

A leading insurer enhances strategic planning, setting a course towards growth

strategy

Increased competition and tighter margins led to demands for a longer-range approach

When Royal & Sun Alliance, the major international insurance group, decided to ramp up its capabilities in corporate strategic planning, at both a group and regional level, it utilised the services of two experienced Campion Willcocks Associates.

The challenges of change

The group, one of the UK's top five insurers, operates successful businesses worldwide. While the company has always undertaken strategic planning, increased competition and tighter margins led to demands for a longer-range approach: to provide a clearer direction and targets against which performance could be measured. Moreover, each region largely undertook its own strategic planning, and varied significantly in approach, timing and quality. The group strategy team, consisting of Strategy Director and Strategy Manager, plus two Strategy Team Advisors from Campion Willcocks, was central in structuring and managing group-wide strategic planning. The value of such an approach lay in achieving a far more fact-based decision-making process, as well as looking cross-region for opportunities.

Over the preceding two years, R&SA had undergone a major restructuring: selling-off non-core parts of the business; improving the capital position; appointing the right leadership team; improving core operations such as underwriting and claims management. Emerging from the restructuring, R&SA set out to create a forward-looking strategy to drive more profitable growth. "Our activity was part of this," says Alison Strange, Strategy Team Advisor. At both a group and regional level, the company

wanted to develop more effective plans, looking three-to-five years ahead and based on a proper understanding of the market, so driving the growth required by the business and shareholders.

Strange continues, "Some regions saw planning as a simple 'tick the box' exercise required by the corporate centre - and the central team mainly focused on co-ordinating such plans. Group executives didn't always value strategy, and the strategy team spent very little time discussing strategy with senior management." The business had, however, recognised these issues, and knew what it needed to do: the problem, then, was ensuring the capability and capacity within the strategy team.

The right matches

Campion Willcocks has proven expertise in supporting the financial services industry. According to David Birnie, Business Development Director: "We have a record of providing the right people whatever the role, which in this instance meant providing high calibre people with excellent skills and knowledge in strategic planning, research and analysis." The driver was straightforward: adding capacity and capability to the team as it approached the development of a rigorous approach to strategic planning.

The programme

Strange says, "The initial six-week assignment was to develop corporate governance capabilities for group and regional planning processes, to improve robustness and ensure business functions were aligned with strategic direction." This involved aligning functions such as finance, risk and HR with

success

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strategy, and developing tools to support governance in the regions. “Myself and Marco Del Carlo, the other Campion Willcocks Associate, were then asked to work on developing group-level strategies, and to help manage the delivery of regional plans from both a process perspective and to help improve their content and quality. This project also had very tight deadlines - by its nature, strategy planning is an intensive process.” The activity covered two main areas.

Management of the global strategic planning process

In this area, Strange developed a comprehensive project plan and carried out resource planning then management, to ensure team resources were deployed appropriately. She also supported the management of stakeholders that included the CEOs of each geographic business, function heads and regional strategy directors. She adds, “Marco and I also negotiated delivery dates with the regions, provided hands-on coaching, reviewed draft plans from both a content and process perspective, and initiated and managed mitigating action to ensure their plans met quality standards and were delivered on time.”

Research and analysis to support group-wide strategy development

Marco Del Carlo led activity in this area, which had three strands. As Del Carlo explains. “The first, portfolio fill-out, sought to maximise cross-regional synergies by sharing business models and competencies across the Group. The second strand, geographical expansion, involved analyses of 30 countries in which the company didn’t currently operate, to explore their feasibility as potential markets. This included looking at sector growth and profitability, the competitive environment, and identifying potential growth drivers. The conclusions, presented to the group of country CEOs, enabled more informed debate and faster decision making as to whether the business should invest in these territories.

“The third strand was ‘organising for success’, in which we sought to ensure the organisation supported the strategic direction. In particular, we asked whether globally-run businesses should be organised on a global basis rather than regional, and looked at the changed competencies required within the corporate centre to support an evolving growth mandate - especially business model best-practice sharing and responsibility.”

The results

With a well-structured process in place by April 2005, including appropriate governance and formal controls, the insurer’s strategic plans were delivered within agreed timelines and with a far higher degree of rigour and analysis than they had previously. “The plans delivered by the regions were described as ‘first class’ by group executives and a significant step up from previous years,” says Strange. “The regions found the process very helpful in improving the quality of their plans. They no longer view the group process as a ‘tick the box’ exercise, which should help the group gain regional buy-in when implementing the plans. We also identified areas where cross-regional support and ideas sharing will help increase the success of plans during implementation.”

The plans delivered by the team are enabling executives to make more informed decisions about the future direction of the company, providing both the structure and direction the group must take in order to implement its plans and meet growth targets. Alison Strange adds, “The value that strategy can add to the business is now starting to be recognised at the highest levels - for instance, the group CEO asked to meet with the group Strategy Director each week to discuss strategic directions for the business.”

About Campion Willcocks

Providing dedicated resources since 1968, Campion Willcocks & Associates helps major organisations meet the challenges of change by providing project, programme and change management professionals on an interim and contract basis. It achieves a 99.3% success rate in matching professionals with assignments.

Client references

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