

CALSTRS | >

Innovation Update

November Board Meeting

November 7, 2024

Overview

OBJECTIVE

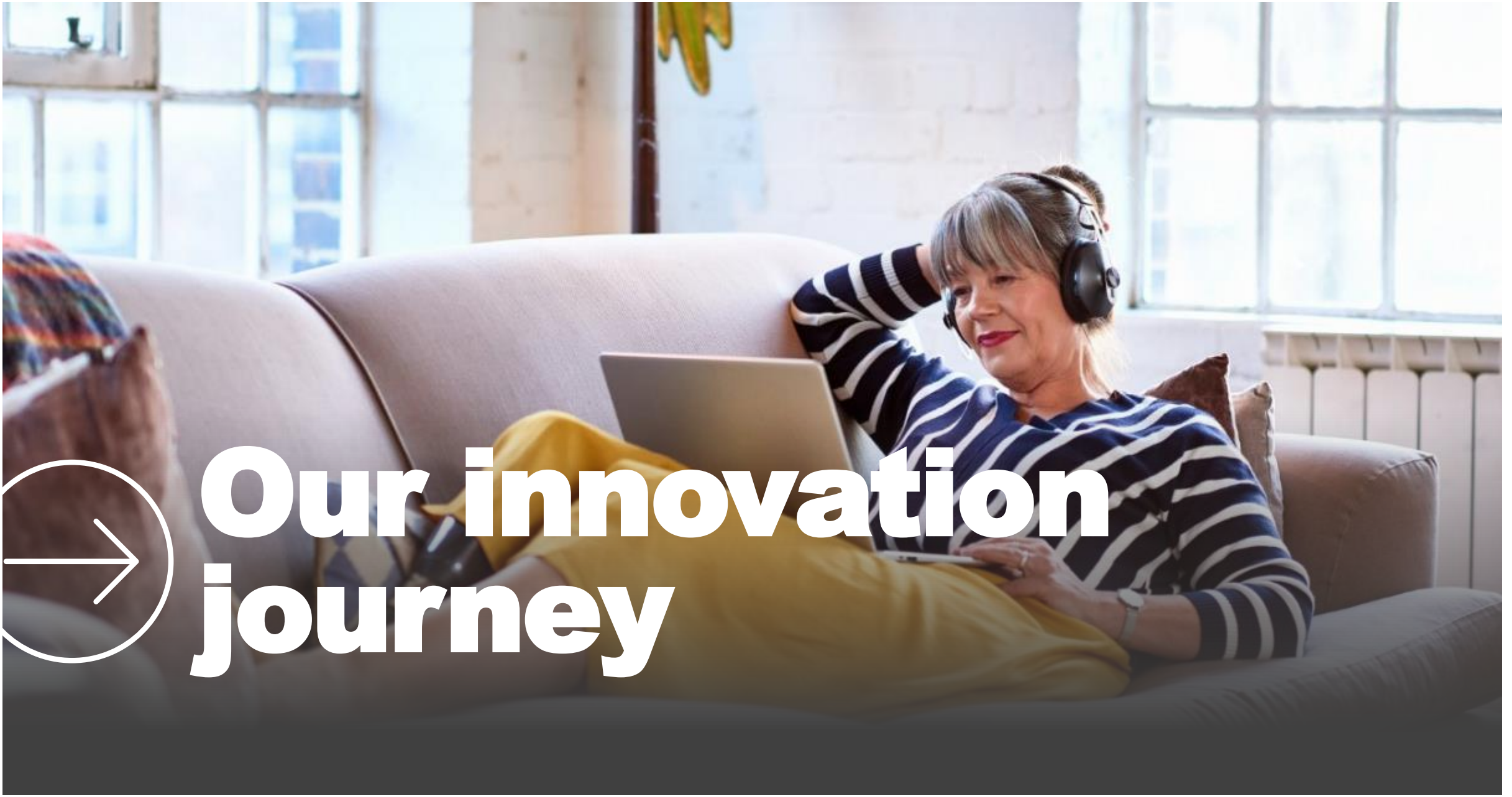


Provide an update on implementation of the CalSTRS Innovation Program.

AGENDA

01 Our innovation journey

02 Up next for innovation



Our innovation journey



Timeline

CalSTRS has embarked on a journey to become a more innovative organization. In partnership with Accenture, we have mapped out a four-phase plan to **assess** the current state of our culture and capabilities, set a vision, **design** and **implement** the future state, and **maintain** and evolve the program.

We are here.



Assessment

March 2023–July 2023

- Culture DNA survey
- Focus groups
- Vision workshop
- Insight analysis & alignment

Design

July 2023–March 2024

- Playbook creation
- Feedback sessions
- Backlog refinement
- Continuous iteration

Implementation

March 2024–February 2026

- Run design sprints to test and refine the playbook
- Evaluate ideas and develop proofs of concept
- Establish team
- Grow innovation culture
- Develop communications

Maintenance

February 2026+

- Continue innovation function activities and management
- Grow team
- Revise playbook with continuous learnings



End of implementation phase extended from July 2024 to February 2026.

Innovation opportunity areas

Internal



Employee Experience

How might we enable a culture of innovation, better attract and retain talent, and create a hybrid working environment in which our staff thrives?



Process Efficiency

How might we reimagine our processes to increase efficiency, improve resource allocation, reduce bureaucracy and deliver with speed and agility?



Communication & Collaboration

How might we deconstruct silos, support collaboration and improve access to information and tools throughout the organization?

External



Customer Experience

How might we customize and streamline member processes and deliver next-level experience and support?



Member Engagement

How might we engage members sooner in their career journey and increase financial literacy and wellness?



Partnerships

How might we derive more value from our external partnerships (for example: employers, other public agencies, consultants, investment managers)?



Investing & Risk Management

How might we maximize our investment opportunity sets and reimagine our data modeling to produce higher returns and increase overall risk management?



INNOVATION SPRINT

Improving customer experience

OUR PROCESS

Innovation **partnered with Retirement Readiness** to **identify a problem** that was impacting both staff and members. We then applied the innovation process to identify, define, validate, prototype and pilot one of those concepts.

THE CHALLENGE

MSC counter staff often struggle to resolve Survivor Benefit inquires.

The subject area is complex, and it can be challenging to sort through different resources to find the necessary information.

KEY QUESTION

How might we better equip MSCs to answer Survivor Benefits questions?

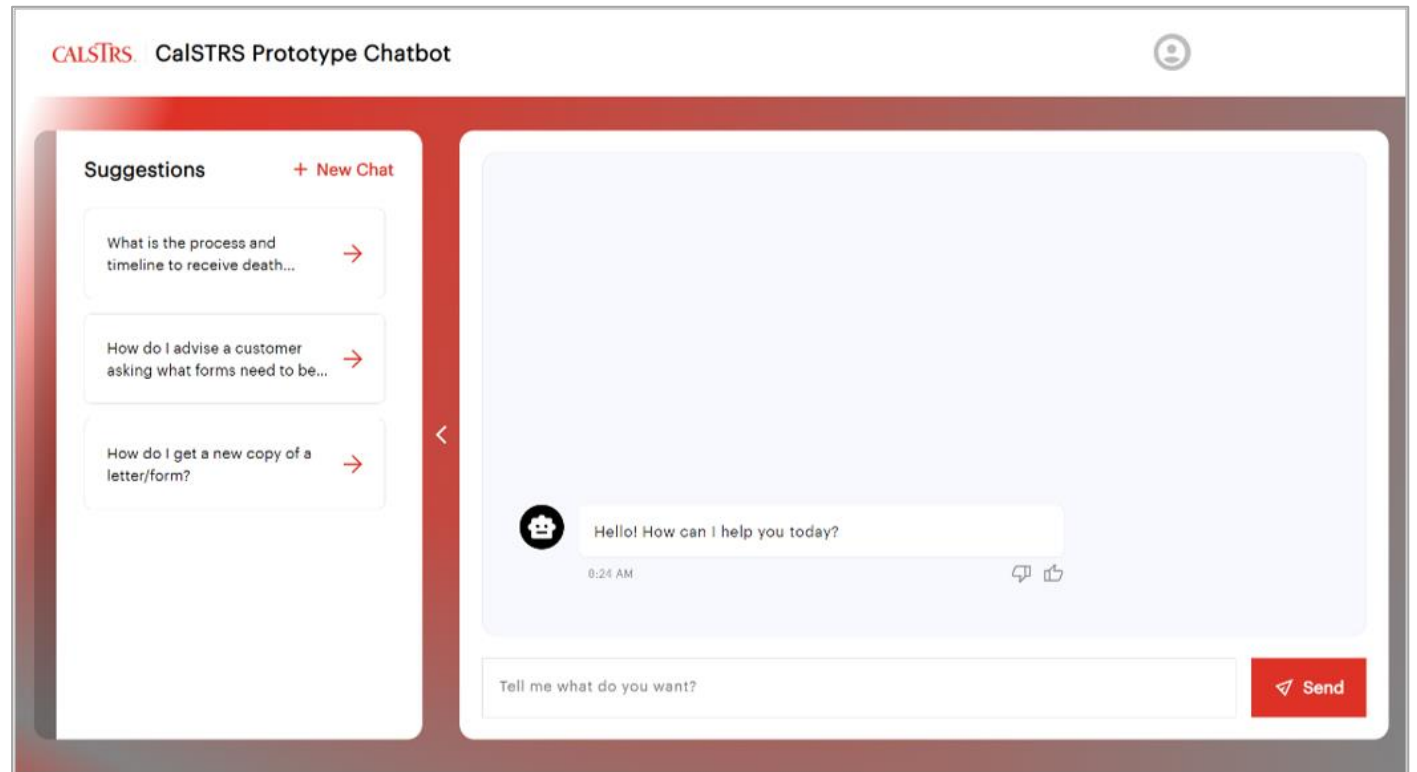


INNOVATION SPRINT

GenAI chatbot for MSC staff

THE CONCEPT

A GenAI powered chatbot that MSC staff can use to quickly and more easily access Survivor Benefits knowledge when answering customer inquiries.





INNOVATION SPRINT

Sprint outcomes

OUTCOMES

MSC staff gave positive feedback on the chatbot pilot. However, the Steering Committee ultimately decided to backlog the concept because it wasn't the best fit for the identified problem. We will revisit the tool in the future and evaluate applying it to other use cases.

SPRINT ACHIEVEMENTS:

1. Used the innovation process to create a process that can improve customer experience.
2. Refined and validated the playbook.
3. Identified opportunities to streamline prototype approval and development.
4. Established partnerships with business areas that we can leverage in the future.
5. Saved resources by using pilot data and learnings to make an informed decision on new tool before investing in full implementation.
6. Contributed pilot learnings to our larger GenAI efforts.

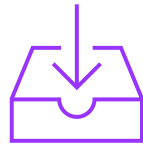
Up next for innovation



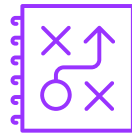
Conduct tech governance & approval sprint



Unlock org-wide innovation culture transformation



Unveil idea portal and communications plan



Support CalSTRS' GenAI strategy

Thank you!
Questions?