

Data Analytics | One Agency's Approach

Lessons Learned Along the Journey

June 14-16, 2017

Brian Comerford

Senior Vice President of Information Technology

The IMA Financial Group, Inc.



Start with a Shared Vision



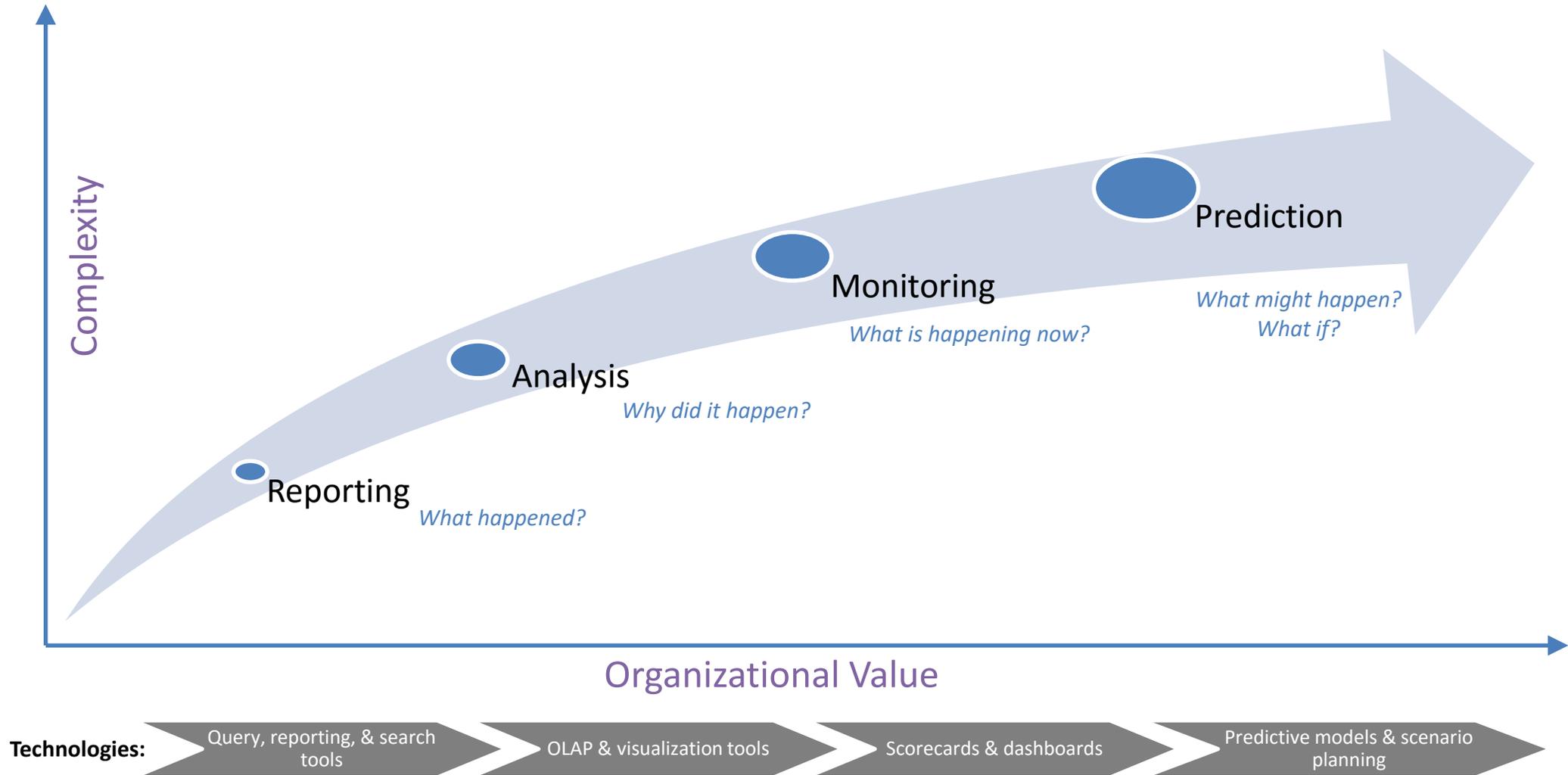
Define the Why

Understand the Big Picture vs the Pieces

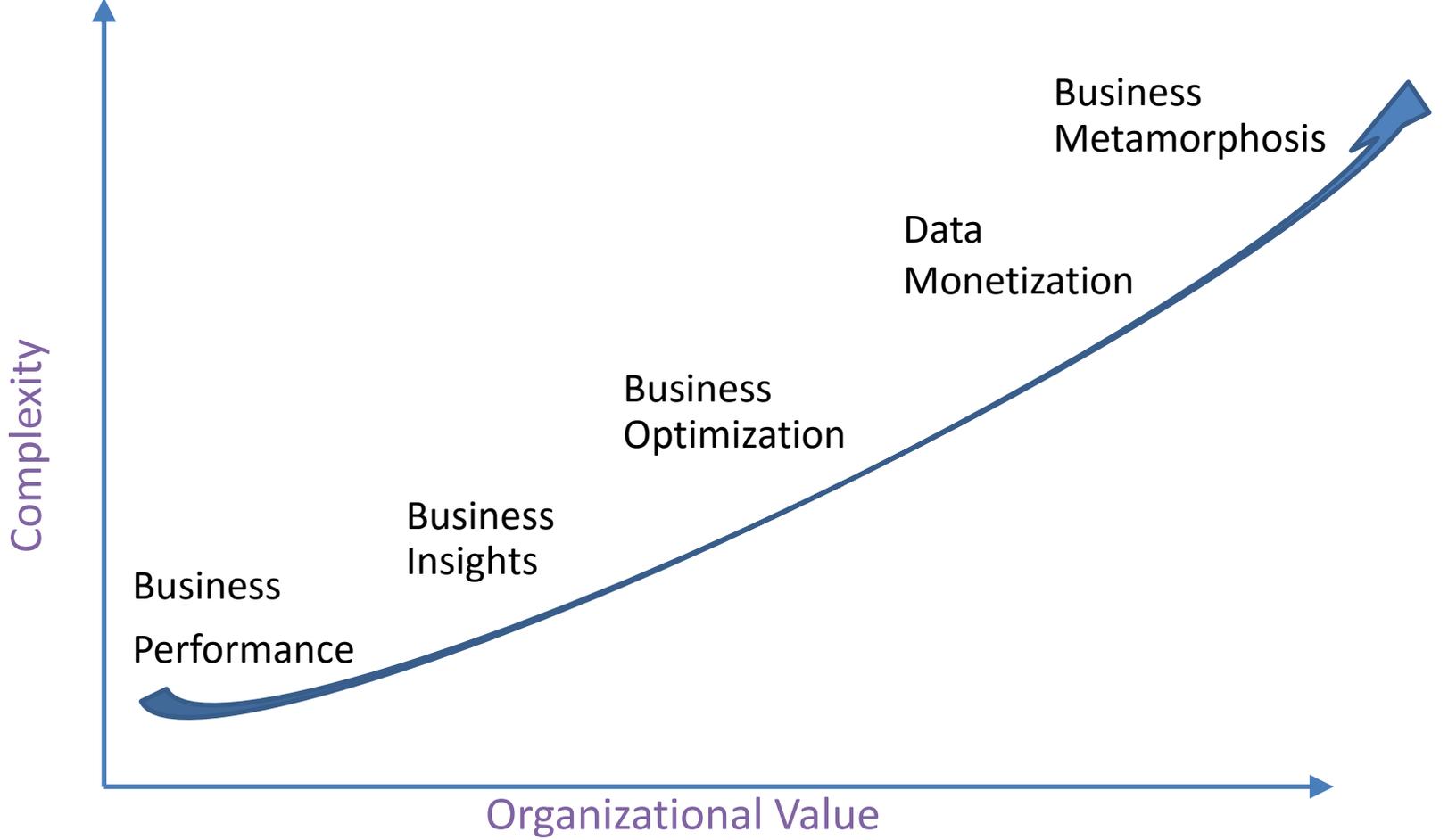
- Organizationally, there can be many differing understandings of what “big data” is
Typically, a lot of ‘what’, not much ‘why’
- We all perceive different problems to solve & opportunities to pursue with Data
- We all want to know “how much Data Analytics will cost”
- We all anxiously want to Start
Everyone is anxious for sexy Visualizations



Data Maturity – A Progression



Data Business Model Maturation



Organizational Roles:



Early Lessons Learned

Post-launch take-away's:

- Data Analytics/Business Intelligence initiative targeting business transformation requires business stakeholder leadership (i.e., it's not an "IT project")
- It is critical that the business opportunities drive the "why", "how" and "where" – otherwise implementation of new technologies/processes will likely fail
- The biggest challenge = *where* and *how* to start the Data Journey
- To circumnavigate this constraint, consider an Envisioning process in order to:
 1. Ensure focus is on the right business opportunity, balancing between Value and Feasibility
 2. Build consensus necessary for success by aligning business & IT resources around a common set of goals, assumptions & priorities
 3. Establish an agreed-upon measurement for success
 4. Reduce likelihood of failure by identifying up-front the implementation risks



IMA's Phased Approach

Phase I (2014-2015)

- Envisioning

Constituent Interviews & Vision Workshop

- Process Optimization

Consultants selected

2 target divisions underwent BPO

- Data Governance

CoE established to enforce Process + Technology policies

Completeness & Definition standards (what gets input, where, & by whom)

- Data Definition / Visualization

Visualization Tool Pilot

Validated financial data

Extended insights into benchmarking

AWS Sandbox creation / AMS Modeling Pilot



IMA's Phased Approach

Phase II (2016-2017)

- Envisioning

Constituent Interviews & Vision Workshop

- Process Optimization

Consultants selected

2 target divisions underwent BPO

- Data Governance

CoE established to enforce Process + Technology policies

Completeness & Definition standards (what gets input, where, & by whom)

- Data Definition / Visualization

Visualization Tool Pilot

Validated financial data

Extended insights into benchmarking

AWS Sandbox creation / AMS Modeling Pilot

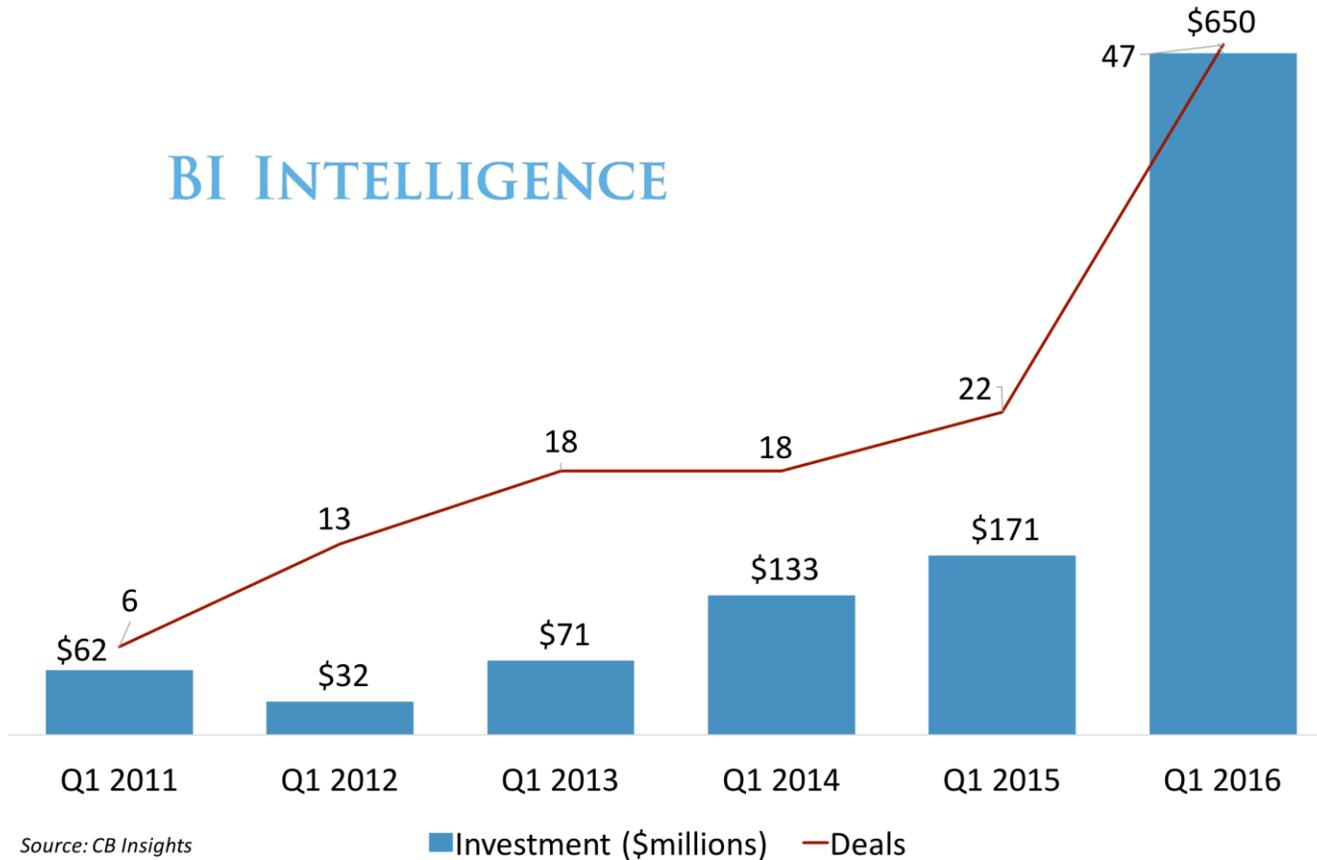


What about our Industry?

Insurtech Financing Trend

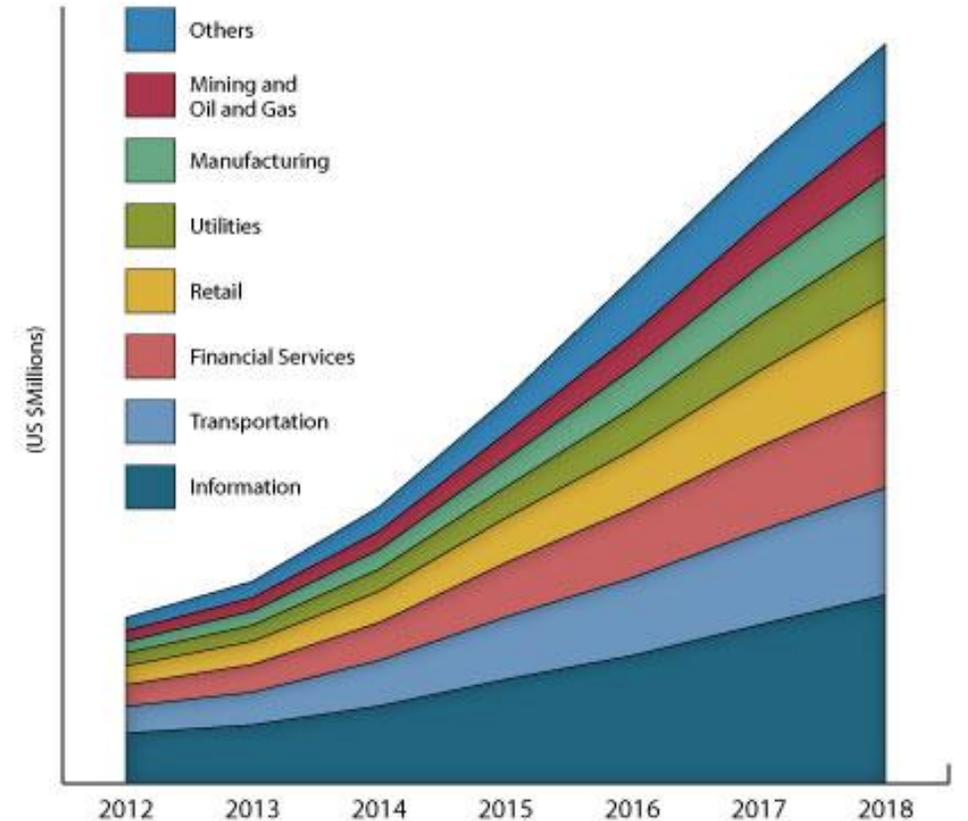
Q1 2011 - Q1 2016, Global

BI INTELLIGENCE



Big Data Spending by Industry Vertical

World Markets, Forecast: 2012 - 2018

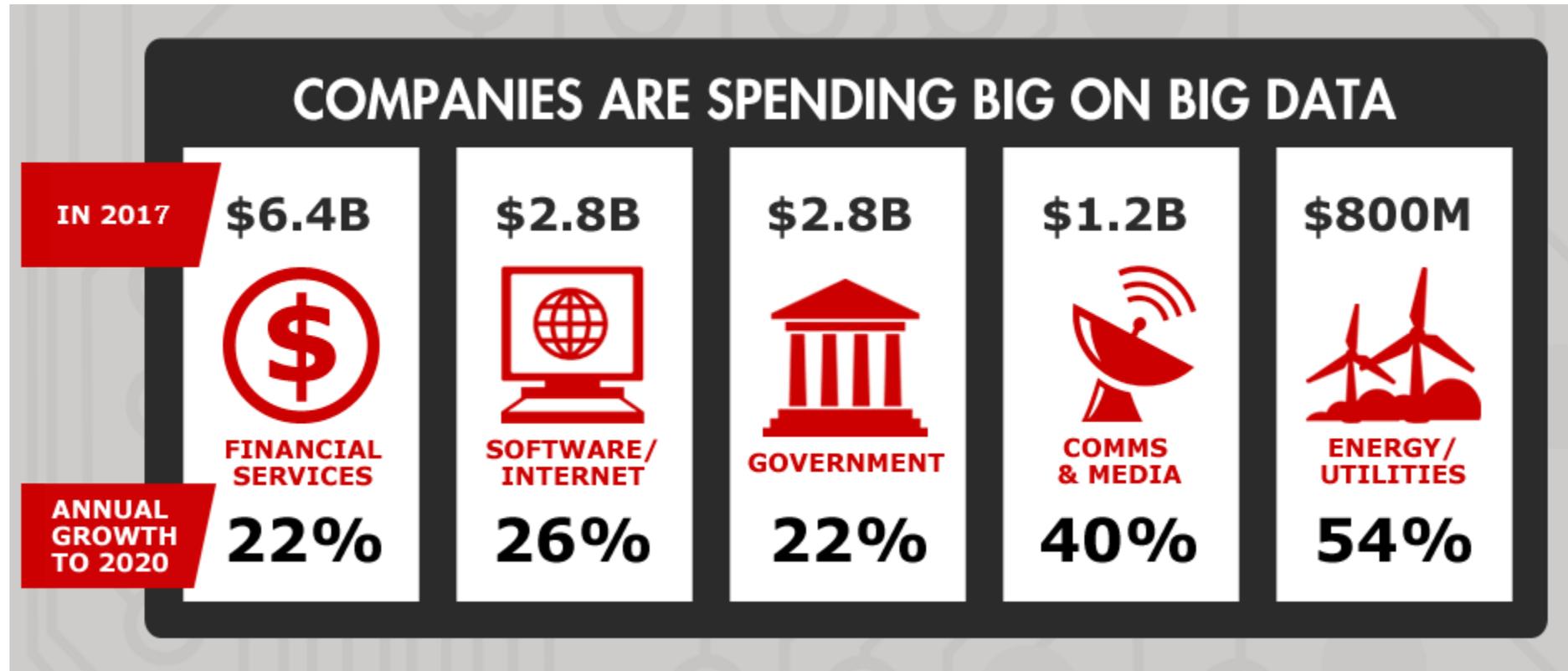


Source: ABI Research



The Cost of Data Analytics

The 2017 forecasted average spend per company (all sizes) is \$8M for Data investments. ~ Bain



By the end of 2017, revenue growth from information-based products will double the rest of the product/service portfolio for one-third of Fortune 500 companies. ~ *Forbes*, Jan. 2017



Insurtech by the #'s - 2016

- Venture capital firms put \$167M into Insurtech companies in Q3 2016 – in fact, more funding per Quarter of 2016 than any corresponding period 2015.
- Dow Jones VentureSource, September 2016
- Almost half (48%) of insurers fear that up to 20% of their business could be lost to standalone Insurtech companies by 2020.
- Insurance Journal, August 2016
- 72% of insurers don't feel their company is making a sufficient investment to achieve their business transformation goals or they simply just don't know.
- Insurance Nexus of 150 insurers survey, October 2016

As global Fintech funding declined down -51% across Q1-Q3 2016, global Insurtech funding increased by 260%.



Beware: High Failure Rates

Learn from early adopters successes and failures

Through 2016, over 85% of Fortune 500 organizations failed to effectively exploit Big Data for competitive advantage. (*Gartner*)

Lacking business ownership &
clear requirements

Over-investment in tools &
technology

Limited by the starting point:
Substandard information
management, governance and
base analytics

Inability to enact structural
changes required to support data
hypotheses

Why are so many failing? (*Harvard Business Review*)



Why IMA is Investing

Making a Difference for our Clients

“If we're spending 75% of our time on the Transaction, so is our Client.”

→ Ultimately this is what has to *flip* – we need 25% time on the Transaction, 75% time on the Consultation, as can happen only as we become more Tech-enabled & data-informed advisors.

Growth: What we have today is truly not scalable – if we instead size the data investment + additions to staff to be scalable... it is UNSTOPPABLE.

Profitability: This is real – the \$'s there (\$5 Trillion = global annual premium); if we focus on the sweet spot by making the investments now to ‘disrupt from within’ we have a better chance to differentiate IMA and potentially earn greater market share (as a Market incumbent vs. New Market Entrant).

Timing: The cost of doing nothing will be invisible for probably the next 3 years – then after that, we’ll see that we’ll start to lose market share very rapidly, and at that point it will be too late – there will be too much Technical Debt to dig out from under.

