



THINK. DISRUPT. ADAPT. RE-INSURANCE COMPANY

Our client is one of the largest re-insurance companies in the world. After significant write downs and falling revenues, an accelerated shift in strategy was required.

Think.

A contextual analysis of our client's external environment was developed through our extensive research and modelling. This included a comparative analysis, technical literature analysis, interviews with insurance subject matter experts and detailed modelling and analytics. The result was an objective understanding of the strengths and weaknesses of our client.

After the external context was modelled and understood, we developed an understanding of the assumptions underpinning the strategic choices of our client. This involved in-depth interviews with 60 senior executives.

Understanding the external and internal context, as well as the gap between the two, allowed us to understand the key concerns of our client. These included:

- Falling share price.
- High debt ratio inhibiting the ability to grow through acquisition.
- There was no strategy for emerging markets.
- Innovative activity was stifled by unnecessary layers of bureaucracy and a culture that punishes failure, rather than rewarding innovation.
- Consensus decision making slowed the firm's ability to react to changes in markets throughout the world. A complex decision making process only exacerbated this problem.
- There was a lack of a customer-centric approach
- Complex models were driving decision making rather than the realities of the market.

With this feedback, as well as the detailed contextual analysis, we designed an immersive learning environment for the 60 most senior executives. The goal of the environment was organic growth in three areas: existing product to new customers, new product to existing customers, and new product to new customers.

The immersive learning environment would place an exaggerated importance on innovation so that the participants were forced to think differently to how they were currently operating. Additionally, to grow organically would require expansion in to new and emerging markets.

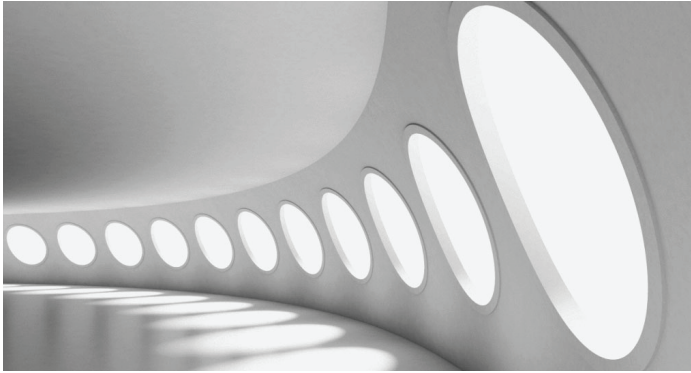
Key Results

- 15% share price increase in 12 months
- 23% share price increase after 18 months
- Simulation Results
 - 100% increase in premiums
 - 710% increase in operating profit
 - 270% increase in innovative activity



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The CEO and 60 of the top executives gathered to participate in the two day event. They were split in two competing teams of 30, each running their organisations in direct competition. Over 1000 years of collective industry relevant experience was assembled, and being amongst the best and the brightest in the industry, there was a confidence exercise would not pose any significant challenges.

Disrupt.

By the afternoon of day one the atmosphere of confidence had evaporated. Neither team was able to achieve the goals they were tasked with. Given these were the top 60 executives of the firm, including the CEO, an atmosphere of frustration was evident.

Both teams had reverted to the patterns of behaviour that were currently driving the organisation on a downward path. They had failed to focus on innovation, had avoided expanding in to new markets and were attempting to increase revenue by increasing the volume of existing products in existing markets – the very behaviour that was failing in the real world.

Inevitably our clients fail to achieve their goals on day one of our immersive learning environments, failure is a crucial part of the cognitive reorganisation required to change behaviour.

Adapt.

Returning on day two the approach of both teams was characterised by an increased focus on the new markets and the delivery of innovative products to these markets.

In comparison with the simulation results from day one, innovative activity increased by a factor of 4, premiums doubled and operating profit increased by a factor of 7 due to expansion in to new markets.

The cognitive reorganisation required to succeed in the simulation had been successful. Teams were exhibiting all of the behaviours required to help them succeed in the real world.

Results

In 12 months since our engagement the share price of our client increased by 15%. 18 months since our intervention the share price has increased 23%.

Simulating their constraints with a focus on the behaviours required for growth has allowed our client to achieve the simulated goals in the real world.

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