

Eat, Fish or Do Something Really Important

"Give a man a fish and you feed him for one day.
Teach a man to fish and you feed him for a lifetime."

This is a common saying. At first glance it appears that giving a fish to a person is a waste of time. It's more productive to teach him to fish. And it's true, unless the person starves while you're trying to teach him to fish.

Our experience is that when you apply this truism to helping insurance companies become more effective, the most practical approach is to do both. First, you need to make the changes that will fix the company's problems, allow it to take advantage of known opportunities and, in general, become more efficient and effective. But this is not enough; unless you plan on doing the same thing every year or two. That's why the second step is so important. You need to make sure that certain fundamentals are in place and working well so these advantages will stay in place and continually improve.

This two step approach has many advantages. Producing immediate benefits makes the process *self funding*. It not only pays for itself, it always creates a financial excess. Usually the return on investment is between 4:1 and 7:1. That's an annual return and it means that for every \$1 you invest you get back between \$4 and \$7, usually in the first 12 months. Making the fundamental changes ensures that this financial return will occur each year for several years into the future. Not a bad return on your investment.

As you can see, the real value is in getting to the fundamental issues and making sure that the company is designed to be successful. This part of the process doesn't focus directly on making the changes that will create immediate benefits. Instead, it focuses on making sure that the structure, workflows, success measures, and other fundamental items are all designed and working well together so the company will be able to successfully meet future challenges. It ensures the success of the company regardless of what the future holds. It ensures the company will be what we call "naturally effective."

A "naturally effective" organization is one where the right things happen without a lot of management intervention. It recognizes another old saying, "that water always flows downhill." It ensures that people will act in the way the company needs and wants because everything is designed so this will occur. It ensures that the company, and all of its parts, are designed to be successful.

When done properly, these two phases are seamless. The focus is on creating an "ideal" organization with the flexibility to meet the company's core success measures, regardless of the future. The immediate benefits are obtained within this focus.

How is this accomplished? By doing three things. First, go out to your major stakeholders and find out what they need, want and expect. Then quantify this information so you have a good understanding of what needs to be done to be successful. This provides you with an understanding of how the company could and should operate and what it can accomplish under "ideal" circumstances. Second, redesign the company so it will meet these goals. This includes workflows, organization structure, jobs, etc. The last phase is to put this ideal design through a very practical test and implement what can be put in place now as quickly as possible. Future changes are scheduled and implemented when appropriate.

Most companies need a "guide" to go through this process successfully. This is what most of our consulting practice focuses on -- guiding companies, divisions and departments through a process where they redesign themselves to be successful in the future, regardless of what that brings. If you'd like to know more about how this works, please call me or visit our websight.