

Finance, Management, & Operations



Key Tools of Organizational Change Management

Are you doing enough to help your
team through change?



14th Annual Intercompany Long Term Care Insurance Conference

Meet the Presenters



- Mike Mazur
 - Divisional Executive Vice President
 - Great American Financial Resources
- David Kalman
 - Managing Director
 - Root, Inc.
- Chris Sinito
 - Senior Director LTC Operations
 - Bankers Life & Casualty Company

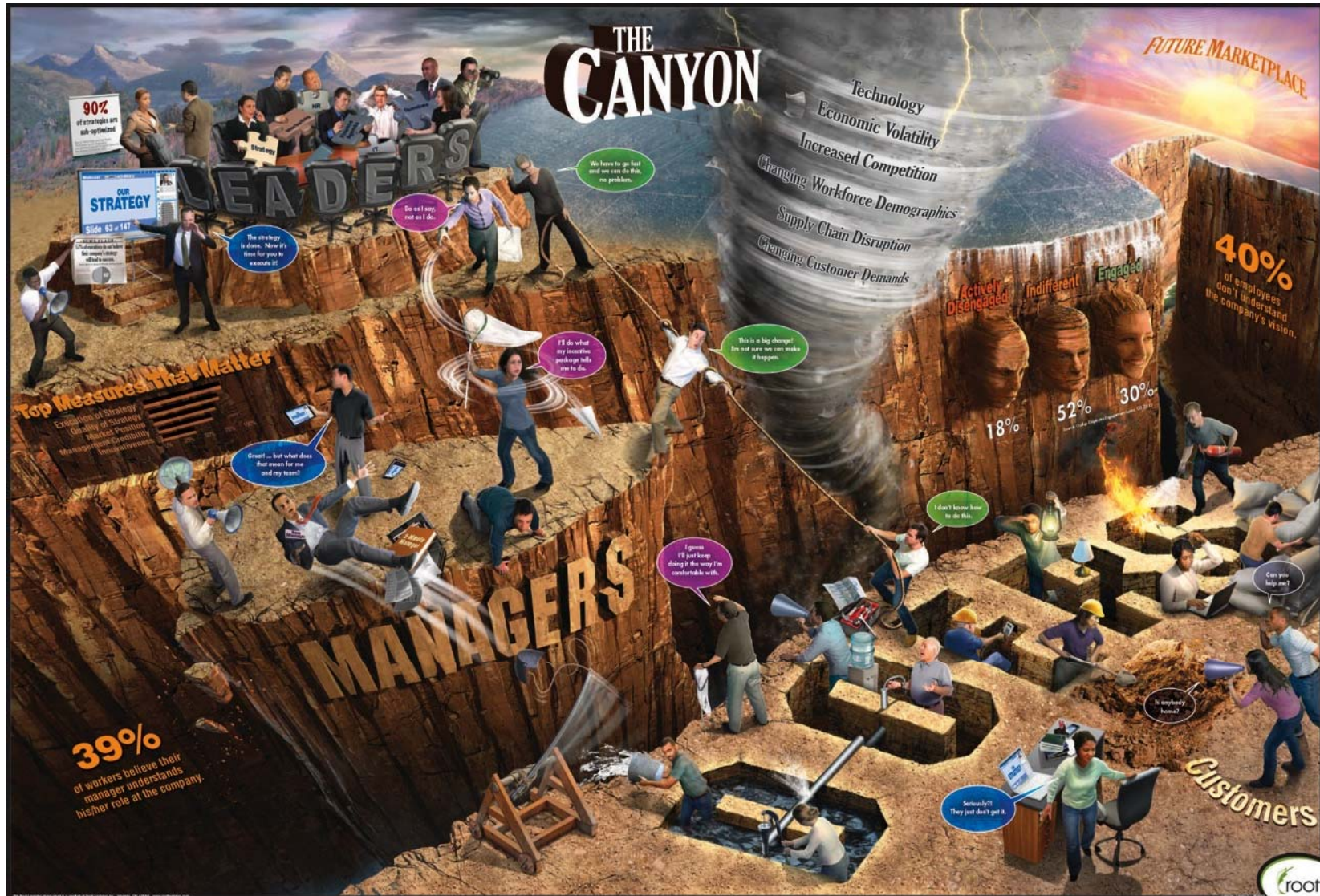
- Agenda:
 - Introduction and Agenda – Chris (2 minutes)
 - Why are we here? – Mike (3 minutes)
 - Summary of Framework – David (5 minutes)
 - **Develop Winning Strategy** – Mike (5 minutes)
 - **Implement Effectively** – David (5 minutes)
 - **Measure Success** – Chris (5 minutes)
 - Break-out Discussion – All (30 minutes)
 - Large Group Review – All (15 minutes)
 - Closing, including tools and references – Chris (5 minutes)

Why are we here?

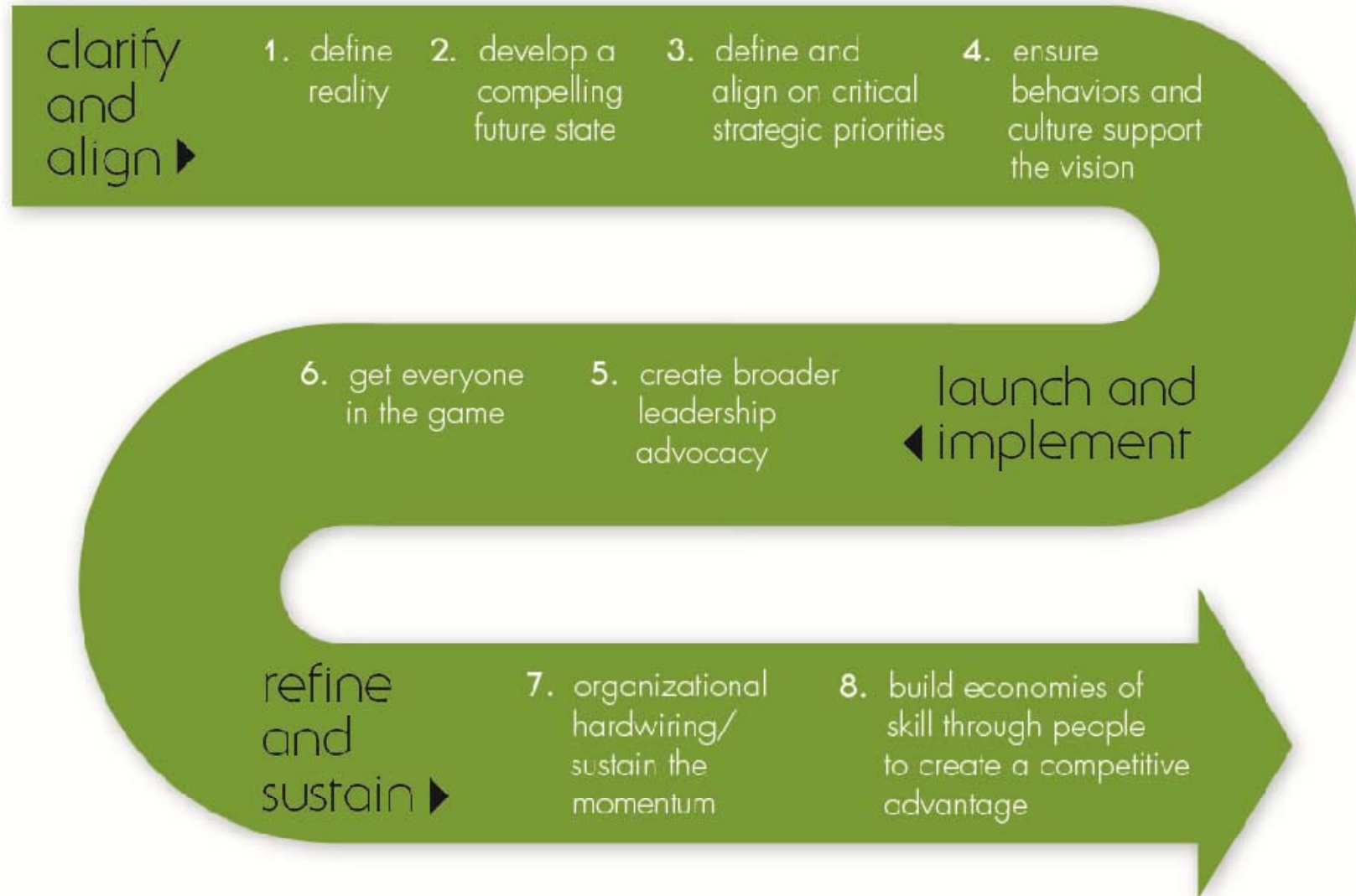


- “There is nothing permanent except change.”
 - *Heraclitus, Greek philosopher*
- “70% of all change initiatives fail”
 - *Harvard Business Review: HBR's 10 Must Reads on Change Management (2011)*
- “Change requires ‘3 envelopes’” – as told by an Executive

What Gets in the Way of Change?



Framework for *Strategic Change*



Case Study – refer to handout



- Company ABC is a multi-line company that manages 5 statutory entities and 8 lines of business. All 8 lines of business exist in each of the statutory companies. Historically, ABC has utilized shared services throughout its organization. Other than a few specialty teams scattered throughout the organization, the vast majority of ABC associates perform tasks related to all 8 lines of business.
- Due to recent financial strains in its Long-Term Care line of business, ABC senior leadership has determined it needs increased focus on the line of business. This increased focus will require the development of a stand-alone Long-Term Care business unit. The primary challenge for ABC is determining the optimal structure for this new business unit. What business functions should be moved into the Long-Term Care business unit and what functions should remain in shared services units? How much resource redundancy should be accepted by the company? Will the reorganization actually fix the problem, or will someone have to prepare three envelopes? These are just a few questions that need to be addressed by ABC's senior leadership team.

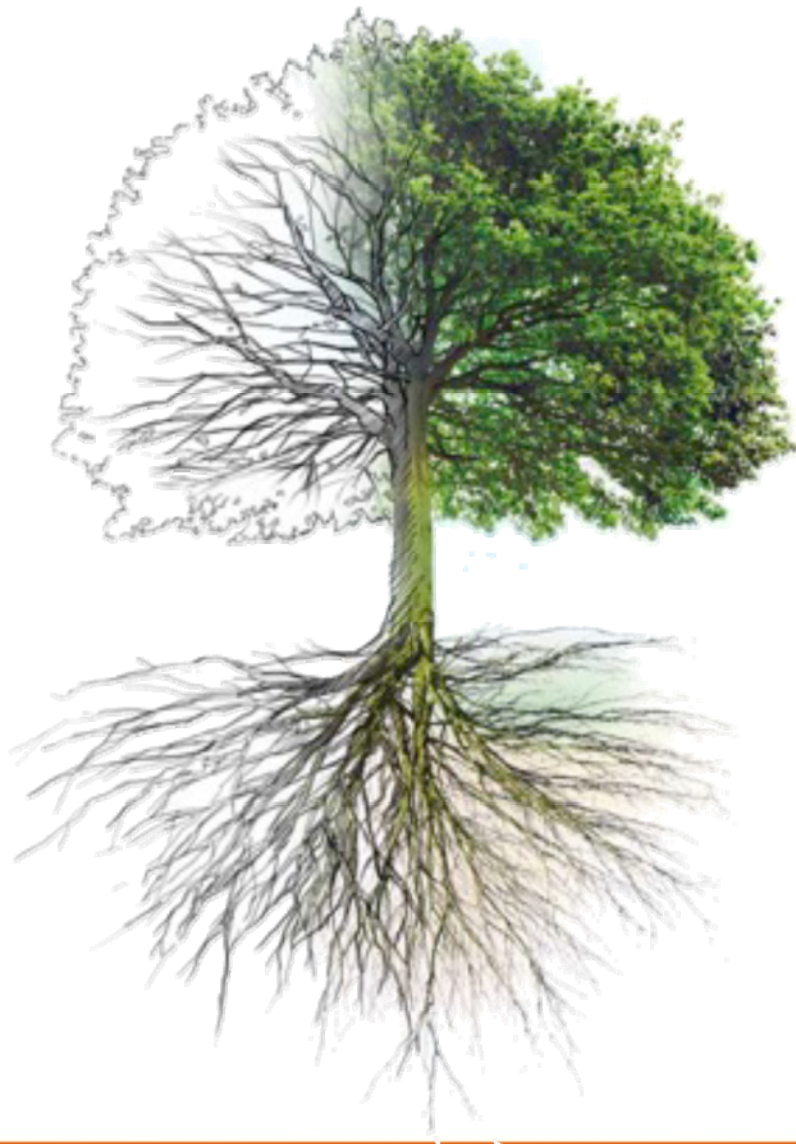
- Clarify and Align:
 1. Define reality
 - Internal stakeholder interviews and external marketplace interviews (if applicable)
 - Develop a common mental model on the marketplace realities facing the business

2. Develop a compelling future state:

- Align on the desired Future State of the organization – what success looks like
- As applicable, identify breakthrough growth opportunities

3. Define & align on critical strategic priorities

- Identify critical organizational focus areas / strategic priorities
- Develop a common mental model on the strategic direction
- Develop key workstreams / initiatives to support the strategic priorities
- Integrate workstream execution into an organizational goal deployment process



4. Ensuring behaviors and culture support the vision... It starts by understanding the Roots of Engagement!

People want to:

- ...be a part of something bigger than themselves.
- ...feel a sense of belonging.
- ...go on a meaningful journey.
- ...know that their contributions make a significant impact or difference.

5. Create broader leadership advocacy

- Enroll the next level of leaders (100-250) to champion the strategic direction with their people, actively participate in identifying additional opportunities and barriers

6. Get everyone in the game

- Enroll all employees in key systems of the business:
 - Marketplace
 - Strategy
 - How we operationalize: Refine organizational decision rights
- Collect organization feedback on open critical questions by business unit, geography, or function

7. Organizational hardwiring / sustain the momentum
 - Share PMO best practices and support
 - Develop a platform for dialogue with the organization and next level of leaders
 - Re-affirm and revise Rules of the Road for the rest of the organization; decision rights for how to operationalize the strategy throughout the organization
 - Identify and broadcast initial success stories and additional workstreams required (e.g., demonstration projects)
 - Develop a new organizational scorecard (operational and strategic)

8. Build economies of skill through people to create a competitive advantage

- Further assess organizational capability to deliver on existing strategy
- Determine and bridge gaps in capability for leadership, managers, or the front line

Case Study – refer to handout



- 3 break-out groups will have **25 minutes** to discuss case as it relates to the assigned section of the Framework of Change
 - **Develop Winning Strategy** – Team Mike
 - **Implement Effectively** – Team David
 - **Measure Success** – Team Chris

- Each group will need to choose a group leader to report out in the large group (5 minutes for each group)
 - **Develop Winning Strategy** – Group Leader
 - **Implement Effectively** – Group Leader
 - **Measure Success** – Group Leader

- Q&A
- Summary of References / Tools
 - Root, Inc. methodology
 - John P. Kotter:
 - Leading Change
 - A Sense of Urgency
 - Harvard Business Review:
 - HBR's 10 Must Reads on Change Management (2011)