

LIC Strategy Execution Series Part 3

Operations & Innovation:

Harnessing Internal Assets to Increase Revenue as the Result
of Innovation and Operational Planning

Presented by Tim Heaton, Chris Downs & Mark Rothwell

September 2024



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Your presenters...



Tim Heaton, CAL

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.



Christopher
Downs, PMP

New Resources Consulting (NRC) is a leading management and technology consulting firm with offices nationwide. NRC works with companies, large and small, to improve through technology through learning about our clients' businesses and needs to provide the best talent and solutions. NRC's 20+ year history has prepared them to deliver even the most complex technology solutions with services ranging from strategy to implementation to support. Chris is responsible for 250+ team members on all delivery aspects of professional services and managed services through Practice Leaders/Directors and Managers resulting in \$30M+ in revenue, including Interim CIO, Information Technology Strategic Planning, Application Road Mapping, Application Development, and Project Management Office (PMO). Prior to joining New Resources Consulting, Chris held senior IT leadership positions with national and regional healthcare systems.



Mark Rothwell,
MBA

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 held marketing leadership roles at 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, staff satisfaction and overall business results (market share, revenue and profitability).



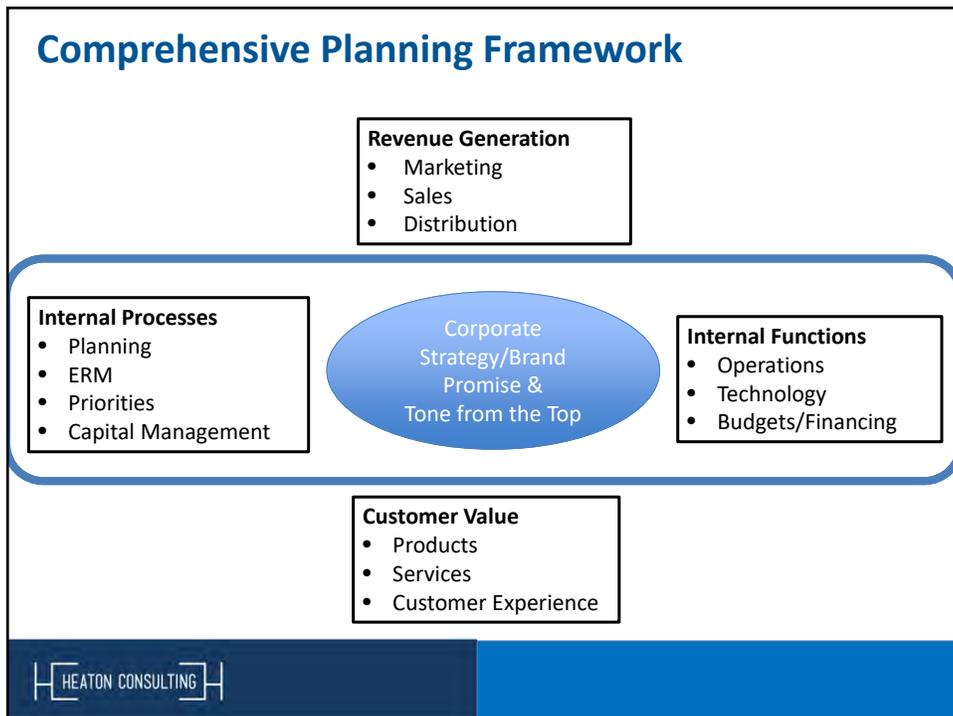
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Today is the final part of the 3-part series:

- Part 1: Brand Promise + Strategy Execution = Positive Outcomes
- Part 2: Brand, Marketing and Sales Impact
- Part 3: Operations and Innovation (September 24, 2024)**

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Industry Consolidation

was 2,343 licensed insurers, now 727, as of 2022

Many Reasons:

1. Economic Pressures
2. Regulatory Changes
3. Technological Advancements
4. Market Saturation and Growth
5. Diversification of Risk
6. Competitive Pressures
7. Demographic Shifts
8. Financial Health



However, Life Insurance Industry is growing 2-3% per year



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Learning Outcomes

Corporate Alignment of Strategy with Project Governance/Project Management

Project Governance

- What is Project Governance and why do we need it?
- How does it Impact Corporate Strategy?

Project Management/Project Charter

- What is Project Management and why do we need it?
- What is a Project Charter?
- What are the components of a Project Charter:
 - ✓ Project Overview, Project Scope, Project Conditions, Project Approach, Project Team/Organization and Approvals

Customer Experience

- Project success relies heavily on Communications/Marketing



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Corporate Strategy Linked to Project Governance, and Project Management

- **Corporate strategy** is critical to long-term success
- **Project governance** oversees the implementation of strategy
- **Project management** is a critical tool to implement that strategy
- Corporate strategy, project governance, and project management **are intimately linked**



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Project Management Methodology – When & Why When?

- **Important projects** needed to achieve vision/business goals
 - Initiatives called out in Corporate Business Plan (proactive)
 - Financial consequences
 - Competitive consequences
 - Reputational consequences
 - Legal consequences
- **Traditionally IT intense projects, however, can be any business-critical project**
 - Legacy System conversion
 - Digital transformation
 - New product launches
 - Mergers and Acquisitions
 - Opening up new market channels
 - Regulatory reforms
- **Expensive and/or complicated projects**
 - In excess of \$250,000, for example
 - Involves several departments and vendors
 - Expected to take several months/years
 - Occurs periodically and requires a lot of coordination
 - Occurs infrequently
 - Addresses critical needs from significant external stakeholders
 - Departments of Insurance
 - Auditors
 - Agents
 - Rating Agencies



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Project Management Methodology – When & Why Why?

- ✓ **Research based – best practices**
- ✓ **Larger projects have high failure rate**
 - 70% fail rate – says PMI
- ✓ **Company resources/available funds are limited**
- ✓ **Results needed after implementation to advance company financially, competitively, and/or with customer loyalty.**
- ✓ **Ties to Corporate Plan and/or Brand Promise**
 - Creates visibility within company
 - Accountability for outcome and timing
 - Improves execution effectiveness
 - Maintains credibility with external stakeholders



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Why 70% of Projects Fail

- Lack of Executive Support
- Poor planning and unclear objectives
- Inadequate resources or budget
- Lack of communication and collaboration among team members
- Scope creep or changing requirements
- Ineffective project management
- Lack of governance and planning
- Lack of scope management
- Inconsistently defined resources
- Unrealistic deadlines
- Lack of transparency
- Unrealistic expectations
- Lack of monitoring
- No risk management
- Inadequate stakeholder management



Source: Project Management Institute

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Project Governance – What is it?

Project governance is a framework of processes, policies, and procedures that ensure IT projects are aligned with organizational objectives, properly resourced, and delivered on time and within budget.



Successful implementation can lead to improved project outcomes and organizational performance.

Defining Project Governance

- Who's accountable?
- Level of accountability
- Measurable outcome defined
- Scope of decision-making authority

Principles and Best Practices

- Clearly defined roles and responsibilities
- Effective decision-making processes
- Robust risk management strategies

Project Governance Challenges

- Resistance to change
- Lack of organizational support
- Too many conflicting priorities
- Inadequate resources



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Project Governance – Alignment with Strategy

- Corporate strategy **guides the overall direction** of an organization
- Project governance **aligns operational investments** with business goals and objectives
- Project governance **ensures that projects stay aligned** with corporate strategy



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Project Governance – Objectives

- Alignment with Business Goals
- Risk Management
- Proper Resourcing
- Outcome Measurement and Monitoring
- Visibility
- Accountability



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Project Governance – Implementation



Key factors that can help ensure successful implementation:

- ✓ Defining clear goals and objectives
- ✓ Establishing a governance framework
- ✓ Identifying stakeholders
- ✓ Defining roles and responsibilities
- ✓ Monitoring performance



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Project Charter

The connector for Corporate Strategy and Project Management

- Formalization of project what, why and how
- Establishes expectations – clarity of goals and objectives
- Business justification/rationale
- Scope – what’s in and what’s not included
- High level execution plans
- Defines roles and responsibilities, stakeholders
- Financial projections/budgets
- Governance process
- Risk evaluation



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Corporate Strategy / Project Charter

Corporate Strategy

- Defines the company's mission, vision, values, and strategic objectives.

Project Charter

- Document that outlines the scope, objectives, and stakeholders of a project.

Alignment

- Managing important projects needed to achieve vision/business goals - ensures that the project is contributing to the company's objectives and goals.



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Prioritization of Resources



Relevance to Corporate Strategy

- *Establish priorities and resources relevant to the company's goals and objectives and its contribution to the company's overall success.*

Effective Resource Allocation

- *Resources are allocated realistic to time and skills necessary to maximizing the chances of project success.*



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Accountability



Roles and Responsibilities

Defining the roles and responsibilities of the stakeholders ensures:

- ✓ Clear understanding of who is responsible for what
- ✓ Avoids confusion and conflict
- ✓ Establishes level of authority

Clear Goals and Expectations

Ensures that everyone is aligned on the project's objectives and what needs to be accomplished.

- ✓ Ability to track performance
- ✓ Timely adjustments as needed
- ✓ Enables communication



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Measuring KPI's and Outcomes

Project Charter and KPIs

- Key Performance Indicators (KPIs) measures the success of the project and ensure that it is meeting the goals and objectives set out in the project charter.

Importance of Measuring Outcomes

- Measuring outcomes is important to ensure that the project is on track and that it is contributing to the overall corporate goals.



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Outcome Measurement

Financial Outcomes

Measures of success for a project and may include profitability, cost savings, or revenue growth.

Customer Satisfaction

Assessment of how project ties to brand promise, customer experiences and/or customer value

Stakeholder Satisfaction

Measures for the satisfaction of all stakeholders; including employees, suppliers, and partners, in a project and is an important measure of success.



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Hypothetical System Replacement Project

Project Goals and Objectives

Current State Analysis

Future State Vision

Project Team and Stakeholders

Project Timeline and Milestones

Project Budget

Risk Management and Mitigation



How do we communicate and manage a project of this size?



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Walk Through of Project Charter

Project Charter Document

Project Name:

Department:

Focus Area:

Product/Process:

Prepared By

Document Owner(s)	Project/Organization Role

Project Charter Version Control

Version	Date	Author	Change Description
1.0			Document created
		[Replace this text with the name of the Change Owner.]	[Replace this text with a list of changes for this Owner on this Date and Version.] <ul style="list-style-type: none"> • [Change 1] • [Change 2] • [Change n]



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Walk Through of Project Charter

- Project Overview
- Project Scope
 - Goals & Objectives
 - Project Deliverables
 - In/Out of Scope
 - Timeline
 - Project Costs
- Project Conditions
 - Project Assumptions
 - Critical Success Factors
 - Issues
 - Risks
 - Constraints
- Project Structure Approach
- Project Team Organization
- Project Approvals
- Success Metrics and KPIs



Charter Illustration>>

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Internal Communication Considerations

Do's	Don't



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External Communication Considerations

Do's	Don't



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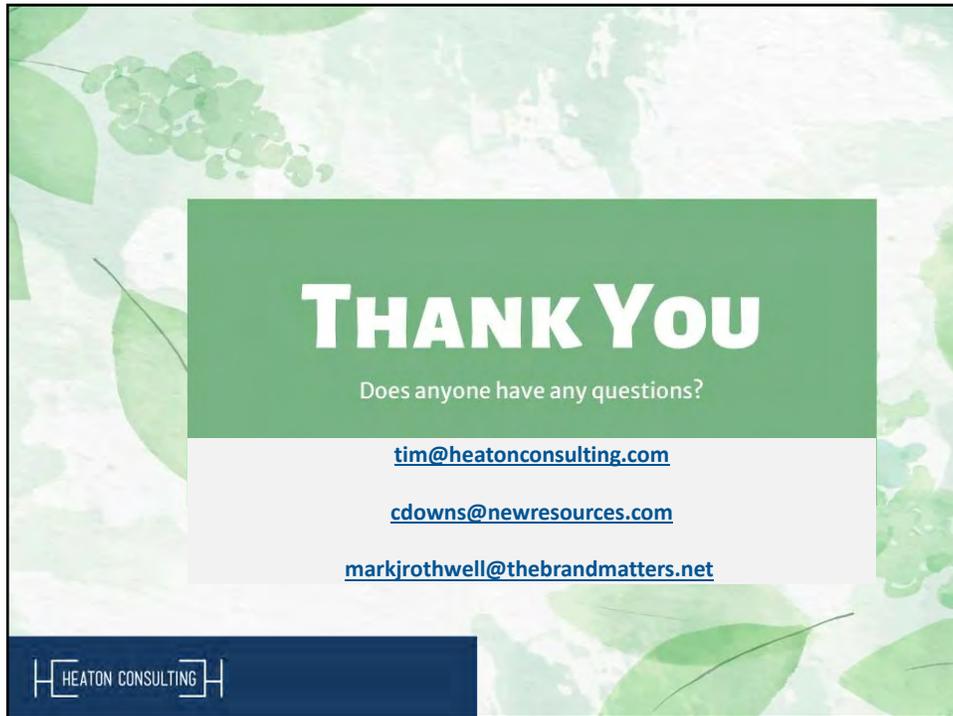
Project Management Institute (PMI)

- **Professional Development Units (PDU's)**
 - PMI Dashboard
 - Report PDU's
 - Education / Course or Training
- **Provider**
 - LIC
- **Course**
 - LIC Strategy Execution Series Part 3
- **Description**
 - Operations & Innovation: Harnessing Internal Assets to Increase Revenue as the Result of Innovation and Operational Planning
- **Dates:**
 - 09/24/2024
- **URL**
 - <https://www.loma.org/LICOPS>
- **Contact Person**
 - Tim Heaton
- **Contact email**
 - tim@heatonconsulting.com
- **PDU's = 1.0**
 - Ways of working = .5
 - Power Skills = .5





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THANK YOU

Does anyone have any questions?

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