



Regular Meeting

Item number 7 – Open session

Subject: Innovation Update

Presenter(s): Vaishali Dwarka, Enterprise Strategy Management director /
Jennifer Hall, Accenture innovation lead

Item type: Information

Date and time: November 7, 2024– 20 minutes

Attachment(s): None

PowerPoint presentation(s): CalSTRS innovation update

Item purpose

This item provides an update on the implementation of the CalSTRS innovation program and the progress made toward achieving the 2022–25 *CalSTRS Strategic Plan*, Goal 2: Objective B, which focuses on growing capabilities and fostering a culture that supports a strategic and innovative mindset.

Background

The board identified innovation as an initiative for the 2022-25 *Strategic Plan*. The goal is to help CalSTRS address evolving needs, achieve new levels of excellence in customer service and foster adaptability.

Building on the vision and principles set by the board and executives, a cross-functional group of experts from across CalSTRS created an Innovation Playbook in 2023. The playbook outlines our innovation strategy and establishes a framework that enables us to identify, evaluate, prototype, pilot and scale new ideas across the organization. In 2024, the focus has been on testing and implementing the playbook.

Executive summary

The innovation team, which is currently part of Enterprise Strategy Management, tested the playbook framework in a design sprint with Retirement Readiness. They partnered to identify a problem that impacts both staff and members and to develop solutions. Through the innovation process, the group developed a Generative Artificial Intelligence-enabled chatbot prototype. The chatbot lets Member

Service Center staff sort through different resources to answer member survivor benefits questions quickly and easily.

Innovation is also working on other activities, including:

- Streamlining governance and approval processes to enable faster technology experimentation.
- Launching an org-wide program to enable a strong innovation culture at CalSTRS.
- Developing a portal to collect and manage the CalSTRS innovation idea backlog.
- Supporting GenAI strategy and exploration.
- Building the team to increase capacity to evaluate and test innovation ideas.

Strategic Plan linkage:

2022–25 CalSTRS Strategic Plan

Goal 2: Leading innovation and managing change

Innovate to grow resiliency and efficiency in service of our members.
