

Deloitte Shared Services Conference 2014

Becoming an equal citizen:
From back office to business partner

 SWISS RE
150
YEARS

Vesta Bovair
Managing Director
Swiss Re

Agenda

1. Swiss Re Overview

2. Our Journey

3. Lessons Learned

Test Question

I think Canadians are "nice"...

- A. Ehhh?
- B. Don't know any ...
- C. Yes, I am awake ...

Question

I selected this session because:

- A. My SSC is not recognized for the value they bring?
- B. I want to move to more analytical services?
- C. My locations need to work together better?
- D. None of the above



Swiss Re overview

Swiss Re Essentials: Who we are

Financial Services

- Industry leader in Re/insurance
- Business to Business
- Strong Gov't and NGO relationship

Knowledge business – highly technical

- Global - 60 offices
- Small -11,000 FTEs
- 150 years old

Relationship business - complex



Swiss Re CoEs: Basic Information

- Offshoring began ~ 15 years ago
- Hybrid model: 2 Captives + Genpact
- Centralized Captive leadership ~4 years ago. Within Captive, 50% of staff report directly to Location Head
- Serve all Swiss Re Functions, Regions, and Business Units
- Represent ~15% of Swiss Re
- Attrition rates:

SR Group ~ 10%	Bangalore ~ 9%	Bratislava ~ 13%	Genpact ~ 18%
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Swiss Re - Bratislava



Swiss Re - Bangalore

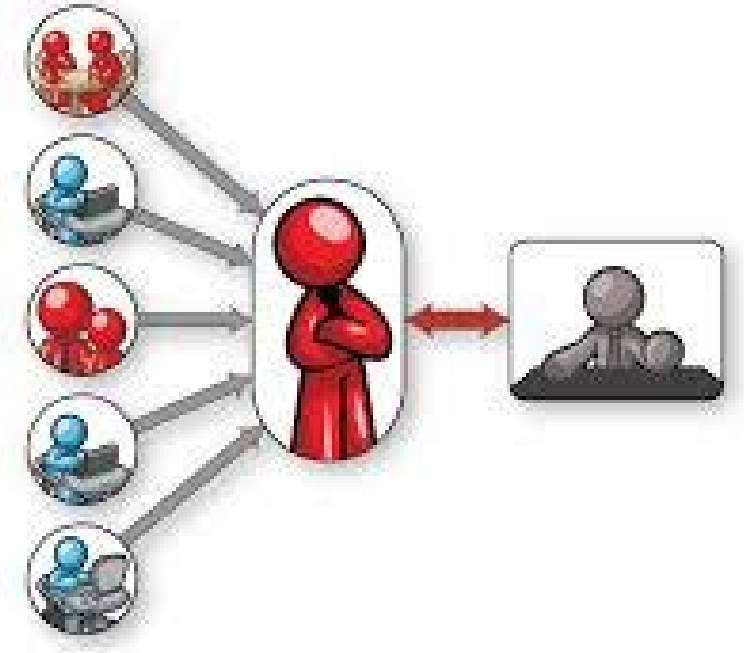
Swiss Re CoE: Roots

- Locations began as "extended work benches"
- Founding Functions:
 - Bangalore: Technical Accounting
 - Bratislava: Asset Management
- Began offshoring with "Core Competency" not simple transactional
- Analytics includes Natural Catastrophe Modelling, Investment Reporting, Pricing Actuarial analyses, Reserve Valuation analyses, Sales analytics, Financial Market Risk Ratings, Treasury Service ...



Swiss Re CoE: Roots

- Despite high Value Added and Technical content, CoEs work was branded in the Group as "trained monkeys" and "chicken feed"
- No internal Swiss Re contact other than functional "gate keeper", usually in Zurich
- No external client contact

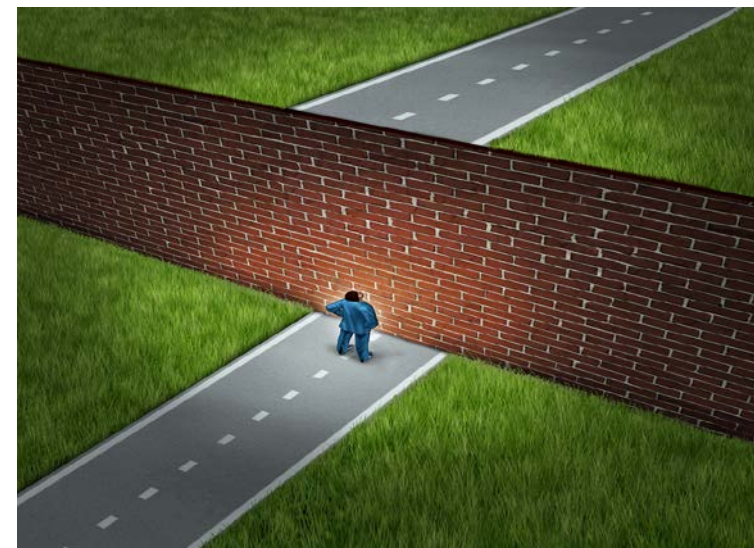




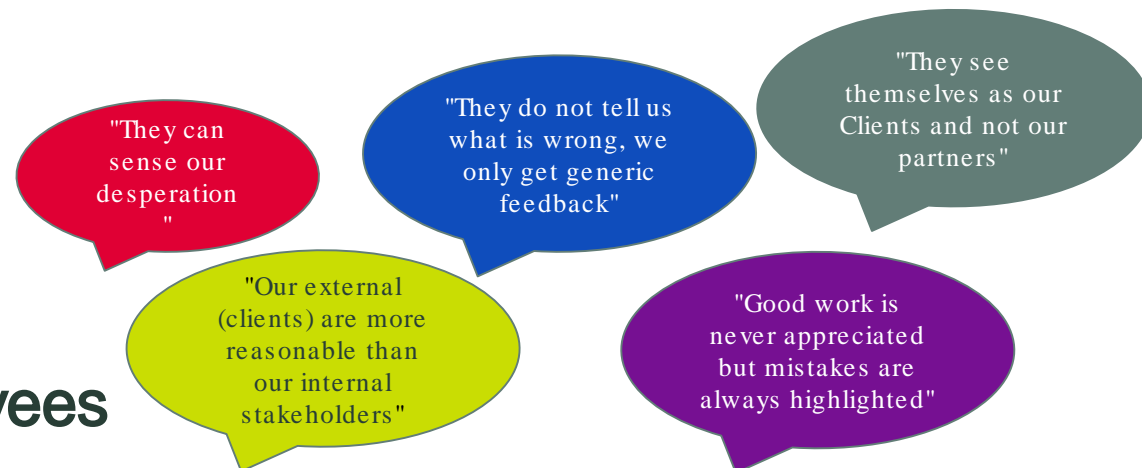
Swiss Re Shared Services Our journey

Our strategic challenges

1. Swiss Re culture does not easily tolerate relationships across time zones
2. Direct reporting teams acted like 2nd class citizens ...and were treated that way
3. COE's regarded each other as competitors and did not talk
4. Lack of qualified Team Leaders within local markets
5. Explosive growth ... ~100% in last 5 years + another 50% planned over next 3 years



Overcoming perceptions – Stakeholder & CoE Employee perceptions - 2010.



Identified the need for systematic change

- 1 The beginning
- 2 Making it safe
- 3 People engagement
- 4 Symbolism
- 5 Creating value
- 6 Coalition building



Question

Where should we begin?

- A. Business partners – senior leaders who receive services?
- B. CoE leadership?
- C. SSC employees?

1. The Beginning



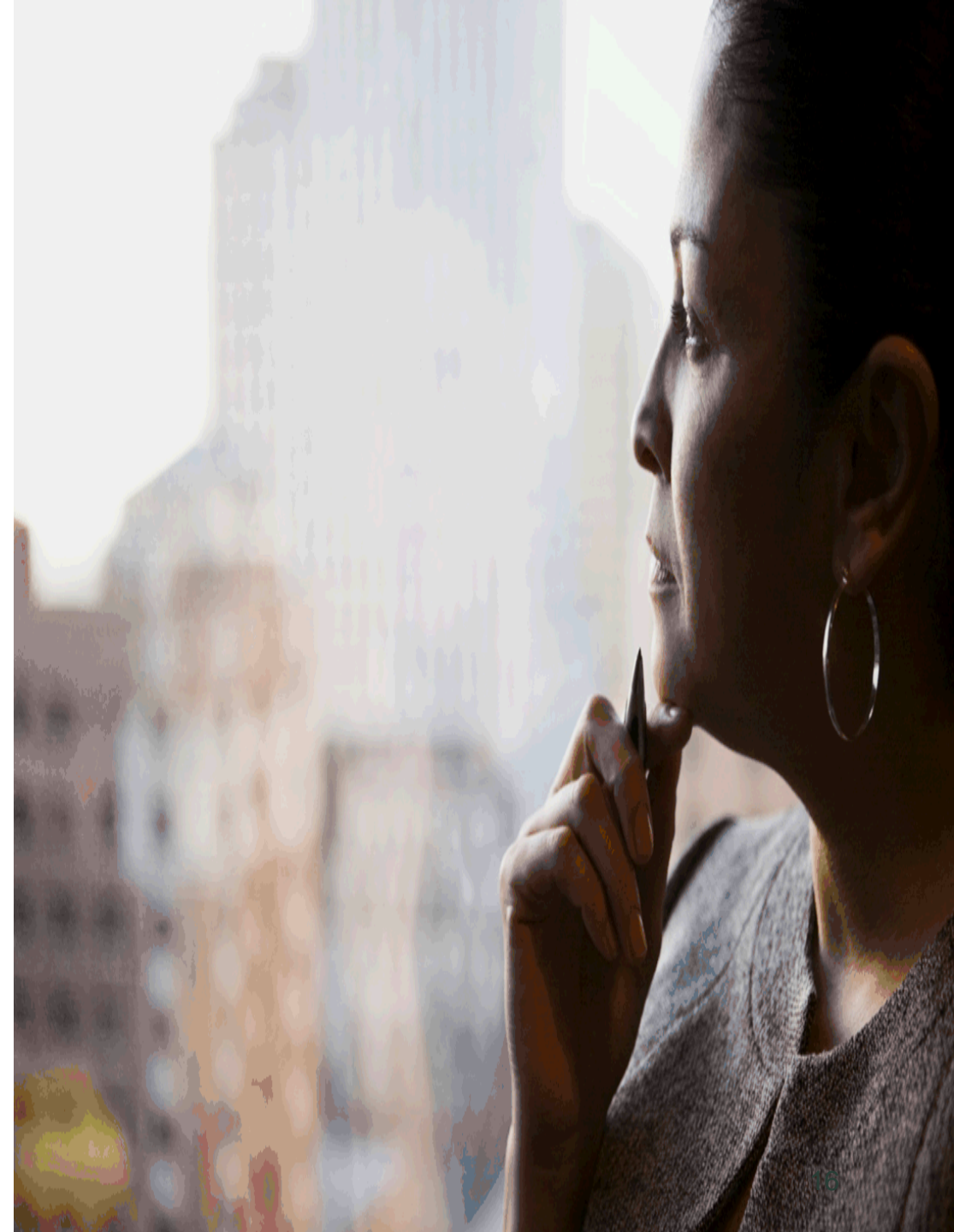
"The fish stinks from the head"

Old Turkish proverb

- Begins with **you** ...with a clear vision & unwavering belief in your people.
- Reframe relationship in **your** head ...positive aspirational image.
- Accept feedback especially if you don't like or believe it ... It's someone else's perception and **THEIR** truth.

2. Making it safe to learn

- Move from details and explanations to "got it" and solutions.
- Create psychological safety zone by using hypotheses and conducting "social experiments."
- Disconfirming an hypothesis is a good thing ...you know more, not less ...it means you are moving in the right direction.



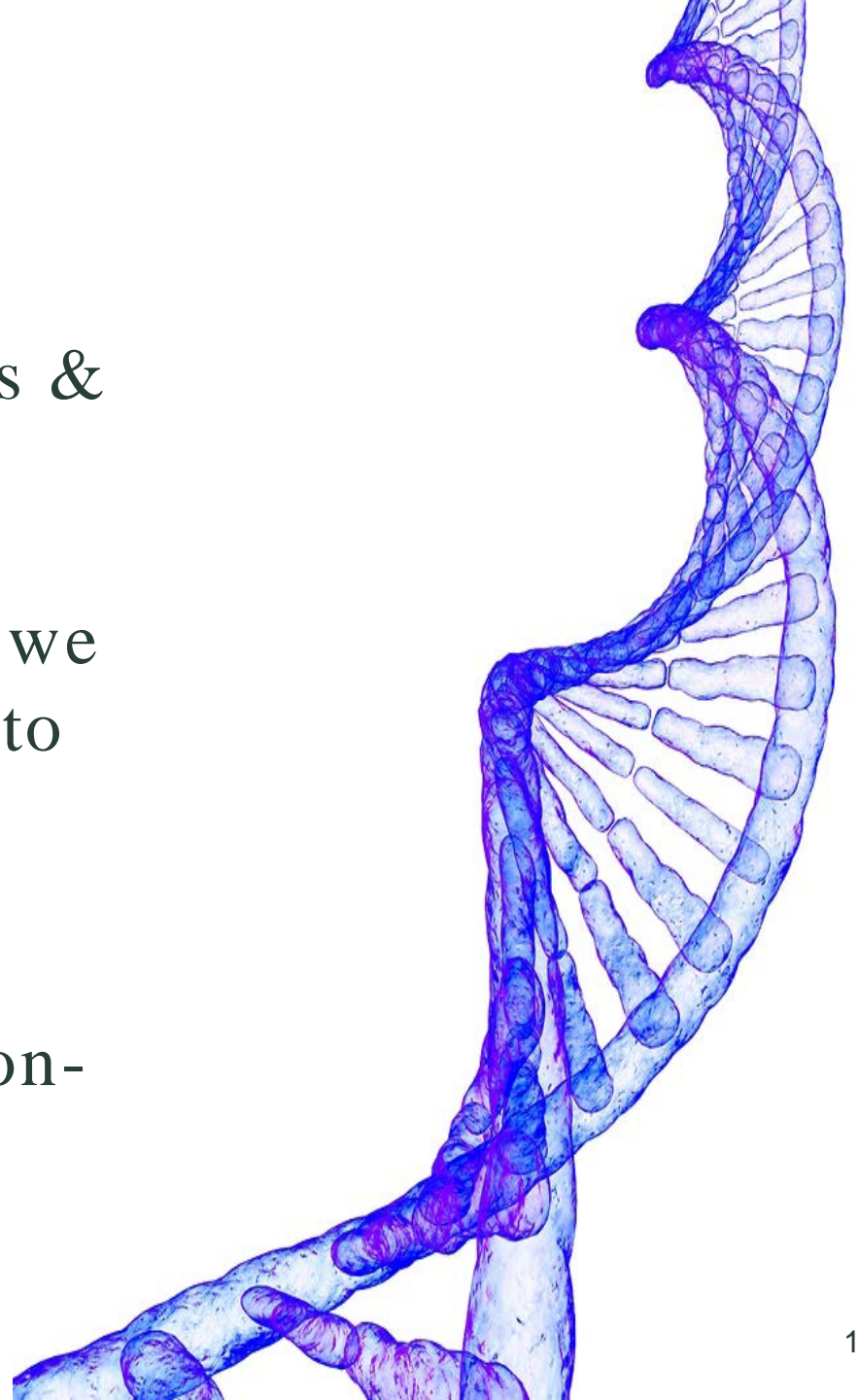
3. People Engagement



- It is the responsibility of every employee to reframe relationships.
- Provide coaching and role playing to change the vocabulary & behavior that builds & reinforces poor perceptions.
- Ask colleagues to help develop the team..they LOVE to talk about how great they are.
- Role model great team work "equality" with your colleagues.

3. People Engagement

- Direct reporting teams for both CoEs & BPO on a shared journey.
- CoE specific hypotheses about why we behave this way and what we need to change.
- Viral Change: Energy generated by direct reporting teams noticed by non-reporting teams & their leadership.



Question

Which animal would your team most identify with?



A. Elephant



D. Tiger



B. Ant



E. Geese



C. Sheep

4. Symbolism



- From "near death" experience to **empowerment**.
- Engage the change agents. Give them space to do it their way. They know better what is culturally appropriate ... and at the **pace of their change** (not yours).
- Senior leadership pressure matters, especially for millennials ... **flex to their communication style**.

5. Creating Value

Changing perceptions internally to shift perceptions externally

Performance

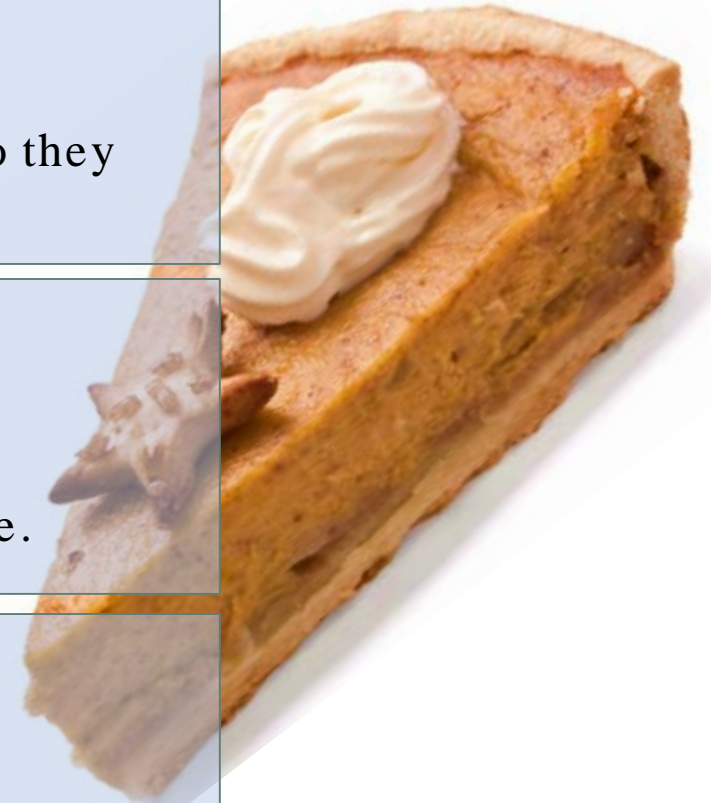
- Raise the bar every year.
- Set clear challenges.
- Engage people's imagination, skills.
- Ask how they will achieve this & what do they need to be successful.

Impact

- Translate every service to bottom-line P&L impact.
- Set a target (3:1).
- Use business language not CoE language.

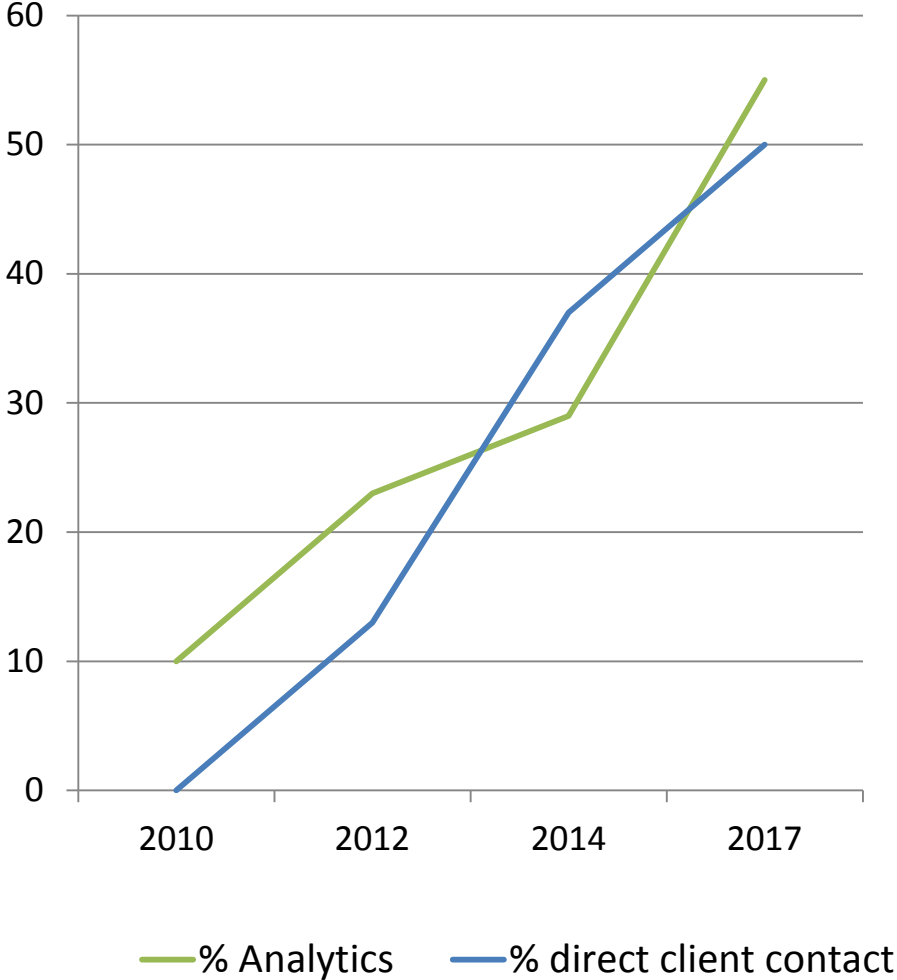
Engine

- Invest for the future.
- 50% of a Team Leader's time is spot coaching & developing.
- This applies to you too!

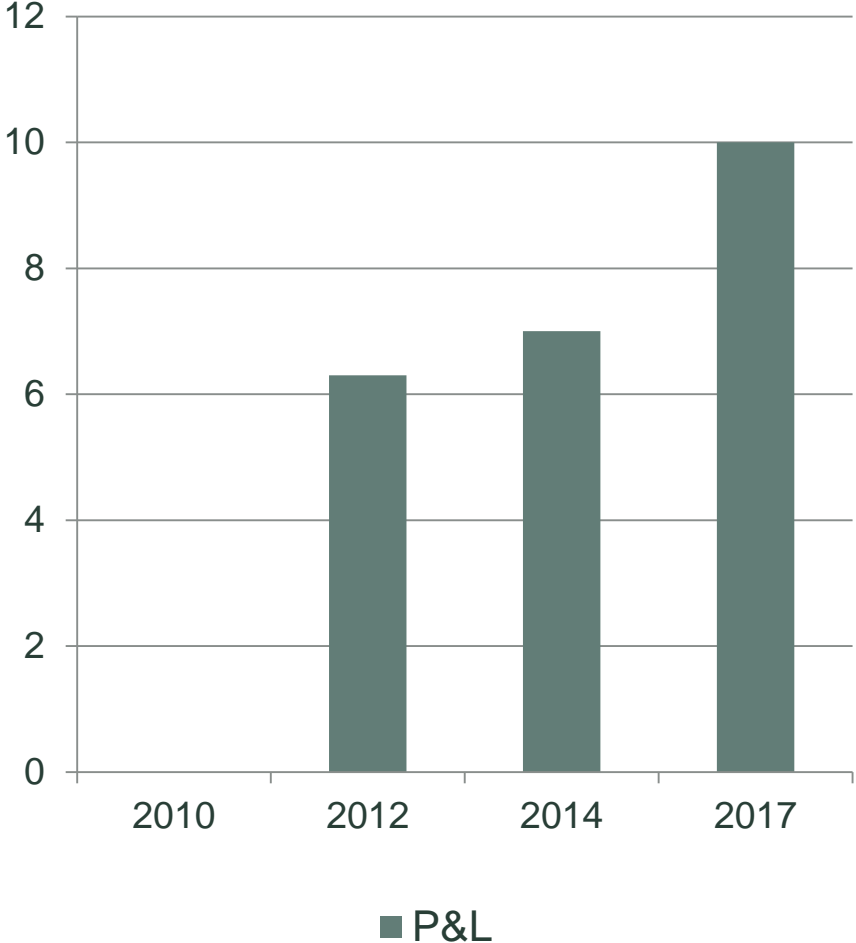


5. Creating Value

Services



Bottom Line Impact



5: Creating Value in Analytics: The art of the possible

NatCat Modelling – evolution of risk management and pricing modelling for Swiss Re Natural Catastrophe product



Understand & manage data
2007



Run models
2009

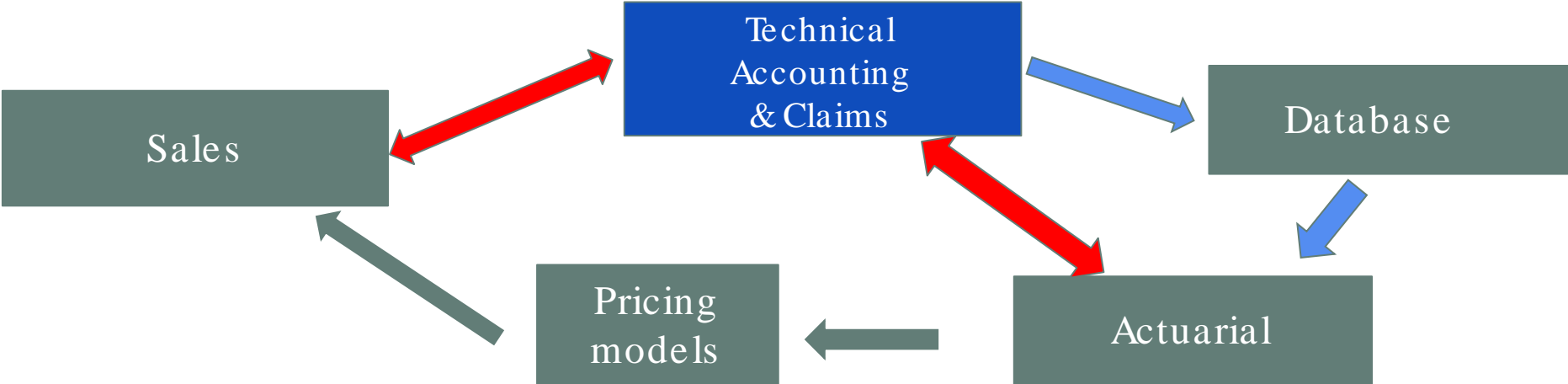


Analytical reports
2011



Design & develop models
2012

"Dark Data" – harnessing our data to bring more Value



6. Coalition Building

1 Shared Vision

Create a shared vision ...including partners

2 Shared Responsibility

Engage the business partners as part of the solution ...shared responsibility

3 Shared Accountability

We're in this together. We all play a part in the success or failure.





Lessons Learned

Question

The most important skill for a Team Leader is:

- A. Technical knowledge?
- B. Knowing what needs to be done?
- C. Getting things done?
- D. Developing people?

Change expectations of Team Leaders



Leaders	Develop people who deliver outstanding results (value) in a sustainable way.
Managers	Drive KPIs which yield Green Scorecards this year.
Coaches	Ask helpful questions so that employees can solve their own problems.

Other Lessons learned

- Trust is the only currency of value.
- Listening makes the hard work of driving culture change easier.
- Shape the vision through cycles of dialogue ...to promote buy-in & acceptance.
- Simple is best ...and consistent is better.
- Creating a virtuous cycle starts with **You.**



Questions?

For more information contact:

Vesta Bovair

Swiss Re

Managing Director, Head Global Service Operations

Vesta_Bovair@SwissRe.com



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