



Agenda Item 7

September 17, 2013

ITEM NAME: Strategic Measures Update

PROGRAM: Enterprise

ITEM TYPE: Information

EXECUTIVE SUMMARY

This agenda item is an update on the development of Strategic Measures for the California Public Employees' Retirement System (CalPERS) 2012-2017 Strategic Plan (Plan). The first phase measures were presented at the July 2013 Board of Administration and Executive offsite meeting and continue to be refined. The next phase of measure development has been initiated.

STRATEGIC PLAN

This agenda item supports the CalPERS Strategic Plan to cultivate a high-performing, risk-intelligent and innovative organization. Strategic Measures build a framework that enables CalPERS to evaluate the organization's progress in meeting the goals of our Strategic Plan and provide the linkage from business strategy to execution.

BACKGROUND

In August 2012, the CalPERS Board of Administration (Board) approved the CalPERS 2012-2017 Strategic Plan. To assist the Board in evaluating the success of the Plan, staff is proposing an initial set of Strategic Measures as part of a larger effort to support the use of enterprise-wide measurements to guide the organization.

The Strategic Measures Project is using a phased approach as outlined below and in Attachment 1:

- Phase One: January – June 2013, staff proposed measures for areas where data is available to support the measures.
- Phase Two: July 2013 – February 2014, staff will propose measures that have limited data availability.
- Phase Three: March 2014 – June 2014, staff will work on measures that need further development.

ANALYSIS

Staff drafted first phase measures for the Investment, Actuarial, Customer Services and Support, Human Resources and External Affairs program areas. This first set of measures was presented to the Board at the July 2013 Board of Administration and

Executive offsite meeting. The Board provided input on the proposed measures and affirmed the continued development of additional measures.

Based on Board feedback, staff are moving forward with process development for two Actuarial measures, two Investment measures and one Human Resources measure. The Customer Services and Support measures focus on customer satisfaction and paying benefits within established service levels. In addition to the External Affairs measure related to enacted legislation, staff have also developed additional measures that support Goal C - Engage in State and national policy development to enhance the long-term sustainability and effectiveness of our programs. These measures include tracking legislative and congressional hearings where testimony was given or meetings were held with policy leaders.

Staff are also working on the next phase of measure development that focuses on Health and Risk areas. In addition, staff are working on the Annual Benchmarking Survey by Cost Effectiveness Measurement (CEM) that may result in additional strategic measures. The measures currently in development are listed in Attachment 2.

Next Steps:

- Return to the Governance Committee in November 2013 and February 2014 to provide updates on the progress of the Strategic Measures Project.
- Present a summary report of all measures to the June 2014 Governance Committee.
- Present the full set of measures and a report of measures to date and a progress update at the July Board of Administration and Executive offsite.

BUDGET AND FISCAL IMPACTS

Not applicable.

ATTACHMENTS

Attachment 1 – Strategic Measurement Development Phases (Groups)

Attachment 2 – Strategic Plan Measures

SABRINA STROUD, Chief
Enterprise Strategy and Performance Division

DOUGLAS HOFFNER
Deputy Executive Officer
Operations and Technology