

# **Building A Winning Culture**

SoA Spring Meeting  
San Antonio, TX – June 15, 2004

**David S. Duncan, FSA**

## **Definition: Culture**

1. The Vision
2. The Values
3. The Process
4. The Relationships
5. The Commitment

## **Merriam-Webster Definition: Culture**

- Attitudes
- Values
- Goals
- Practices

## **Importance of a Winning Culture**

- War for Talent
- Business Success
- Personal Success
- Rewards

## **The Case for Survival**

(Recent M&A Activity)

Aon Consulting  
**“United States @ Work – Workforce  
Commitment Report”**

“Successful organizations will be those who adopt a new way of thinking that treats employees with the same care and sense of urgency applied to investors & customers.”

Aon Consulting  
**“United States @ Work –  
Workforce Commitment Report”**

“Successful leaders will restore employee trust, create spirit and pride and build employee commitment by creating an energizing work environment that nurtures, involves and develops employees.”

**Major Elements  
of a Winning Culture**

1. Begins & ends with others first
2. The Serious Business of Winning
3. Energy, Speed & Passion
4. Execution / Delivery

**Major Elements  
of a Winning Culture**  
(...continued)

5. Genuine Protection & Care
6. Differentiation & Rewards
7. Growth & Continual Improvement
8. Communication

**Other Elements  
of a Winning Culture**

- Diversity of Talent
- Youthful Exuberance
- Balance
- Ideas from Everywhere
- Mastery of Fundamentals

## **Other Elements of a Winning Culture**

- Ability to Improvise
- Lack of Egotism
- Physical, Mental & Spiritual Attentiveness
- Customer Orientation
- Fun & The Happy Factor

# Adaptation to Corporate Culture

**Tom Herget, FSA, MAAA  
Executive Vice President  
PolySystems, Inc.**

## **Sources of Authority**

- Installation of systems in post-purchase environment
- Job inquiries in post-purchase environment
- Hospitality suite host
- M&A textbook author

## **Immersed in Japan**

- Drive and walk on wrong side
- Way too polite
- Always say “Hi”
- Shoes

## **Ways of Doing Business**

- Formality
- Precision
- Consensus building
- Caution
- Management style
- Employee benefits

## **Let's Examine Real Cases**

- Personal situations
- Change in owner
- Change in key personnel

## **The Interview**

“Stochastic”

## **Reaching Goals**

- Achieve 25 of 25
- Achieve 65 of 70
- Achieve 98 of 100; remembered for the 2

## **Dress Code**

- Softball
- VP & above
- College/University

## **Work Hours**

- Tale of two consultancies
- Weekend hangout

## **True Lies**

- Advent of merger
- “We want to have fun & make money”
- Guess which half wasn’t true?

## **Tightly Controlled Mutual**

- Board of Directors
- Corner offices
- Family feud

## **Making the Numbers**

- Reporting up
- Alterations
- Dilemma
- Backbone

## **New Chief Actuary**

- Initial tactics
  - Learn new organization
  - Master mnemonics
  - Limited criticism
  - Tangible accomplishments
  - Credit peers
  - Appear calm and unrattled

## **Six Sigmas**

- Strongly defined
- “Not for everybody”
- 20/70/10

## **Popular Culture Destruction Mechanisms**

- Reapply for own job
- Send function to India

## **Acquisition Infects Culture**

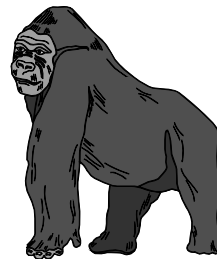
- Group America – joint venture
- Sponsors had resources
- Entrepreneurial start
- One owner sold to other
- GA absorbed into bureaucracy culture
- Respun and in Repose

## **Heavy Traffic Without Road Rage**

- From mutual to consulting to serial acquirer to reinsurer
- Transparent – all cards on table
- Desired quality work product rather than title
- Looser expectations
- Face-to-face fence mending

## **800 Pound Gorilla**

- Value of an acquisition
  - Expenses, old block, sales force
- Installed new President
- Expense cuts cancer on culture
- Exodus
- Guess what
  - New president, old culture



## **Reinsurer Acquisition**

- A tale from the crypt
- Us and them
- Beauty contest
- Baseball umpire

## **Ohio National**

- Identified by Fortune as:  
“Best 100 companies in America”
- Winner for large companies:  
“Cincinnati’s best places to work”
- Finalist for medium companies:  
“Great places to work in the US”

## **How Did They Do It?**

- Lead from the top
- Set example
- People fully involved
- Goals communicated
- Linked to strategic plan initiatives
- Communicate by action – daily
- Minimal politics

## **What Do I Recommend?**

- Open your mind
- Research
- Be yourself

## **Open Your Mind**

- A different way can work
- Emulation
- Grasp top objectives
- Manager's perspective

## **Research**

- Products
- Competition
- People – facts, propensities and style

## **Be Yourself**

- Seminars can help
- Role models can help
- Build on your own strengths

## Adaptation to Corporate Culture

**Tom Herget, FSA, MAAA**  
**Executive Vice President**  
**PolySystems, Inc.**