

-- Multi-Functional Teams --
The Best Organizational Structure for Workers' Comp
And Most Commercial Product Lines

Our management consulting firm believes that each insurance company is unique and that no organizational structure is best for all. But after over 25 years of working with every type of insurance company, we have come to the conclusion that multi-functional teams are the most efficient and effective organization structure for workers' compensation carriers and commercial lines companies.

Enclosed is an article written by the team leader of one of these multi-functional teams. Our firm helped this company design their teams several years ago. Nick is an attorney, came from a claims background and has been a team leader almost from the start. He has a lot of practical experience in the way his team works and the advantages he has as a team leader. You may be surprised that Nick's article includes some challenges. No organization structure is perfect in all aspects and we do not advocate "cookie cutter" structures. Our goal is to help you create the best structure for your situation; acknowledging the positive aspects, identifying the challenges and being prepared to overcome them. We think you will enjoy reading his article.

Multi-functional teams work well because they are designed the way your customer wants them to be designed. Everyone who needs to be involved in servicing your customer is together, reporting to one person, dedicated to providing excellent service and helping your policyholders. They are not only focused on customer service, they are profit centers dedicated to making your customers' work environments safer, lowering loss costs and policyholder premiums, and maintaining expense levels as low as possible. In other words, they are focused on providing the best financial results possible for all of their stakeholders. Each team member is an owner of and mutually accountable for his or her team's results.

This approach produces the best results in product lines where you and your customers work closely together to get the best outcomes. These are usually situations where your customers can control their insurance costs by implementing good safety, loss prevention, wellness, claims and other programs. But the key to any organizational structure is that it must be the best way to create the results you and your stakeholders need.

Now for the big ***If's***:

- If you have teams and believe your results can be improved – call us, we can show you how to fine-tune them.
- If you tried teams and they didn't work – call us, we can tell you why and either help you design them properly or identify another structure that would work best for you.
- If you like the idea of teams but aren't sure they would work for you – call us, we can quickly tell you if they will work. If not, we can show you other structures and solutions.
- If you don't care about teams or are convinced they will not work well for your situation or have another problem you need help with – call us, we do a lot more than teams.

Also please visit our web site at McDonaldConsultingGroup.com. You'll find further explanations of these ideas in our Concepts and Ideas section.