



## Agenda Item 8a

March 18, 2014

**ITEM NAME:** CalPERS 2014-16 Business Plan

**PROGRAM:** Enterprise

**ITEM TYPE:** Information

### **EXECUTIVE SUMMARY**

This agenda item presents the CalPERS 2014-16 Business Plan as an information item to the Finance and Administration Committee for review and comment. The final draft CalPERS 2014-16 Business Plan will be presented for approval in April 2014.

### **STRATEGIC PLAN**

The CalPERS 2014-16 Business Plan is intended to implement the goals articulated in the CalPERS 2012-17 Strategic Plan.

### **BACKGROUND**

The CalPERS 2014-16 Business Plan builds on the progress made over the past two years since adopting the Strategic Plan in 2012. We are continuing the two-year planning cycle, which includes an annual refresh process. The annual refresh process helps align business planning with the CalPERS budget process and long-term strategic goals of the organization.

### **ANALYSIS**

The CalPERS 2014-16 Business Plan describes the initiatives staff will undertake to support the organization's three Strategic Goals:

- **Goal A:** Improve long-term pension and health benefit sustainability
- **Goal B:** Cultivate a high-performing, risk-intelligent and innovative organization
- **Goal C:** Engage in State and national policy development to enhance the long-term sustainability and effectiveness of our programs

Senior Management and staff worked collaboratively to identify specific, achievable initiatives that will allow us to be successful in achieving our long-term strategic goals.

Below are some examples of the initiatives outlined in this Business Plan that will sharpen organizational focus and help sustain the pension and health programs, enhance customer service, strengthen our internal organization and advance policy development:

- Continue the development and integration of more sophisticated investment and actuarial risk analysis / alignment practices.
- Expand the CalPERS health platform to improve health care costs and encourage a lifestyle of wellness for our members.
- Evolve the customer service delivery transformation initiative to enhance the customer experience for our members and employers.
- Continue the implementation of the workforce strategy that incorporates succession planning, recruitment outreach, compensation policy review, Supervisory Skills Enhancement, talent management and role clarity and accountability.
- Continue relationships with the California business community and financial industry partners to support the effectiveness of our retirement, health and investment programs.
- Continue thought leadership research activities and coordinated engagements with industry leaders.

A full list of the proposed Business Plan initiatives by Strategic Goal is included in Attachment 1.

Consistent with current practice, staff will monitor progress on the CalPERS 2014-16 Business Plan, and provide quarterly updates to the Finance and Administration Committee.

#### **BUDGET AND FISCAL IMPACTS**

Resources for the CalPERS 2014-16 Business Plan initiatives are being funded by existing internal resources and through the annual budget process.

#### **ATTACHMENTS**

Attachment 1 – CalPERS 2014-16 Business Plan Initiatives

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