



CAPABILITY and CULTURE

A strategy for emerging challenges and risks

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Emerging challenges

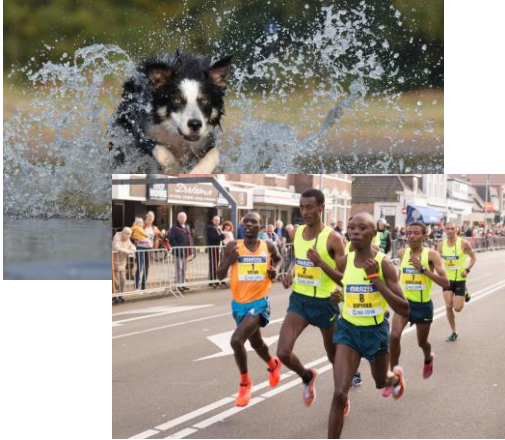
Fourth Industrial Revolution

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





Responses and risks



Performance



Responses and risks

Change



Performance





Responses and risks



Performance

Change



Innovate



Responses and risks



Performance

Change



Innovate



Become agile



Responses and risks

Change



Innovate



New strategy and
business models



Become agile



Performance





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



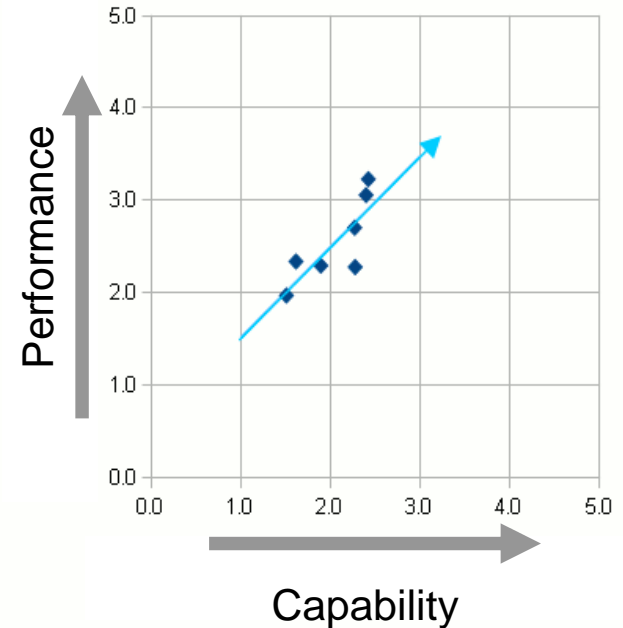
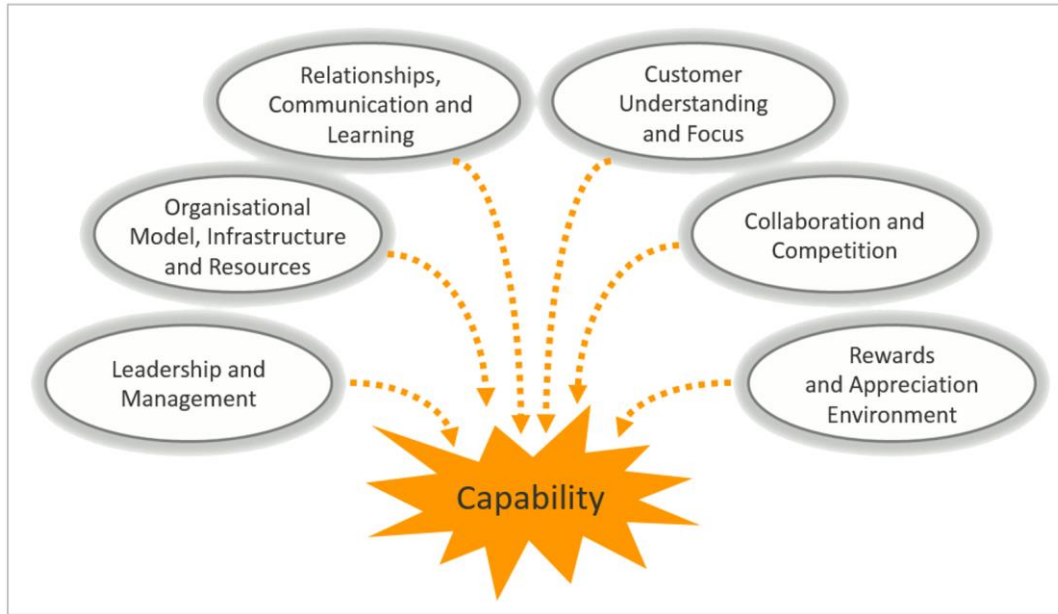
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Capability – Six Dimensions





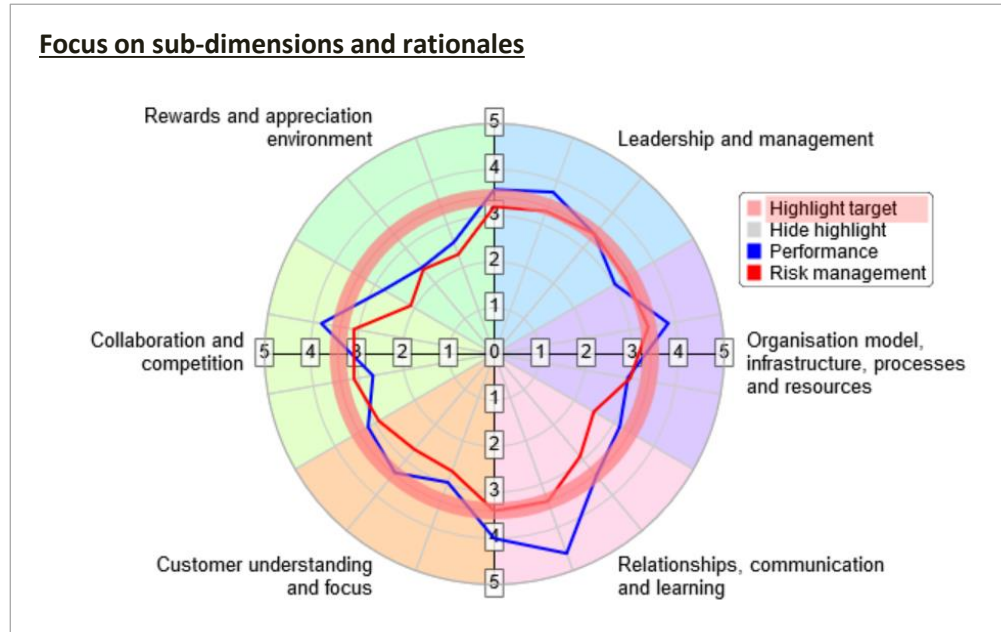
Capability at the Frontline





Capability at the Frontline

Risk and performance displays



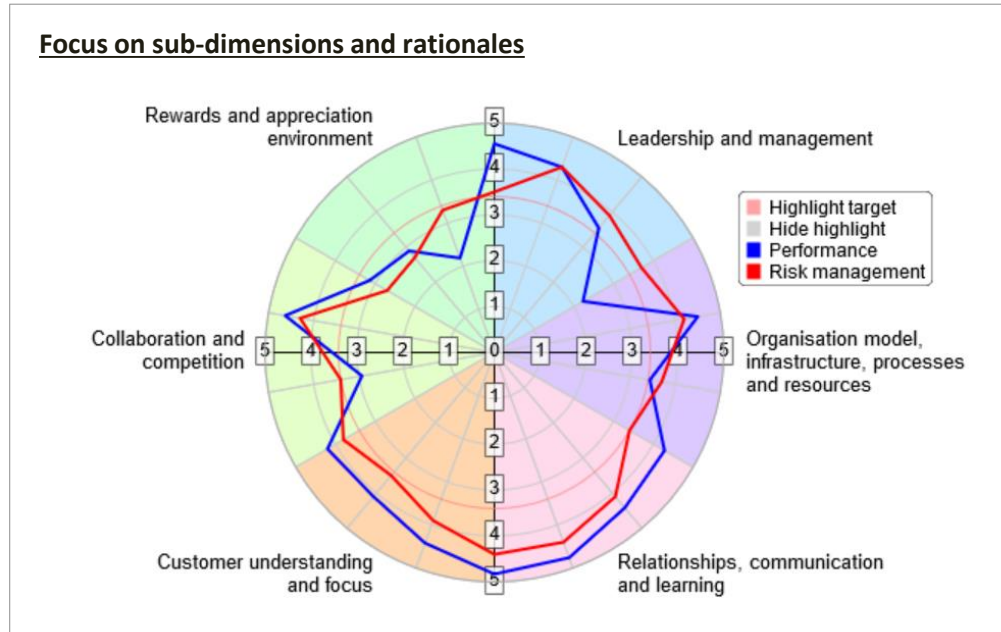
This display shows differences between performance (blue) and risk management (red), with many scores below the target.

Action required in several areas.



Capability at the Frontline

Opportunity to improve performance

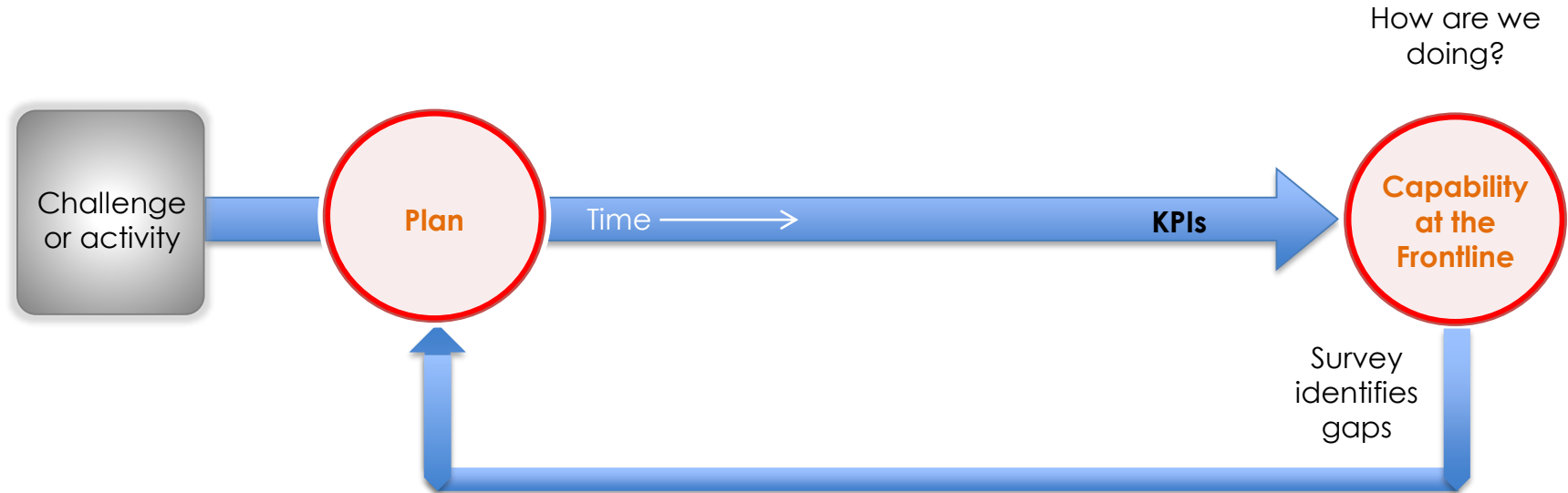


This display shows performance scores below target and the risk management scores for 'understanding of role of self and team' (see blue dip near legend) and for 'rewards distribution'.

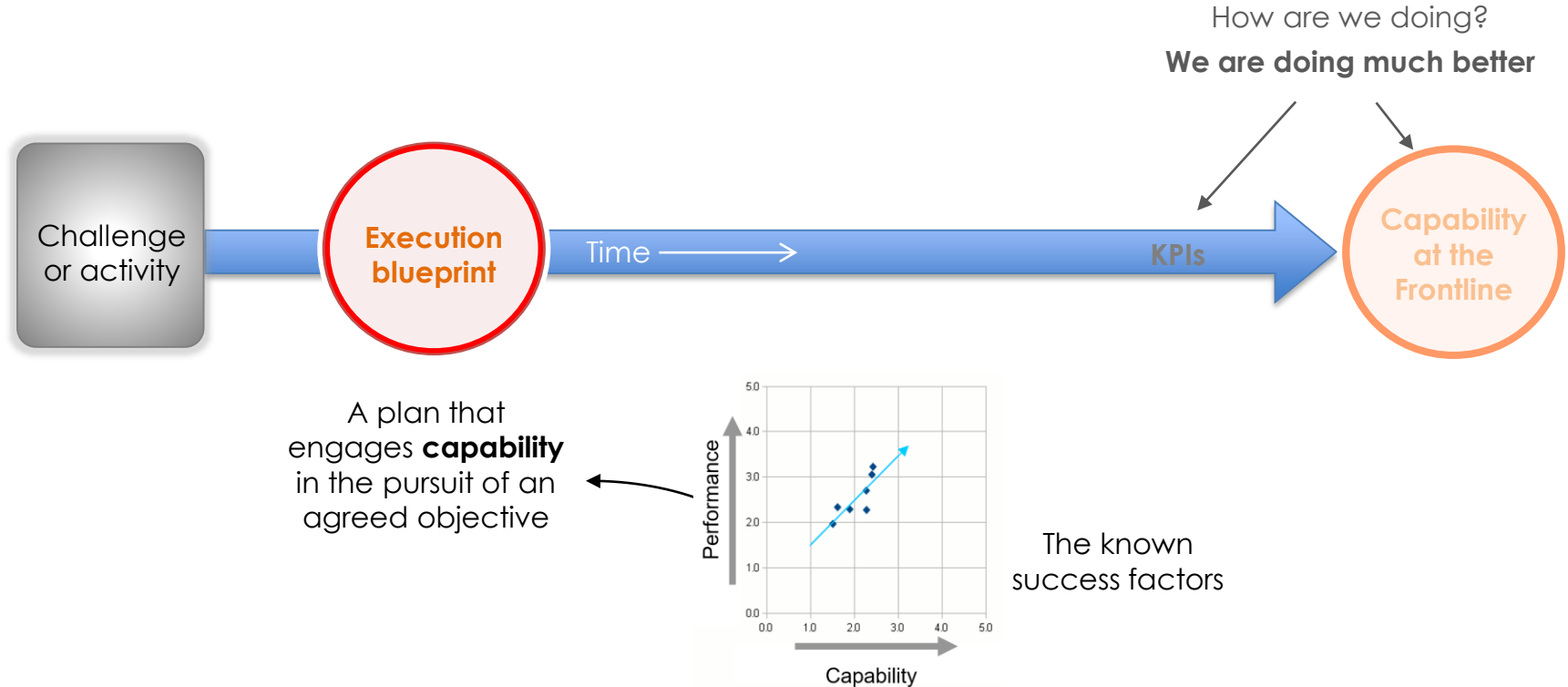
Opportunity to improve performance.



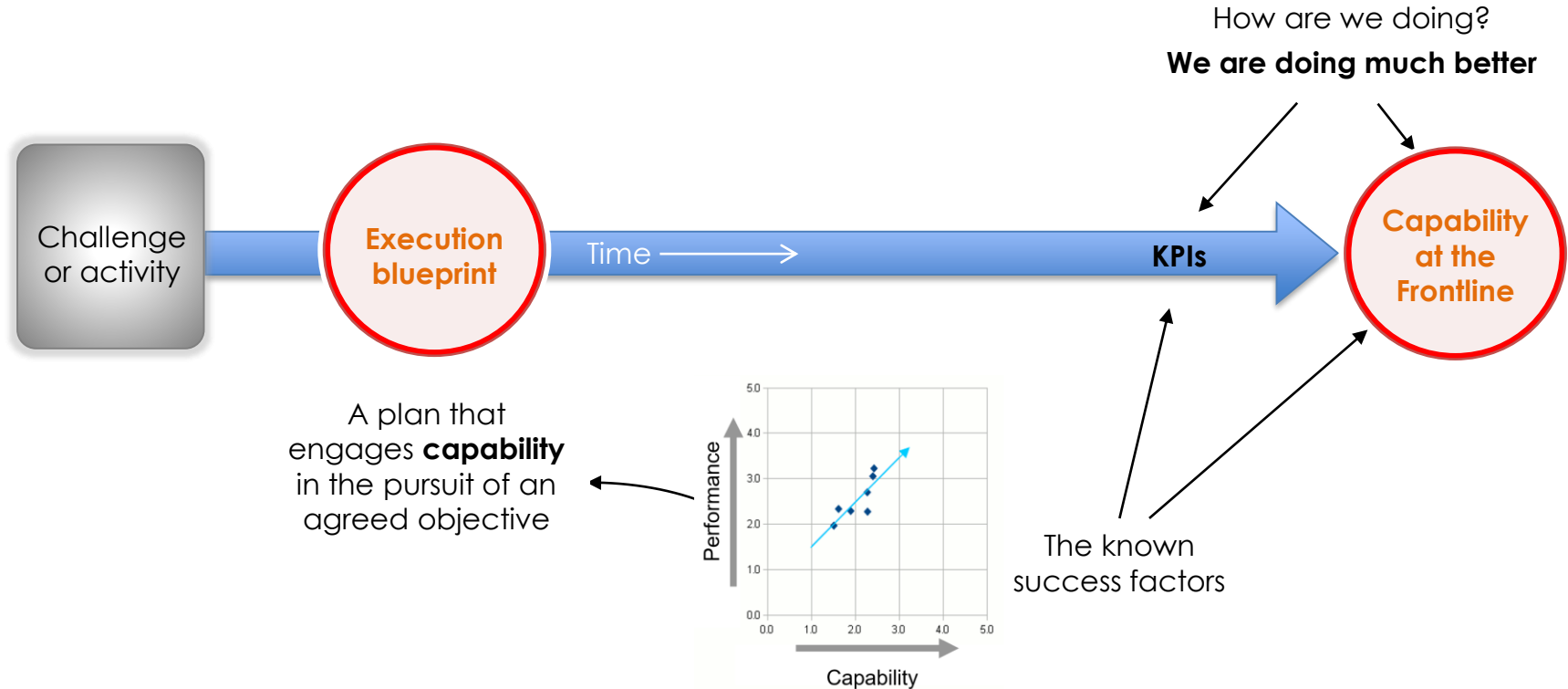
Capability at the Frontline



Execution Blueprint



Execution Blueprint





Execution blueprint: Embed RAS into the DNA of the Organisation

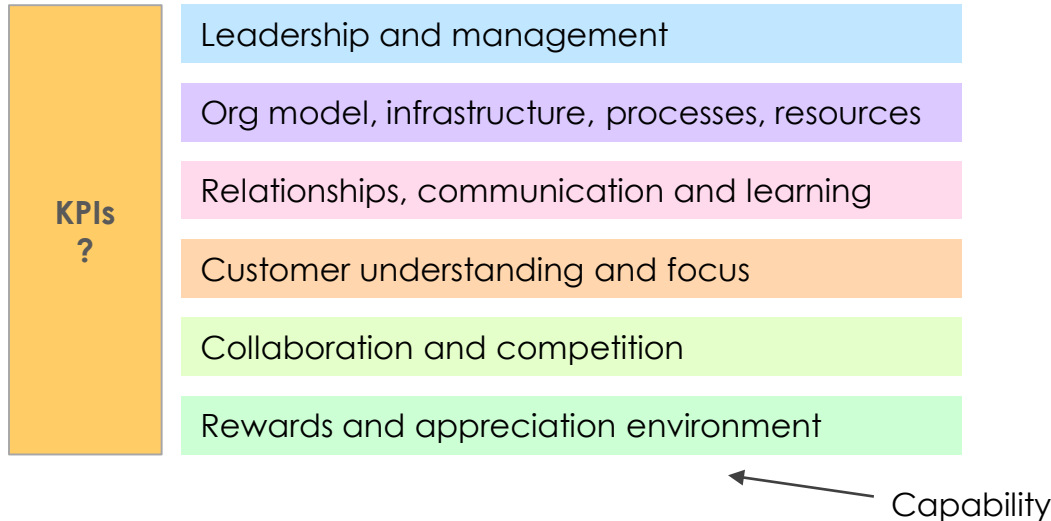
Keep operational activities and exposures to avoid losses to pre-tax operating margins of more than \$25 million.

KPIs
?



Execution blueprint: Embed RAS into the DNA of the Organisation

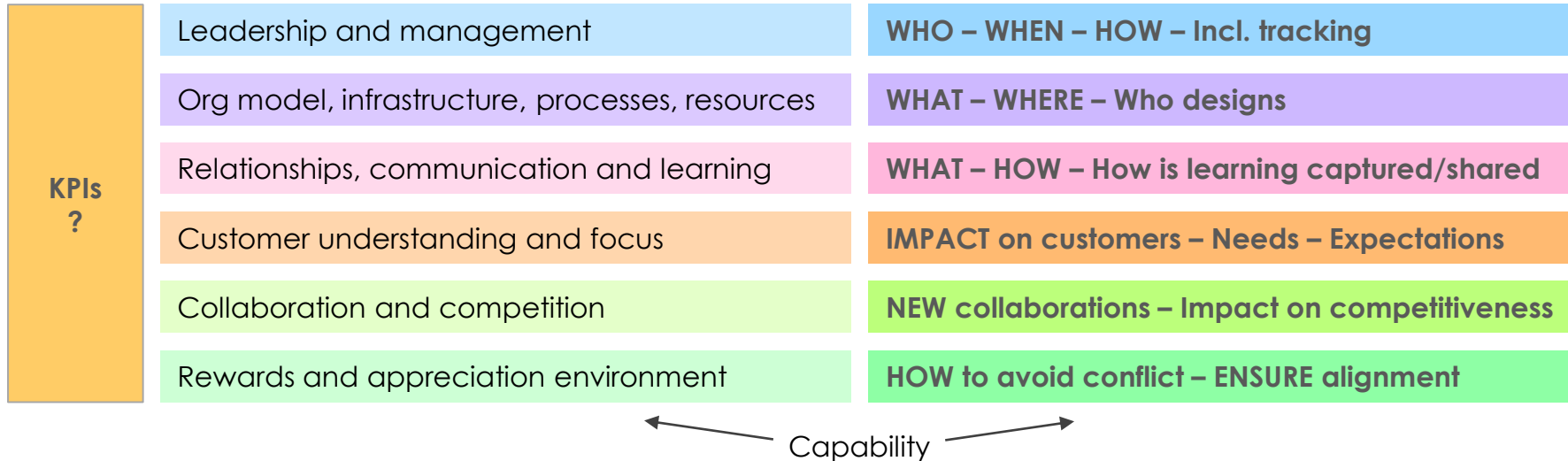
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Execution blueprint: Embed RAS into the DNA of the Organisation

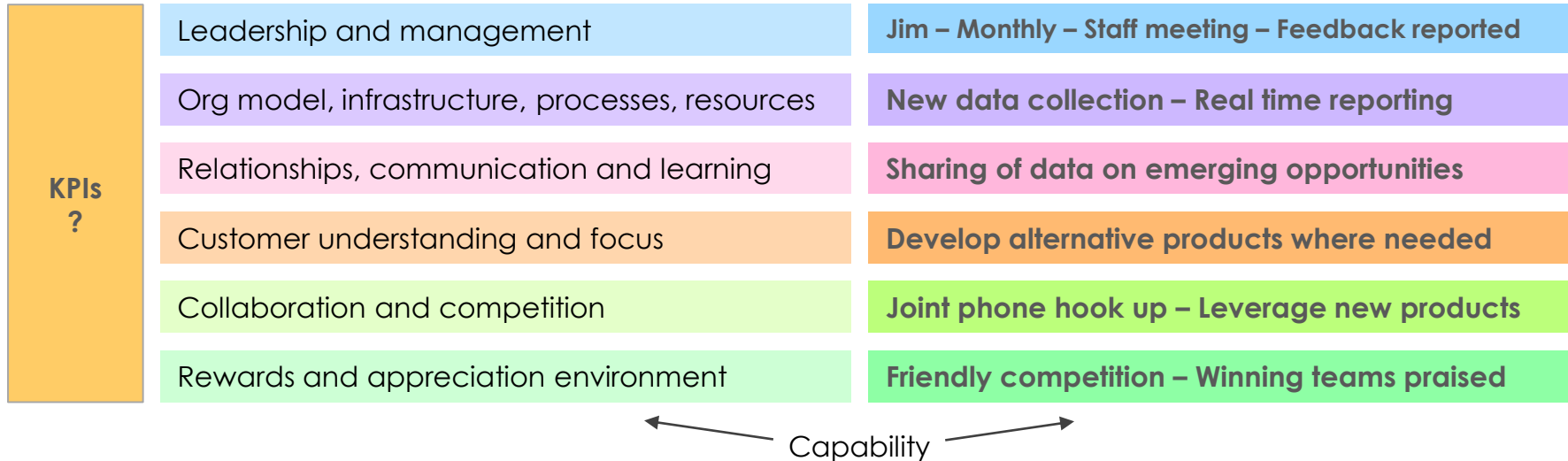
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Execution blueprint: Embed RAS into the DNA of the Organisation

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





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**

Digital is the main reason just over half of the **companies** on the Fortune 500 have **disappeared** since the year 2000

Pierre Nanterme
CEO of Accenture

