

DRAFT INNOVATION DEFINITION AND PRINCIPLES FOR SMALL GROUP BREAKOUT DISCUSSION

Direction for small group discussion

Over the next 45 minutes, you'll work with your small group to discuss concepts reflecting the fundamentals of leading innovation at CalSTRS. We ask that you engage in listening and perspective sharing to find common ground, highlight areas of differing views and identify where more education, information and discussion may be needed.

1. Agree on a group spokesperson who will document the discussion and share the outcomes with the larger group upon reconvening.
2. Privately reflect on your individual perspective to the draft definition and guiding principles provided by executive staff.
3. Discuss the key questions within your small group.
4. Focus discussion on areas where different views exist or where more education, information and discussion may be needed to create consensus.
5. The group's spokesperson should capture the majority view for each question.

Key questions for small group discussion

Please discuss the following questions.

- 1. Discuss executive staff's draft definition of innovation.**
 - a. What resonates with you?
 - b. Where do you see things differently?
- 2. Discuss executive staff's draft innovation guiding principles.**

Reminder: These principles are to guide the board and executive staff in exercising their shared leadership responsibilities.

 - a. What resonates with you?
 - b. What other concepts, if any, should be considered?
- 3. Where is more education, information or discussion needed by the board as the executive staff prepare the organization for a centralized innovation effort?**

Draft definition and guiding principles of innovation

Executive staff drafted a definition of innovation for CalSTRS, as well as guiding principles to use as it prepares the organization for a centralized innovation effort. These fundamentals are intended to reflect consensus agreement as the board and the executive staff lead the organization forward together.

In the coming months, the executive staff will undertake a broader set of separate activities to produce alignment within the organization among the staff. This definition and these draft guiding principles provide a solid, shared foundation of joint leadership upon which to initiate those activities.

Draft definition of innovation at CalSTRS

Applying creative ways of thinking and operating to add value in the execution of CalSTRS' mission and in service to our members.

Draft guiding principles for innovation

Innovation requires curiosity, excitement and an imaginative way of thinking about what is possible. Through collaborative exploration, opportunities are identified to satisfy a need that is unmet or perhaps even unanticipated.

To CalSTRS, innovation means applying creative ways of thinking and operating to add value in the execution of CalSTRS' mission and in service to our members. These draft guiding principles serve as part of CalSTRS' framework to support successful innovation.

At CalSTRS, the board and executive staff are committed to following the guiding principles to support and uphold our vision of innovation outlined in the [2022–25 Strategic Plan](#):

- We are inspired by our members, beneficiaries and each other.
- We are comfortable with exploration and trying new ways of working within reasonable, defined parameters, while recognizing legal considerations.
- As leaders among U.S. public pensions, we look to other innovators to develop an approach that is unique to CalSTRS.
 - We all model a mindset to create a safe environment that enables innovation to flourish.
 - All our core values—but especially strength, trust and respect—are honored as we embrace innovation.
 - Innovation is a shared responsibility that is supported and celebrated across the organization.

- Fiduciary responsibility; sustainability; and diversity, equity and inclusion are at the heart of what we do.
- We demonstrate an unwavering commitment to sustained innovation through prudent resource allocation.
- We maintain transparency across all levels of the organization to foster trust in the practice of innovating and support decision-making.