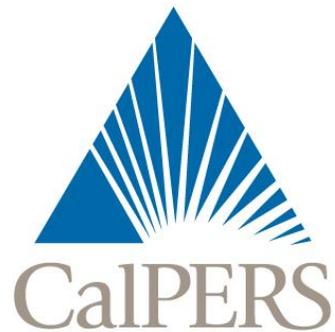


2012-17 CalPERS Strategic Plan Implementation



August 2, 2012

Introduction

The purpose of the Strategic Plan Implementation document is to outline the approach to oversee and measure progress, align Strategic and Business planning activities, and communicate the plan to internal and external stakeholders. This document is organized as follows:

- Oversight and Reporting
- Schedule
- Communication Approach

Oversight and Reporting

Strategic Plan oversight includes defined roles and responsibilities, measures to track progress, process for strategic review and reporting on progress, and a mechanism for issue identification and escalation.

Board Role and Responsibilities

- Provide high-level oversight of the Strategic Plan
- Ensure major milestones are met
- Conduct an annual review of the Strategic Plan to ensure that Objectives and Strategic Initiatives are still relevant
- Guide the implementation of Strategic Initiatives through regular Board Committee reporting
- Champion the Strategic Plan in internal and external communications

Executive Staff Role and Responsibilities

- Report progress to the Board through Business Plan reports and an Enterprise Performance Dashboard
- Communicate the Strategic Direction to all staff to ensure understanding and engagement on key initiatives, and awareness of business impacts
- Implement and resource all Strategic Initiatives through the Business Plan, budget, and operational plans
- Ensure enterprise activities are aligned with the Business and Strategic Plans, and that major projects are vetted through the planning process
- Champion the Strategic Plan in internal and external communications

Enterprise Strategy and Performance Division Roles and Responsibilities

- Facilitate Board and Executive development of the Strategic and Business Plans
- Monitor implementation, progress, and reporting on Strategic and Business Plans
- Guide the development of Strategic Performance Measures and an Enterprise Performance Dashboard

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Measures of Success

Strategic Performance Measures will be developed to support the Board and Executive Staff in tracking the success of the Strategic Plan. These measures will incorporate Business Plan key performance indicators, risk and mitigation strategies, and may include additional measures to monitor external factors. The Strategic Performance Measures will be supported by an Enterprise Performance Dashboard that includes organizational performance metrics.

Strategic Plan and Business Plan Review and Reporting

The Strategic Plan will be kept up to date through annual reviews and will be refreshed in 2016-17, when the current plan is set to expire. In addition, new Business Plans will be developed every two years to support the Strategic Plan. Business Plan progress reports will be provided quarterly.

2012-17 Strategic Plan Annual Review

The Board and Executive Staff will review strategic plan performance measures annually to gauge success in achieving goals and directions and consider any changes needed. Discussion will focus on the strategic position of the organization, and how that has changed over the last year. Questions to be discussed include:

- How successful have the Strategic Plan Initiatives been in achieving the objectives and goals?
- How have organizational competencies developed, and how does this affect our strengths and weaknesses?
- What major changes have occurred in the external environment that may create new opportunities or threats, and what impact may they have on the objectives and strategic initiatives?
- Given the internal and external changes over the past year, how do we need to adapt our objectives or strategic initiatives?
- What are the risks to successful implementation, and what mitigation measures are in place?

To facilitate the discussion, Enterprise Strategy and Performance Division (ESPD) will bring updated Strengths, Weaknesses, Opportunities, Threats and gap analyses, strategic performance measures, and the latest Business Plan status. ESPD will also provide an external environmental scan. It is anticipated that the Board will be able to reaffirm the strategic direction or recommend changes. This regular review will ensure the Strategic Plan is a living document and remains relevant to CalPERS staff and external stakeholders.

Business Plan Review

The 2012-14 Business Plan details the work to be accomplished over a two-year timeframe that is aligned with the Strategic Plan Goals and Objectives. Executive Staff

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and the Board review the Business Plan quarterly to determine progress against major milestones and evaluate against defined performance indicators.

Schedule

Figure 1 – Strategic Plan Implementation Timeline

	Deliverable	Key Tasks	2012-13												2013-14											
			Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2012-2017 Strategic Plan Rollout	Strategic Plan Approval	Approve plan		▲																						
	90-day Tasks	Define Desired Outcomes and KPIs	■	■	■																					
		Align 2012-2014 Business Plan with 2012-17 Strategic	■	■	■	■																				
Communication	Communication Plan for 2012-2017 Strategic Plan	Develop and Launch Communication Plan	■	■	■	■																				
		Implement Communication Plan				■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	
Strategic and Business Plan Review	Strategic Plan	Annual Review																								
	Business Plan	Quarterly Report				▲			▲			▲				▲			▲			▲				
		Business Plan Review & Refresh																				■	■	■	■	

Key Tasks – Next 90 Days

There are key tasks that are anticipated to be completed within 90 days of the Strategic Plan approval. These tasks include: Define Measures of Success, Align 2012-2014 Business Plan with 2012 Strategic Plan, and Develop Communication Plan.

Define Desired Outcomes

The 2012-14 Business Plan calls for the development of Strategic Performance Measures by September 2012. Within this timeframe, ESPD will:

- Map existing Business Plan outcome measures to the Strategic Plan
- Identify additional outcome measures needed for the Strategic Plan
- Identify existing and additional data sources needed to inform Strategic Performance Measures

Align 2012-2014 Business Plan with 2012 Strategic Plan

The 2012-14 Business Plan calls for the alignment of the Strategic and Business Plans by October 2012. Within this timeframe, ESPD will:

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- Map Business Plan Initiatives to Strategic Plan Objectives and Initiatives
- Identify overlaps, gaps, and inconsistencies between the Strategic and Business Plans
- Recommend to Executive Staff and the Finance Administration Committee additions, deletions, or deferrals needed to resolve issues identified above

Develop Communication Plan

The External Affairs Branch is developing a Communication Plan that highlights the desired outcomes and possible communication channels that could be used to reach internal and external stakeholders. Key parts of this plan will be implemented in the next 90 days in order to inform stakeholders of CalPERS new strategic direction.

Communication Plan

The Strategic Plan is designed to guide the work of our organization through 2017. To achieve maximum benefit, the plan must be communicated and understood, creating a shared vision both internally with employees and leaders, and externally with strategic partners. A strong communication approach will ensure stakeholder engagement and understanding throughout the process, and can play a critical role in creating and developing strategic partnerships on issues of shared concern.

Internal Stakeholders

The desired outcome for our internal stakeholders (CalPERS employees) is that they understand how their day-to-day work fits into and helps advance CalPERS mission and vision. The Strategic Plan provides this larger context. We will use a variety of communication channels to educate employees about the new strategic goals and objectives.

External Stakeholders

The desired outcome for our external stakeholders (employers, member and retiree associations, labor representatives, federal groups, State legislators and Administration officials) is that they understand that CalPERS is adaptive to our environment; actively addressing issues and challenges; and wanting to collaborate with them to shape our strategic direction.

Engaging Other External Stakeholders

Our external stakeholders provided input into the 2012-17 Strategic Plan. Throughout this process, we identified potential strategic partners that have been historically underutilized, such as academia, not-for-profit organizations, taxpayer groups and the business community.

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The desired outcome for other external stakeholders is that they understand the new direction for CalPERS, as well as our desire to partner with them and promote CalPERS priorities and policies. We want them to know they can share their concerns, bring their ideas, and provide input on our strategic direction in the years to come.

Communication Vehicles

We will engage our stakeholders on the Strategic Plan through our existing communication vehicles. These may include:

- Articles in our employee newsletter, InCalPERS, highlighting recent accomplishments in the strategic plan, and the benefit to our members
- Articles in our employer newsletter, Employer News, that explain CalPERS long-term strategy and how current changes to our interactions support our shared long-term vision
- Communications in Keeping You in the Know, our electronic monthly communication from the Board President and CEO, informing staff of the importance of strategy and highlighting successes
- Discussions at our Leadership Forums focusing on long-term strategy, the issues and risks that face the organization, and how managers can empower their staff to overcome them
- Agenda Items for the Enterprise Workload Management Committee meetings where management can have a facilitated discussion about the strategic direction of the organization, and how staff workload may be impacted
- Regular presentations conducted at Branch/Division/unit meetings to communicate the direction of the organization and listen to staff concerns and suggestions