

# Strategic Planning Session

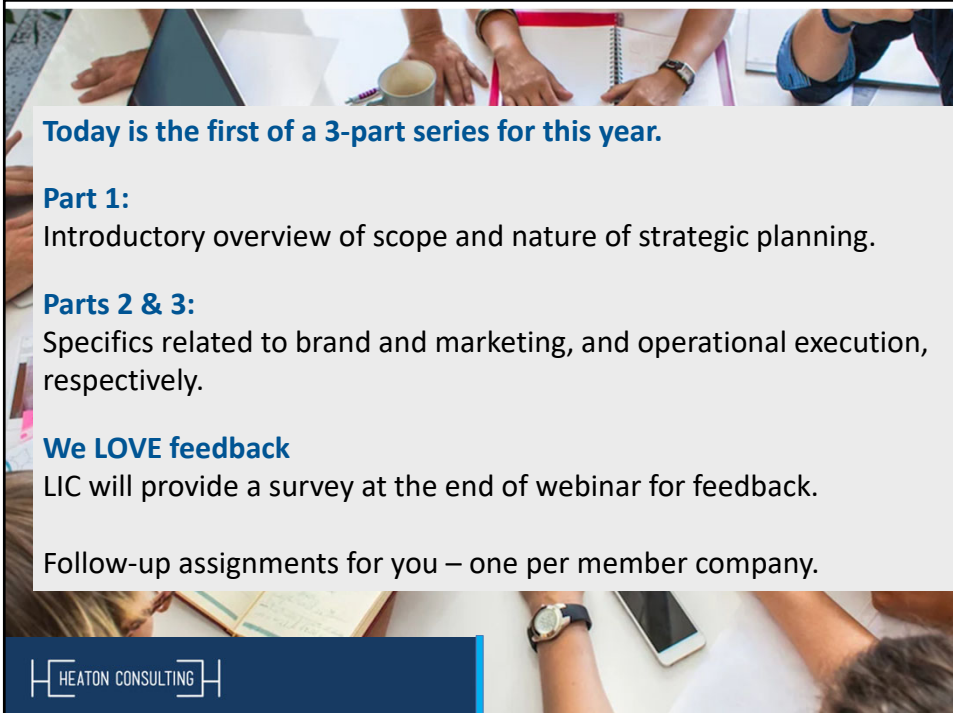
**Brand Promise + Strategy Execution = Positive Outcomes**

How aligning marketing, operations, and products will create a deliverable value proposition to agents and consumers.

Presented by Tim Heaton and Mark Rothwell  
April 24, 2024



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**Today is the first of a 3-part series for this year.**

**Part 1:**  
Introductory overview of scope and nature of strategic planning.

**Parts 2 & 3:**  
Specifics related to brand and marketing, and operational execution, respectively.

**We LOVE feedback**  
LIC will provide a survey at the end of webinar for feedback.

Follow-up assignments for you – one per member company.



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## Your presenters...



Tim Heaton

Tim is a highly accomplished leader, renowned for his proactive and results-driven approach. He has consistently guided insurance organizations to attain their revenue, profit, and business growth objectives. Tim collaborates with company leadership to drive growth through sound strategic development and execution. His career highlights include successfully leading a company through a dramatic turnaround, managing system installations and conversions, cultivating strategic partnerships, and innovative new life and health insurance products. He was responsible for corporate planning at three companies; coordinating planning, communication and execution company wide. He also held top Actuarial officer positions and product line of business responsibilities at life and health insurance companies.



Mark Rothwell

Mark is an entrepreneurial minded executive with extensive management, strategic marketing, and brand transformation experience, that has successfully inspired consumer engagement efforts with great brands across multiple industries. He has over 25+ years of marketing leadership with Oscar Mayer, The Coca-Cola Company, Miller Brewing Company, Famous Footwear, Dean Health System, American Family Insurance and WPS Health Solutions. Under his leadership, he helped deliver significant improvements in key brand health metrics, consumer satisfaction and overall business results (market share, revenue and profitability).



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## Winners vs. ?

- **Vision & Mission**
- **Quality of the team-Top to Bottom**
- **Engaged Culture-We vs. Me**
- **Goal setting**
- **Roles and responsibilities**
- **Breakdown of the game plan**
- **Commitment to continuous learning**



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## Major Issues in 2024

The life insurance industry is undergoing significant transformations in 2024, driven by various global trends and market dynamics. These changes are reshaping how life insurance products are **developed, marketed, and distributed**, offering both challenges and opportunities for the industry.

### Industry growing + # of insurers declining = Fight for share and talent\*

- Assets – increasing
- Premiums received – increasing
- Staffing levels – increasing

### What is innovation, when the new product failure rate is 95%?\*\*\*

#### Innovation Failure-Hall of Shame^

- Kodak-First Digital Camera
- Nokia-First Cellular Network
- Yahoo-First Internet Search
- Xerox-First PC
- Blockbuster-VHS/DVD Movie Stores



Sources:  
\*2023 ACLI Fact Book  
\*\*Clayton Christensen, a professor at Harvard Business School  
^<https://www.valuer.ai/blog/50-examples-of-corporations-that-failed-to-innovate-and-missed-their-chance>

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## Navigate Changes

Life insurers must focus on:

- **Committing to Voice of Customer-Understanding the value being delivered**
- **Investing in Product Development/Service Delivery (Positive customer journeys)**
- **Enhancing Customer Engagement-Consistent Delivery of Brand Promise to **Attract/Retain****
- **Review/Refreshment of Organizational Pillars**  
(Brand, Strategic Planning, Operational Effectiveness, Sales Enablement, Marketing, Communications)
- **Investing in Technology**
- **Cultivating Key Partnerships and Collaborations**
- **Building Out Data Analytics Discipline (Monitoring/Testing/Forecasting)**
- **Creating Effective Communication Strategies**



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## Time for Self-reflection

Insurance is unique?  
You think your unique?  
Desire for growth misaligned with actions?  
Is your perceived uniqueness, a strength or barrier?  
How do you know?  
Do your results support this?  
Are you doing the same thing over and over and expecting different results?

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## Strategic Planning

What are forward-thinking companies doing?

**“Without strategy, execution is aimless. Without execution, strategy is useless.” —**

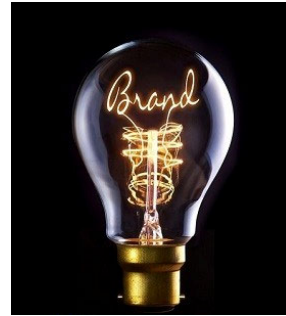
Morris Chang, CEO of Taiwan Semiconductor Manufacturing Company

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## Benefits of Strategic Planning

- ✓ **Alignment within company around brand, brand promise(s), priorities, success metrics and ongoing monitoring:**
  - Strengthens customer loyalty
  - Improves decision making
  - Eliminates embedded waste/inefficiencies
- ✓ **Consistent messaging to external stakeholders backed up with actions – rating agencies, shareholders, distribution, customers**
- ✓ **Defined accountability and governance**
- ✓ **Thoughtful and forward-thinking; reduces perception of always chasing your tail**



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## Tenets of Strategic Planning

- Strategic development and execution planning
- Objective assessment of company strengths and weaknesses
- Understanding customer needs, preferences, and pain points
- Competitive landscape assessment
- Measurable validation of assumptions
- Alignment on success metrics
- Accountability and governance



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## Breaking Down the Game Plan

**Determine the brand promise and develop the strategic plan**

**Tone from the top – Importance of internal brand understanding across various disciplines and how they support the promise.**

**One way to breakdown the game plan:**

- ✓ Revenue generation
- ✓ Customer value
- ✓ Internal operations and functions
- ✓ Internal decision-making processes and governance



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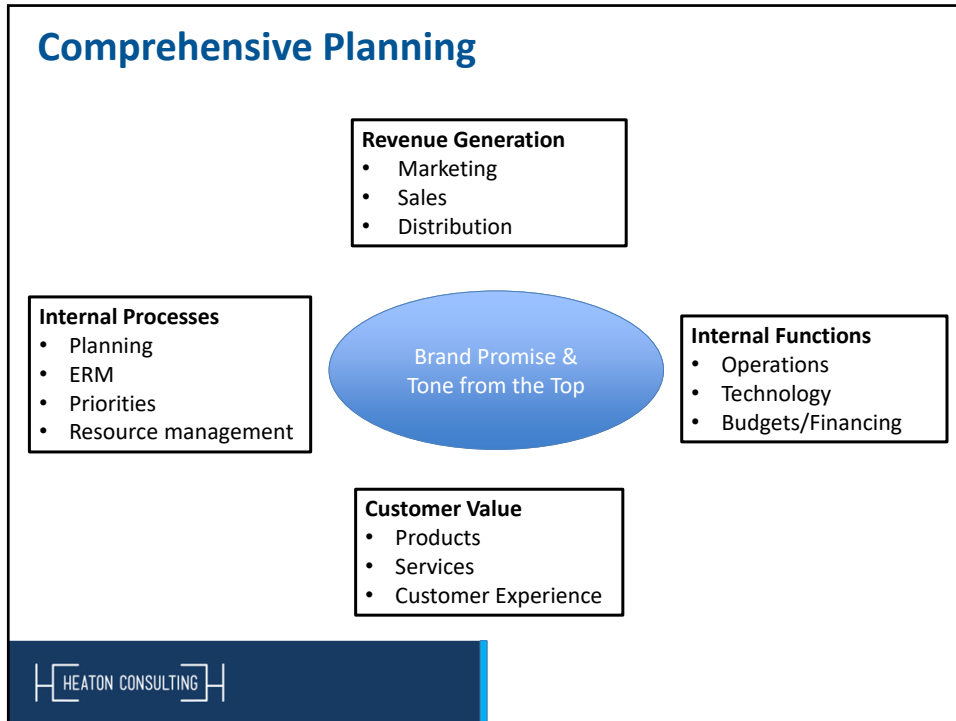
## Breaking Down the Game Plan

**Importance of the sum of the pieces**

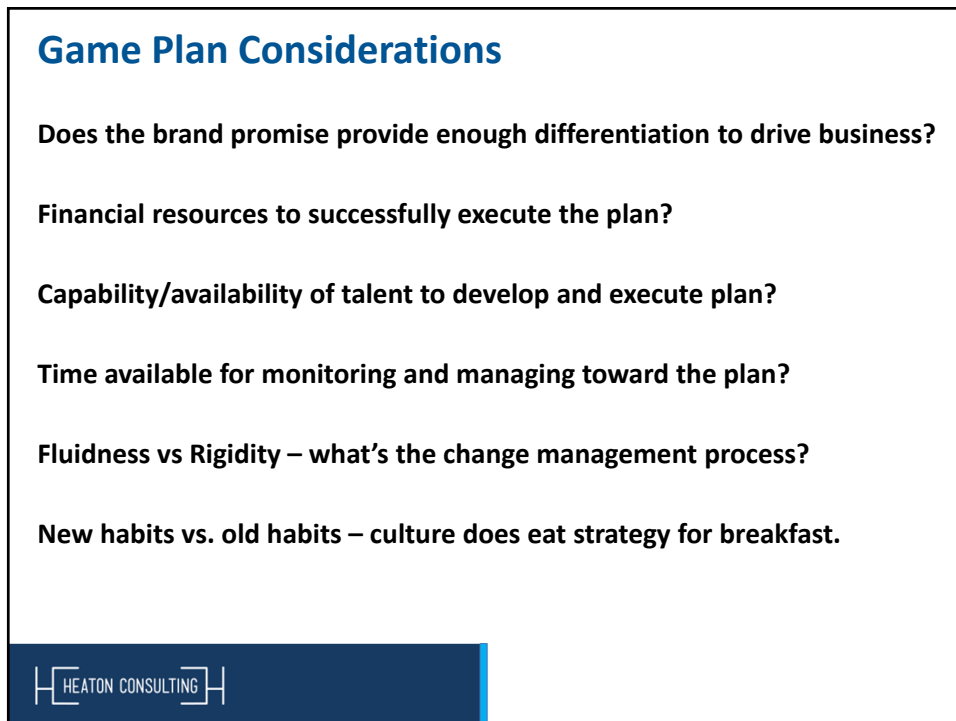
- ✓ Monitoring of customer voice.
- ✓ Customer focus on value proposition that separates you from competitors.
- ✓ Resources aligned around value proposition.
- ✓ Product performance.
- ✓ Solid ERM and company governance.
- ✓ Operational priorities and key metrics.



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## Strategic Planning Success

Scenario	Impact
<b>Company Turnaround</b>	<p><b>Opportunity: Create a Sustainable Direction</b></p> <p><b>Headwinds:</b> Board of Directors questioned if company should continue; Trend of realized significant losses</p> <p><b>Results</b></p> <ul style="list-style-type: none"> <li>• 14 years of year after year sales growth, asset growth, surplus growth</li> <li>• Unrated life insurer pivoted to a new product line, competed with regional and national insurers.</li> </ul>
<b>New Product Rollout</b>	<p><b>Opportunity: Declining profits, declining sales in its lead product line – wanted to reverse trends and wanted diversification.</b></p> <p><b>Headwinds:</b> Low portfolio yields; competitive market landscape aided by digitalization and online services; legacy technology and several initiatives underway</p> <p><b>Results:</b></p> <ul style="list-style-type: none"> <li>• Entire new product line supported in under 6 months</li> <li>• \$70 million in sales within 18 months, achieved critical mass for profits within first year.</li> </ul>



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## Make Your Brand Matter...

Scenario	Impact
<b>Brand Refresh</b>	<p><b>Opportunity: Lackluster regional performance to significant national growth.</b></p> <p><b>Headwinds:</b> Company competed in the retail footwear industry as a value priced brand with marginal results.</p> <p><b>Results:</b></p> <ul style="list-style-type: none"> <li>• Refreshed its brand internally and externally resulting in record growth in revenue, market share, # of locations and s/s sales.</li> <li>• Regional footprint to national expansion.</li> </ul>
<b>Brand Transformation</b>	<p><b>Opportunity: Negative results in a stagnant market to marketplace leader.</b></p> <p><b>Headwinds:</b> 100-year-old healthcare delivery and insurance brand was last in the market.</p> <p><b>Results:</b></p> <ul style="list-style-type: none"> <li>• Transformed the brand internally and externally, which led to record revenue, market share and brand health improvements.</li> </ul>
<b>Brand Polish</b>	<p><b>Opportunity: Perceived stagnant growth in main market to record results</b></p> <p><b>Headwinds:</b> Medicare insurance brand losing to national carriers in home market.</p> <p><b>Results:</b></p> <ul style="list-style-type: none"> <li>• Energized its brand promise, raised the level of sophistication internally, which resulted in record revenue gains, market share vs. national carriers and significant improvements in key brand health metrics in home market.</li> </ul>



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## Business Wellness

Q: Is your organization delivering on expectations?

Q: Are you growing at or above industry average?

Q: Are your major initiatives delivering on your desired results? Are they contributing to key success factors within your plan?

Q: Does your company have an established competitive advantage or reputation that is attracting prospects and are you delivering on your promise to ensure retention?

Q: Do you have a passionate, dedicated brand champion who will promote the company's competitive advantage throughout the company and during planning?

Q: Does every area of the company have line of sight to company plan and goals that tie to driving success of growth?

**If you answered "No" or "I don't know" to any of the questions, think about where your planning and execution processes could improve.**



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# THANK YOU

Does anyone have any questions?

[tim@heatonconsulting.com](mailto:tim@heatonconsulting.com)

[markjrothwell@gmail.com](mailto:markjrothwell@gmail.com)



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