

Strategic Planning Workshop

July 19, 2016

9:00 am-12:15 pm

Presented by:

Doug Hoffner, Interim Chief Executive Officer, CalPERS

Timi Leslie, Founder, BluePath Health



Board of Administration and Executive Offsite
JULY 2016



Agenda

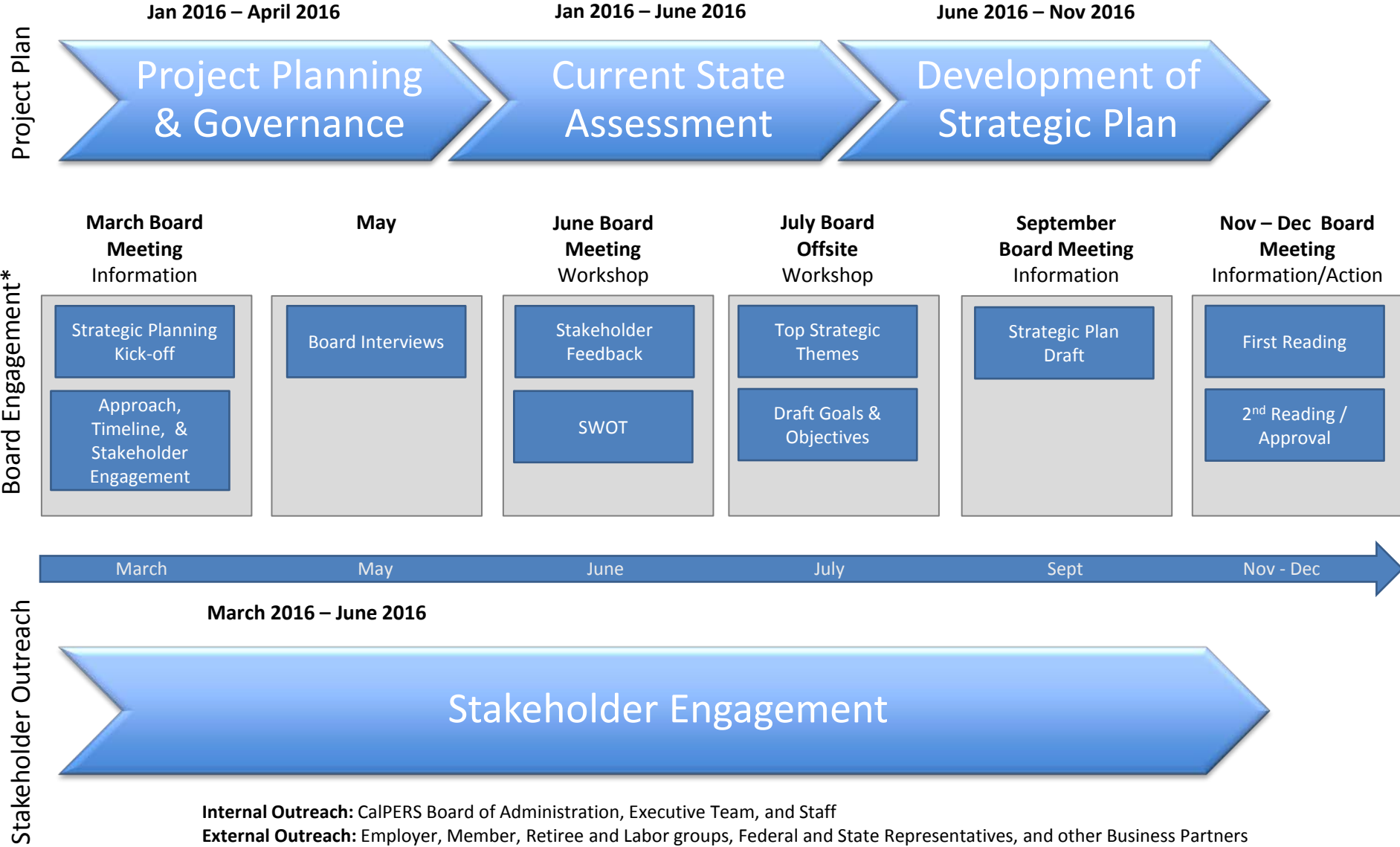
| Item | Agenda Topic | Speaker | Time |
|------|---|---|--------------|
| | <ul style="list-style-type: none"> Opening Remarks | Rob Feckner, President, CalPERS Board of Administration | 9:00-9:05 |
| 1. | Introduction <ul style="list-style-type: none"> Workshop objectives Activities and timeline Stakeholder feedback updates | Doug Hoffner, Interim Chief Executive Officer, CalPERS | 9:05-9:15 |
| 2. | Strategic Plan Approach | Timi Leslie, Founder & President, BluePath Health | 9:15-9:20 |
| 3. | Vision/Mission Exercise <ul style="list-style-type: none"> Prior workshop feedback Review examples Gain agreement | Timi Leslie | 9:20-10:00 |
| | <ul style="list-style-type: none"> Break | | 10:00-10:15 |
| 4. | Breakout Discussion <ul style="list-style-type: none"> Current vs future state exercise Draft Goals and Objectives | Group | 10:15--11:15 |
| 5. | Readout | Group | 11:15-12:10 |
| 6. | Next Steps <ul style="list-style-type: none"> September 20th Board Meeting - Review draft strategic plan | Doug Hoffner | 12:10-12:15 |

Workshop Objectives

1 Update Vision and Mission

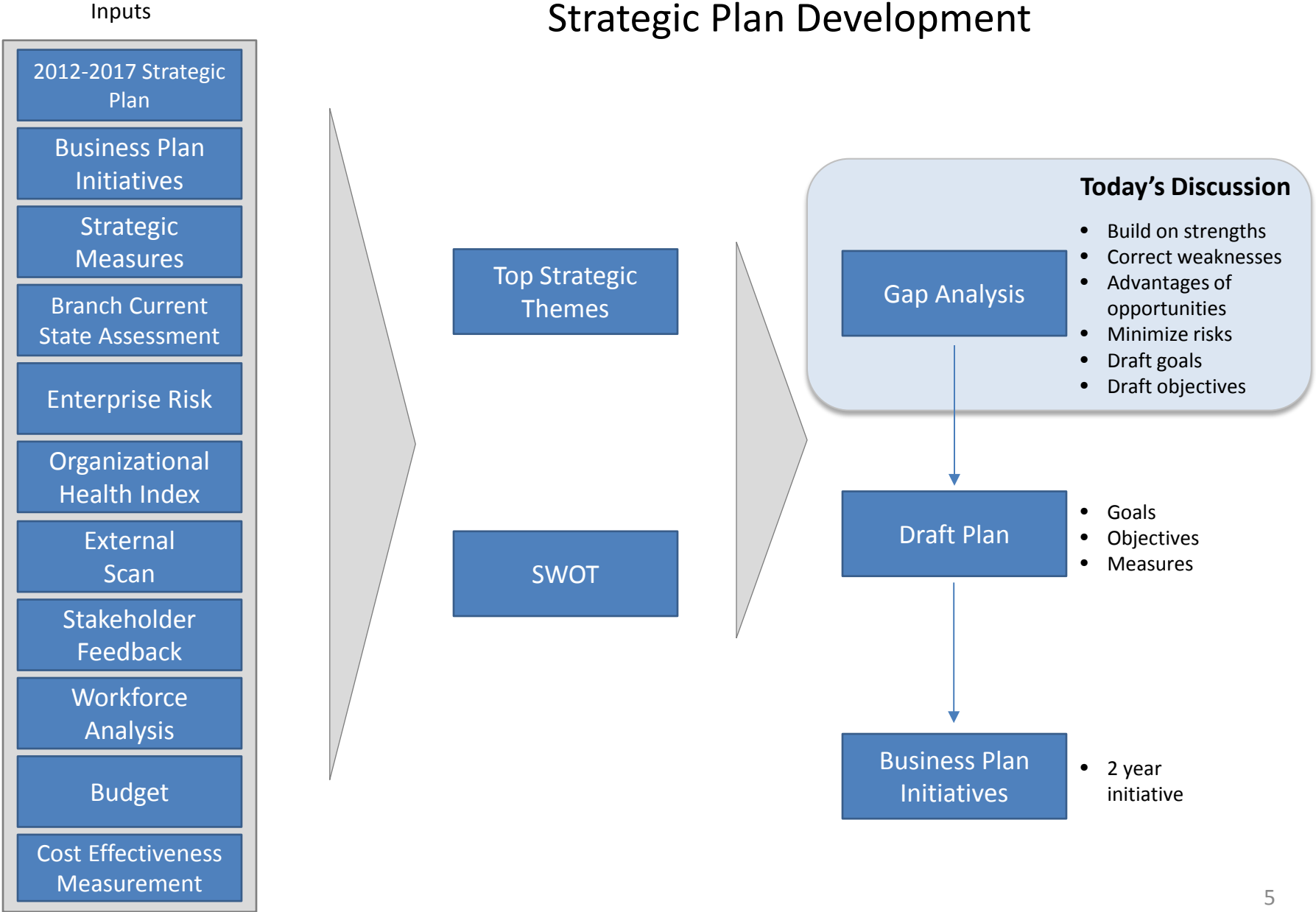
2 Develop Goals and Objectives

Strategic Plan Development Overview and Timeline



*The schedule may require eventual adjustment based on the timing of the CEO recruitment and selection process.

Strategic Plan Development



Strategic Plan Framework



- ▶ **VISION** – What is our 5-year destination (statement of intent)?
- ▶ **MISSION** – Why do we exist (statement of purpose)?
- ▶ **GOALS** – What will it look like as we progress (statements of descriptive end-states)?
- ▶ **OBJECTIVES** – How will we get there (statements of measurable actions)?
- ▶ **INITIATIVES** – What are the means and the major inputs by which we can accomplish the Objectives? (Span 1-5 years)

Vision/Mission – Board Feedback

In consideration of where CalPERS is today vs. back in 2012 when we revised the Mission and Vision along with the Strategic Plan, do these statements resonate with you? Are they still in a good place? What are your thoughts about revisions?

Vision

A trusted leader respected by our members and stakeholders for our integrity, innovation, and service

Mission

Provide responsible and efficient stewardship of the System to deliver promised retirement and health benefits, while promoting wellness and retirement security for members and beneficiaries

What We Heard:

Trusted/Respected

- Could remove trusted, because we already are
- Do not remove trusted. Our trust could disappear tomorrow.
- Replace trusted with global
- Reverse trust and respect (2)

Members/Beneficiaries/Stakeholders

- Somehow incorporate branding (2)
- Brand was really strong, but include “for generations to come”
- Replace members with “those that have served”
- “Provide responsible and efficient stewardship of the system to provide health and retirement security for those who serve California”
- There are many who serve California who are not CalPERS members
- No reference to employers, but we reference members
- Be broader than member and employers and be more inclusive of other stakeholders
- Add concept of inclusiveness

Retirement/Health Benefits

- Pay benefits should be listed first
- Protecting and serving benefits
- Add benefits for those who serve California
- Remove promised. Not promised for everyone

Wellness/Retirement Security

- What is the definition of wellness? Do we need?
- Cognizant of wellness vs health
- Do not need wellness
- Remove wellness
- Do not guarantee security

Long Term View- New Addition

- Could incorporate a longer term view
- Get long term view captured
- Incorporate sustainability into vision/mission
- Add reference in vision around long-term or sustainability. Long-term vision centered around funding

Key Themes

| | Theme | Description |
|---|---|--|
| 1 | Fund Sustainability | <i>Strengthen pension fund sustainability</i> |
| 2 | Healthcare Cost Containment | <i>Decrease health care costs</i> |
| 3 | Risk Management | <i>Protect the system by actively managing risk and compliance</i> |
| 4 | Efficiency and Complexity | <i>Improve efficiencies and reduce complexity of the system</i> |
| 5 | Workforce Planning and Talent Management | <i>Cultivate a highly talented, stable, and diverse workforce</i> |

Next Steps

- Continue stakeholder engagement
- September 20th Board Meeting – Review draft strategic plan
- Review communication plan
- November/December – First reading and approval

Appendix

Exercise (60 min) – Address 2 themes

1

Future State and Gap Analysis (20 min)

- Describe (5 year) Future State: Rapid Fire “One Word”
- How will you know if Future State is achieved?
- What are the key areas that should be addressed to achieve the future state as described?
 - Are there major weaknesses?
 - What is going well? How can more impact be achieved?
 - Are there significant opportunities available that should be explored?

2

Draft Goals and Objectives (10 Min)

- Draft Goal : What will it look like as we progress (statement of a *descriptive end-state*)?
- Draft Corresponding Objectives: How will we get there (statements of *measurable actions*)?