"A mind once stretched by a new idea can never return to its original shape."

SUMMARY

The Council's Human Resources in Insurance Working Group met September 11-12, 2014 at The Council's headquarters in Washington, D.C. The meeting was chaired by Aimee Kilpatrick of BancorpSouth Insurance Services, Inc., and Merideth Wieland of Heffernan Group, and staffed by The Council's Elizabeth McDaid, Julia Smith and Brittany Foye.

The HR in Insurance Working Group convened its first meeting under the leadership of McDaid, The Council's new Senior Vice President of Leadership & Management Resources. Of the 25 participants, five were first-time attendees or from new CIAB member firms, underscoring the value of peer-to-peer exchange as they navigated some of the top issues in the industry. The agenda primarily focused on succession planning and the role of HR in driving a firm's growth and innovation.

PARTICIPATING FIRMS

Twenty-five (25) participants from the following member firms were in attendance:

Acrisure	Harden	McGohan Brabender
Assurance Agency Ltd.	Heffernan Group	Murray Securus
BancorpSouth Ins. Services Inc.	Henderson Brothers Inc.	M3 Insurance Solutions Inc.
Brown & Brown Inc.	Hub International Ltd.	Oswald Companies
CBIZ Benefits & Ins. Services Inc.	Hylant	RCM&D Inc.
Conner Strong & Buckelew	Keenan	Regions Insurance Group Inc.
DiBuduo & DeFendis Insurance Brokers LLC	Lockton Companies LLC	Roach Howard Smith & Barton Inc.

THURSDAY, SEPT. 11

HELLO, MY NAME IS...

McDaid opened the session with a self-introduction, detailing her career background and path to The Council. Participants then used Visual Explorer, an imagery tool from the Center for Creative Leadership, to help introduce themselves to the group. The Council-provided Visual Explorer photographs allowed for unique personal and professional insight during the self-introductions.

SUCCESSION PLANNING

Identified as a key topic of interest during the last HRWG in March, a majority of Thursday's session focused on succession planning. **Al Diamond, president of Agency Consulting Group,** presented on the topic. Discussion covered common challenges and current initiatives on the how-to's and best practices of developing and implementing an effective succession plan.

OF NOTE
- Perpetuation planning and succession planning are two different things.
- The process is simple; it's the implementation of the process that is challenging (because it requires business/behavior change).

TIPS & TOOLS
- Succession plans should not be public within the organization. They should be limited only to executive team/pertinent decision-makers.
  - The group discussed the benefits of confidentiality; there were arguments for both sides.
- Development plans should be continuous and public within the organization.
- Developing people on a continuing basis is critical to successful succession planning.
  - It's good to always have 1-2 people in line.

FOUR-STEP PROCESS TO AN EFFECTIVE SUCCESSION PLAN

STEP 1: IDENTIFICATION
Once each year, require managers to identify potential for every employee. That potential may be:
- *Marginal:* This employee has not achieved proficiency in the current position and a development plan for proficiency must be created or the employee is to be replaced.
- *Static:* This employee is in the position for which he/she is qualified and/or desires.
- *Developing:* This employee is progressing toward the next role in the company. A development plan must be in place with at least annual evaluations moving forward.
- *Fast Track:* This employee is identified by a one-year, three-year and five-year progression plan that evolves his/her skills and prepares them for a variety of future leadership needs.

The identification of employee potential is not a part of the public plan. The plan may involve remedial instruction and probationary periods for marginal employees in order to strengthen the overall organization by improving or eliminating marginal employees.

STEP 2: EVALUATION
Many companies have evaluation programs in place for their employees. Most are related to compensation increases and measure job performance. This step requires classification of employees as outlined in Step 1 to help develop them in their current role (and/or subsequent role).

STEP 3: DEVELOPMENT
A development plan working in tandem with the Evaluation creates a plan for the progression of each employee being evaluated. The employee shares with the manager where they see themselves going in the organization. The manager's responsibility is to clarify what the employee must do in the next evaluation period to qualify for the movement they desire. The development plan can certainly strengthen employees within their current positions, but it's also used to identify forward movement potential and training, education and networking needed by the employee to progress his/her career.

- Part of the manager's job is to help employees achieve their potential, whether in their current positions or in new ones.
- "Fast Track" employees are the ones in greatest demand by your competition.
- The best way to keep your strongest employees is to show them that the company recognizes their potential and is working with them to develop it.

STEP 4: MONITORING
Once the initial development plan is triggered, management is responsible to senior management to help the employee implement the plan and to monitor and report on progress during the year. At the end of each year (calendar or evaluation years) the employee and manager evaluate the progress that was made. The manager should also be evaluated based upon how well he/she has mentored and guided the employees on their development track.

THE SUCCESSION PLANNING TOOL

Diamond shared a tracking tool with the group as an example of a succession planning process that can be used on an annual basis by the leadership team. The tool is designed to track the development of all employees in the firm and identify the future roles of each progressing employee.

- The succession planning tool is not a public tool. It is meant to be fluid as conditions and employees change and identify who would best fit each role in the firm should the incumbent leave for any reason.

GROUP EXERCISES: CASE STUDIES

Working Group participants reviewed and discussed the role of HR in two case studies presented by Diamond. The group agreed on several points:
- HR was not involved in either case early enough.
- Communication is critical at every step to eliminate fear amongst employees.
- Team building helps develop trust among those involved.
- Important to work from the top leadership down.

PERFORMANCE & COMPENSATION

The group discussed the continuous struggle of separating performance from compensation. Ideally firms should be continuously evaluating performance through the year, but a smaller step is to separate performance evaluation and compensation review on the calendar (even if they are technically still linked).

OF NOTE:

- Doing anything in a disciplined manner is better than doing nothing.
- Employees are not ready for a promotion until they have 1-2 people equipped to take their place.

MANAGING ACCOUNT MANAGERS: HOW TO REWARD & INCREASE RESPONSIBILITY?

SUGGESTION: Allow account managers to participate in "stretch experiences" such as managing projects and managing a group of interns. One group member noted that having the employee identify an existing efficiency issue and allow them to lead a group in attempt identifying potential solutions.

OVERVIEW OF KEY PRIORITIES FOR 2015

McDaid presented a top level overview of The Council's Leadership & Management initiatives and key priorities for the coming year:

INSTRUCTOR-LED WORKSHOPS

- **Leadership Curriculum:** Focuses on three levels of leadership development
  1. **Emerging Leaders:** Less than five years of experience
     - "Broker Smack Down" – a learn-by-doing program in which firms will send a team of emerging leaders to compete against other firms in a computerized business simulation of running an insurance brokerage firm.
     - March 10-12, 2015
  2. **Mid-level Leaders:** 5-10 years of experience
     - Gettysburg Experiential Learning - May 12-14, 2015
     - Producer recruitment and development workshops (Dates TBD)
  3. **Executive/Senior Leaders:** 10+ years of experience
     - Wharton Certified Programs with certificate upon completion
     - Leadership audit

- **Train-a-thon:** Four-day event that will allow firms to send a representative to learn specific training curriculum and bring programs in-house. Potential programs include:
  - Coaching Millennials
  - Time management
  - Presentation skills
  - Event leader training

"LEAD"

- Executive Peer Advisory Initiative
  - For CEOs and Presidents relatively new to their role
  - Objectives include supporting participants in their goals of accelerating growth and profitability and assisting in strengthening their leadership agility and acumen.
- Two day session to launch March 2015

FAME

- Execute on the recommendations from the CIAB Midyear Board Meeting
  - Member education on FAME
  - FAME's role in building resources
  - Enhance and expand research program
  - Reshape the scholarship program
  - Increase initiatives that promote the industry

LEADERSHIP WEBINAR SERIES

- Monthly webinars on topics of interest to leaders, with possible topics including:
  - Building business relationships
  - Social selling (using social media in the sales process)
  - Coaching Millennials
  - Creating the customer experience
- To begin in January with "Developing a Sales Culture"

ONLINE TOOLS

- Update ciab.com "Resources" pages, including mentoring and internship toolkits
- Inner Circle Consultants (re-branding of Council Select Consultants)
- Virtual classes

PROGRAM ADVISORY GROUP

- 8-10 Council members who meet twice a year to provide objective feedback on projects, priorities and new ideas.

FRIDAY, SEPT. 12

ROLE OF HR IN GROWTH & DEVELOPMENT INNOVATION

Kaihan Krippendorff, a leader in the field of strategy and innovation, is conducting a study with the University of Pennsylvania's Wharton School to address the role of HR in driving innovation and growth. In this session, Krippendorff solicited the group's feedback on that very topic, and the degree to which human resources is integrated into today's organizations.

INNOVATION & PEOPLE DECISIONS

Krippendorff used *Urban Outfitters*, *Vistaprint* and *Skullcandy* as examples of businesses that make an effort to make people the foundation of innovation and success. These companies understand that people decisions are more important than products or features, and have reaped the benefits of that framework.

Innovation prowess starts with people and values – getting the right people attached to the right values. Doing so will naturally produce great products and subsequently, profits. People who love what they do are passionate about their work and vice versa.

Survey results on great innovation performance:
• Invest heavily on developing and retaining talent in innovation activities
• Culture, talent, retention

HR'S ROLE/DOMAIN OF HR

1. Strategy
2. Culture
3. Capabilities
4. Configuration

GROUP DISCUSSION

Why is there a gap between the importance of people and the perception of HR?
  Heard around the room:
  • Perception is HR fires people
  • Perception is HR always says 'no'
  • HR is viewed more as compliance than strategy
  • HR is viewed as Rule Keepers
  • HR is famous for its rigor and process

How do we change that?
Goal is to shift from HR supporting what's already going on to HR driving ideas and offering new suggestions; be involved at the very beginning. HR is responsible for managing the rules, but it's important to be thought of as strategy/thought leaders.

LAB RATS

Krippendorff asked participants for feedback on five questions from his current Wharton study, and welcomed them to further participate in the ongoing study if interested.

ROUNDTABLE DISCUSSION - SHARING STRUGGLES AND SUCCESSES

Participants discussed various successes and struggles including, but not limited to, the following:

STRUGGLES:

- Job descriptions
- Talent management
- Compensation structure for producers
- Mentoring
- Developing producers as leaders
- How to balance producers and leadership
- Onboarding
- Training & Development
- Managing service teams
- IT: HRIS, simplifying/streamlining processes & systems

- New executives, cultural shifts
- Redefining strategy for growth
- Medical Leave tracking system
- Rebranding HR
- Attracting and developing next generation
- Diversifying senior leadership teams
- Payroll vendors
- Managing international talent
- Realigning payroll
- Service staff development

SUCCESSES:

- Implementation of new applicant tracking system = increased efficiency of recruiting
- Shift in organization in regards to talent management
- New Pay for Performance model
- Customized training and development program
- Launched new performance management system
- Successful recruitment of young talent (through referrals)

- Rebranding HR
- Implementing new HRIS
- Centralized payroll
- Hired new "people officer"
- Workflow redesign
- HR partnership with organization
- Converted all onboarding documents online

SEE YOU IN FEBRUARY 2015!

The next HR in Insurance Working Group will be held during The Council's Legislative Leadership Summit in Washington, D.C., in February 2015. Details to follow. In the meantime, please send suggestions on topics for the group to discuss to Julia Smith at **julia.smith@ciab.com**.

SHARE!

We encourage you to share this document with those in your firm who could benefit from this intel and information.

ABOUT OUR WORKING GROUPS
Part of The Council's membership offerings, the HR in Insurance Working Group is one of five working groups (CFO, CIO/Technology, International and Legal Counsel) open to employees of Council member firms. These working groups provide opportunities for peer-to-peer dialogue on relevant topics and to connect with others who face similar issues and challenges. For more information, or to join, contact The Council's Julia Smith at **julia.smith@ciab.com**.