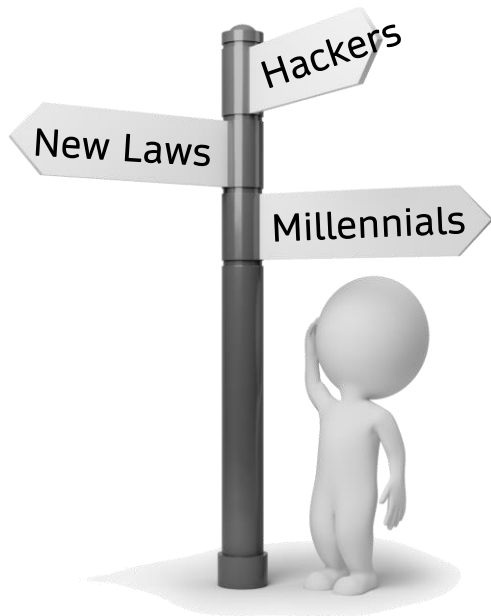


Driving Change 2020

How shifting worker demographics, regulatory requirements & cyber threats present challenges – and opportunities to revitalize your member service

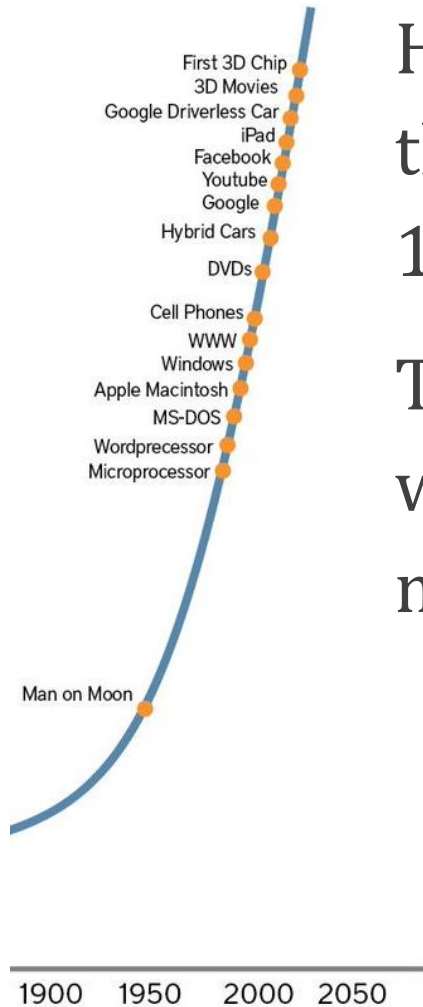


Jenny Morgan, basys LLC

Who likes change?



The pace of change is rapidly accelerating



How many here remember watching when the first astronauts walked on the moon in 1969?

Then we never dreamed of a computer that would fit in the palm of your hand, social media, streaming video, driverless cars....

Changes shaping your fund office NOW:



- ◆ Younger, more diverse, more mobile, more digitally savvy workforce
- ◆ Demand for new benefits priorities and options
- ◆ Shifting regulatory and compliance mandates
- ◆ Increasing threats to the security of data, funds and operational continuity

GOOD NEWS:

**There are many tools,
partners and great ideas
to help you navigate and
take advantage of change!**



Trend #1: Demographic shifts

- ✦ Average age of US construction worker: 38.6
- ✦ Among American workers age 30 – 49:
 - ✦ 97% are online at least once daily
 - ✦ 47% go online mostly on their smartphones
- ✦ 2/3 of Americans bank primarily online
- ✦ 80% of financial, medical and other statements will be paperless within the next 5 years



Opportunity: serve your changing membership

Secure online self-service web portals

- ✦ 24/7 information, balances, transactions
- ✦ Smartphone access from almost anywhere
- ✦ Frees customer service reps from routine inquiries
- ✦ Digital document delivery means significant savings over paper and postage
- ✦ Paperless delivery is more trackable than paper

Trend #2: benefit design shake-up

- ◆ Move to “variable”/shared risk pension models
- ◆ Healthcare costs rising
- ◆ Benefits increasingly in demand:
 - ▲ Paid parental leave
 - ▲ Mental health & substance abuse coverage
 - ▲ Wellness programs
 - ▲ Help with childcare and/or eldercare
 - ▲ Continuing education
 - ▲ Student debt relief



Opportunity: build a 21st century plan

- ✦ Analyze and map the needs of your changing workforce – what will drive bargaining strategy?
- ✦ Use big data to see outside your “silo”
- ✦ Select vendors, systems and employees invigorated by change, rather than fearful of it
- ✦ Use forward-looking benefit design as a recruiting/negotiating differentiator

Trend #3: changing regulatory mandates

- ✦ ACA 2010 \neq ACA 2020
 - ✦ Individual mandate gone
 - ✦ Regs now vary by state and keep changing
 - ✦ Court challenges and political uncertainty ongoing
- ✦ HIPAA harder to monitor due to privacy concerns
- ✦ Rehab for the Multiemployer Pension Act
- ✦ SECURE Act for Multiple Employer Plans

Opportunity: keep pace to stay compliant

- ✦ Monitor issue updates and communication from national business and labor advocates (like NLM)
- ✦ New rules and regs take time to be approved and implemented – work that window!
- ✦ Work with vendor partners with a strong compliance record and established programs to meet changing regulatory requirements



Trend #4: Data theft & cyber crime

- ✦ In 2019, cyber crimes cost businesses \$2 TRILLION
 - ✦ Expected to triple by next year
- ✦ Half of all attacks target small business & organizations
- ✦ Ransomware attack every 14 seconds
- ✦ About 1 in 300 emails to your organization contain malware or phishing tools

Opportunity: tools & policies lock things down



- ◆ Use two-factor authentication for all secure technology and email systems
- ◆ Educate employees about cyber criminals' tricks for getting access to secure info
- ◆ Invest in regular independent audits and analysis of your systems and tools
- ◆ Choose a security-savvy tech vendor!

Quick recap

- ✦ Hard to know what's just around the bend – expect the unexpected
- ✦ Trends in 2020 may seem quaint by 2025
- ✦ Having reliable partners helps you use changing conditions to your advantage
- ✦ Change is the only constant – choose to drive your organization forward!

Questions?

