

Collaborating for a Stronger Future

WHETHER IT'S TEARING DOWN WALLS OR FORMING NETWORKING GROUPS, NAMIC MEMBERS ARE USING COLLABORATIVE EFFORTS TO THEIR ADVANTAGE.

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Get ready for the collaboration wars. That's the new marketing buzz for collaboration tools and activities designed to improve employees' abilities to work together no matter where they might be. In fact, a January 1, 2018, article in Computerworld cites research firm Market and Markets estimating that the enterprise collaboration market will grow from \$26.69 billion in 2016 to \$49.51 billion by 2021.

True, the article is focused mainly on the products and tools being created by companies such as Google and Microsoft, but the concept of collaboration is far-reaching, and it is very much alive and well in the property/casualty insurance industry. In fact, property/casualty insurers are using collaborative approaches to foster innovation for the benefit of the companies, their employees, and their policyholders.

A Culture of Collaboration

Motorists Mutual Insurance Company has spent the last six years transforming its culture. It all started in 2012, when the 85-year-old mutual realized it had become a collection of affiliated companies that lacked a solid core.

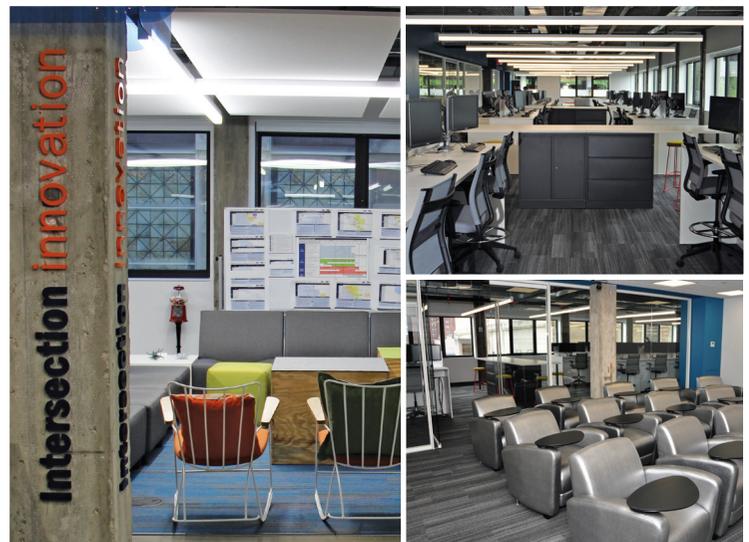
"We had grown over the years through affiliations and had essentially become an enterprise of disparate and antiquated systems, disparate and antiquated mindsets, and disparate and antiquated cultures," **John Kessler**, Motorists' senior vice president and chief strategy officer, says. "We had eleven companies across the group, and we were siloed from a company standpoint; we had silos in functional work areas; we had silos really everywhere. We had gotten to a point where we recognized that it was no longer sustainable from an enterprise standpoint."

Over the past five years, under the guidance of CEO **David Kaufman**, the company made a commitment to a one-company vision. Leadership invested time and money in transforming the culture from what Kessler described as one of "command and control" to a new collaborative culture built around three core capabilities: 1) integrated teaming; 2) responsive communications; and 3) knowledge management or knowledge sharing.

"These three core capabilities are behind everything we do at Motorists. They are the real drivers behind breaking down the barriers that our culture had created over the course of many years," Kessler says. "One of our mantras is that none of us is smarter than all of us, and so we recognized that the way to really foster collaboration and innovation was to make sure we put together integrated teams. It doesn't matter if it's an underwriting project, a claims project, a financial services

project, or whatever, we made sure that we had representation from multiple functional areas on a team."

Motorists used this approach to successfully implement one of its most impactful and transformational strategies, a program intended to build a new core for the organization on the Guidewire platform. The company utilized integrated teams to implement the full suite — including policy, billing, and claims along with a new customer experience piece and a whole new infrastructure necessary to stand up and launch a new company. Motorists currently is in the process of transitioning everything from its antiquated, disparate systems to the new platform. This is paving the way to transition all its legacy businesses to Guidewire over the course of the next couple of years, truly becoming one company from a technological standpoint as well as from a cultural standpoint.



To facilitate the integrated-teams approach, the company created a unique physical workspace, dubbed "The Intersection," to provide team members everything they need to collaborate successfully.

The Intersection workspace combines a variety of work options. It has high desktops and standard desktops. There are no walls, creating high visibility throughout the entire floor. There are glass conference rooms and collaborative sitting areas. There is state-of-the-art video conferencing technology so team members can work together across companies, across states, even across continents. The Intersection includes recreational areas with foosball and shuffleboard tables so people can decompress, even as they continue to brainstorm and collaborate.

“We basically gave them a license to thrill, to work differently, to be creative, to be innovative. We divorced them from their day jobs,” Kessler says. “We felt it was really important to sequester them. The last thing we wanted was for them to go back and work in their physical cubes. More than likely, they would fall back into old practices, or they would start prioritizing other work ahead of the transformation program. So we thought it was really important to isolate them from their legacy responsibilities.”

The transformation proved extremely successful for Motorists, thanks largely to the time and effort the company dedicated initially to transforming the culture.

“We talk about a continuum that goes like this: integration leads to collaboration; collaboration leads to shared understanding; shared understanding leads to respect; and respect leads to trust,” Kessler says. “So we started to really build that trust in the organizations. That’s been the linchpin behind the high-performing organization. We worked through the early resistance and got to a point now where we are really accelerating and people have embraced the culture.”

A New Carrier-Agent Collaboration

The art of collaboration took on a different focus for **Penn National Insurance**. The company, which has long enjoyed strong relationships with its network of independent agents, had in recent years been working with those agencies to help them identify and acquire the next generation of sales professionals. The agencies are facing the same problem as carriers — an aging workforce — so it made sense for Penn National Insurance to do what it could to assist.

The company tried several different approaches to help agents acquire new talent, all of which were met with limited success. Then in 2016, Penn National Insurance created an initiative designed specifically for young insurance professionals who are new to the agencies and demonstrated outstanding career potential, but needed help developing that potential. **Andrew Potalivo**, vice president of field operations for Penn National, described the “aha” moment that led to Penn National’s Aspire Agents program.

“We had a very large agency with an active, large salesforce, but also an aging salesforce. They identified and hired a young sales professional to come in,” Potalivo says. “This individual was in his twenties and all the other agents were in their fifties. The young agent didn’t have someone he could confide in and discuss challenges with because they weren’t in the same predicament. In getting to know that young producer. That’s when our ‘aha’ moment occurred.”

Potalivo says Penn National recognized that other agencies faced the same situation. There were plenty of opportunities for technical training about the business of insurance and plenty of sales training courses, but there was a void when it came to a way to integrate that training with the kind of insights needed to build effective relationships. Without peers, it would be harder and take longer for young agents to learn about what’s going on, what some of the best practices are on how to prospect, or how to build a pipeline.

That’s the void Penn National Insurance has begun to fill with its Aspire Agents program, an initiative designed to bring together individual performers in a collaborative, peer-to-peer environment. It began with an invitation-only group of nine individuals from seven different states, identified by Penn National’s field staff who work on a daily basis with the agencies.

Potalivo says the first Aspire Agents group is supposed to wrap up its two-year program this spring, but the participants have enjoyed the group so much, they’re already asking about continuing to meet on an annual basis for the next couple of years. Penn National is also preparing to start the process again later this year with a new group of nine to 12 participants.

Potalivo says this initiative has been great for Penn National Insurance. Not only has the company been able to develop relationships with these young professionals early on in their careers, the company also has gained the opportunity to build on that foundation as the agents move forward and possibly become the agency owners of the future. And it’s worked out well for the agencies too.

“All nine participants are still working at their agencies,” Potalivo says. “That’s a key element as far as the identification process we use; we identify sales professionals who have demonstrated in a short period of time that they’re going to be effective and stay in the industry.”

