exchange compliance & reporting – AXON
- Revenue management – INFOmatch (outbound licensing)
- Specialist consulting services, managed services & events

TRG Screen is differentiated by its ability to comprehensively monitor both spend on & usage of data and information services including market data, research, software licensing, and other corporate expenses to optimize enterprise subscriptions, for a global client base.

TRG Screen's clients realize immediate ROI and significant long-term cost savings, transparency into their purchased subscriptions, workflow improvements and a higher degree of compliance with their vendor contracts.

Our global client base consists of more than 750 financial institutions, law firms, professional services firms and other blue-chip enterprises that jointly manage more than \$8.5 billion of subscription spend using TRG Screen's software solutions.

TRG was founded in 1998 by a group of financial technology executives passionate about helping firms manage their high value data subscriptions.

In October 2016 TRG acquired Priory Solutions adding powerful usage tracking solutions to our portfolio of solutions.

We further strengthened our position as a market leader in enterprise subscription spend management when TRG acquired Screen Group in January 2018.

In June 2019 AXON Financial Systems, the leading provider of exchange policy and compliance solutions, joined the TRG Screen family. The combined TRG Screen business provides a truly unique global offering.



TRG Screen

info@trgscreen.com

www.trgscreen.com



@trgscreen



trg-screen