





CAPABILITY and CULTURE A strategy for emerging challenges and risks

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Emerging challenges

Fourth Industrial Revolution

- Learning systems and Al
- Global communication, the cloud
- Advanced computing
- Automation
- The Internet of Things
- Robotics







Performance









Performance

Change









Change

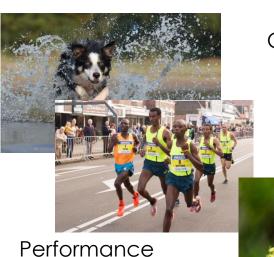


Performance



Become agile





Change



Innovate

New strategy and business models

Become agile



Capability – The Truck Metaphor



- Measuring performance* (KPIs) is important
- But what about the engine
- And the type of vehicle

* Corresponds to the location of the truck



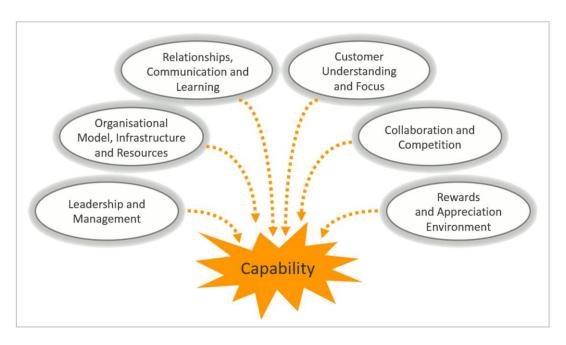
Capability – The Truck Metaphor

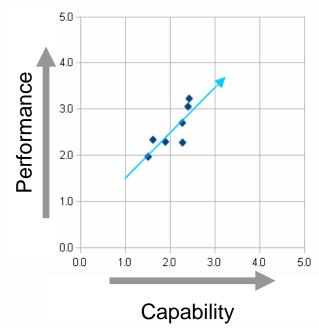
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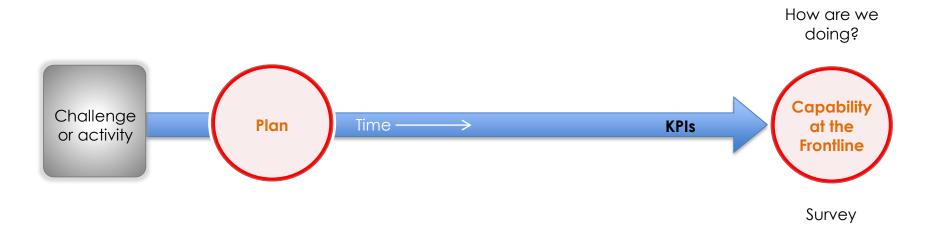


Capability – Six Dimensions



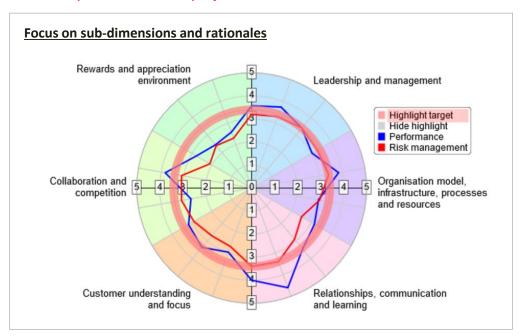








Risk and performance displays

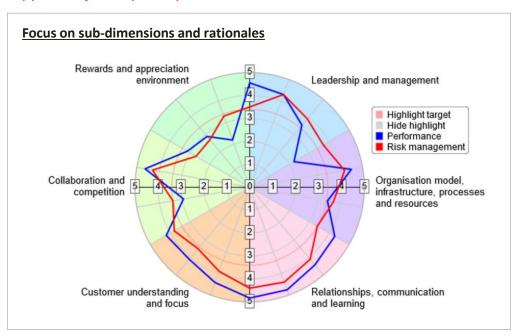


This display shows differences between performance (blue) and risk management (red), with many scores below the target.

Action required in several areas.



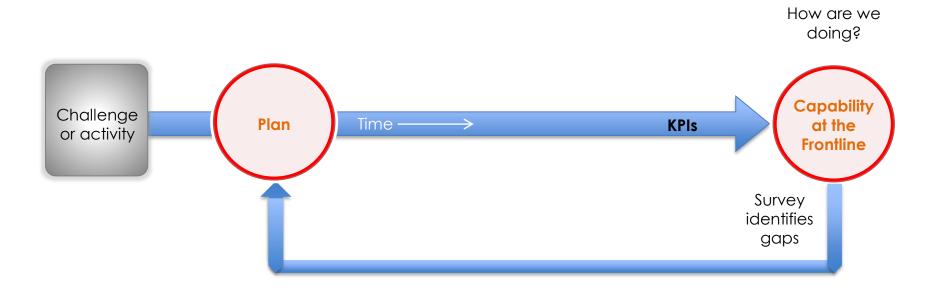
Opportunity to improve performance



This display shows performance scores below target and the risk management scores for 'understanding of role of self and team' (see blue dip near legend) and for 'rewards distribution'.

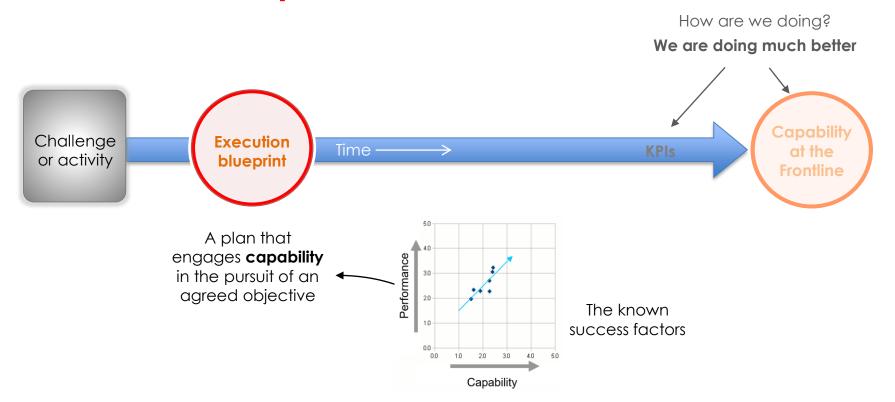
Opportunity to improve performance.





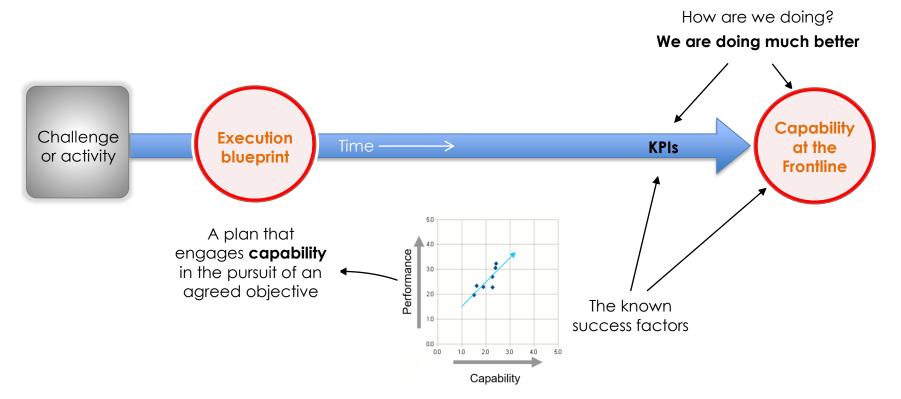


Execution Blueprint





Execution Blueprint





Keep operational activities and exposures to avoid losses to pre-tax operating margins of more than \$25 million.

KPIs ?



Keep operational activities and exposures to avoid losses to pre-tax operating margins of more than \$25 million.

Leadership and management

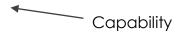
Org model, infrastructure, processes, resources

Relationships, communication and learning

Customer understanding and focus

Collaboration and competition

Rewards and appreciation environment



KPIs



Keep operational activities and exposures to avoid losses to pre-tax operating margins of more than \$25 million.

KPIs ?	Leadership and management	WHO – WHEN – HOW – Incl. tracking
	Org model, infrastructure, processes, resources	WHAT – WHERE – Who designs
	Relationships, communication and learning	WHAT – HOW – How is learning captured/shared
	Customer understanding and focus	IMPACT on customers – Needs – Expectations
	Collaboration and competition	NEW collaborations – Impact on competitiveness
	Rewards and appreciation environment	HOW to avoid conflict – ENSURE alignment

Capability



Keep operational activities and exposures to avoid losses to pre-tax operating margins of more than \$25 million.

KPIs ?	Leadership and management	Jim – Monthly – Staff meeting – Feedback reported
	Org model, infrastructure, processes, resources	New data collection – Real time reporting
	Relationships, communication and learning	Sharing of data on emerging opportunities
	Customer understanding and focus	Develop alternative products where needed
	Collaboration and competition	Joint phone hook up – Leverage new products
	Rewards and appreciation environment	Friendly competition – Winning teams praised

Capability



Conclusion

To address the challenges associated with the 4th Industrial Revolution:

- Think and act capability
- For culture, behaviours, competitiveness and risk
- Capability empowers your people and your teams

