Institute and Faculty of Actuaries

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Creating transformative change in your organisation

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Agenda

- Introductions
- Case study
- The operating model of the future
- Innovation insights – how do we get there?

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Case study

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Case study: EY Asset Helm

Problem statement:

- **Increasing requirement** on ALM teams to support Investment teams to **deliver value** through **investment strategy and capital optimisation** exercises
- **ALM teams** are being asked to provide further, and **more granular**, **management information (MI)** and provide **robust and efficient scenario analyses**

Examples of key challenges within current processes:

- Cashflow matching not executed in real-time -> difficult to monitor risk exposures on a more frequent basis
- Existing systems and processes do not adequately support the requirements of collateral optimisation
- Time-consuming to explore different investment and hedging strategies due to limited automation
- Processes often contain limited control and governance leading to uncertainty and concern over the credibility of the analysis
- Data underpinning the analysis is not necessarily reliable and can contain errors -> leads to material efforts to validate the data

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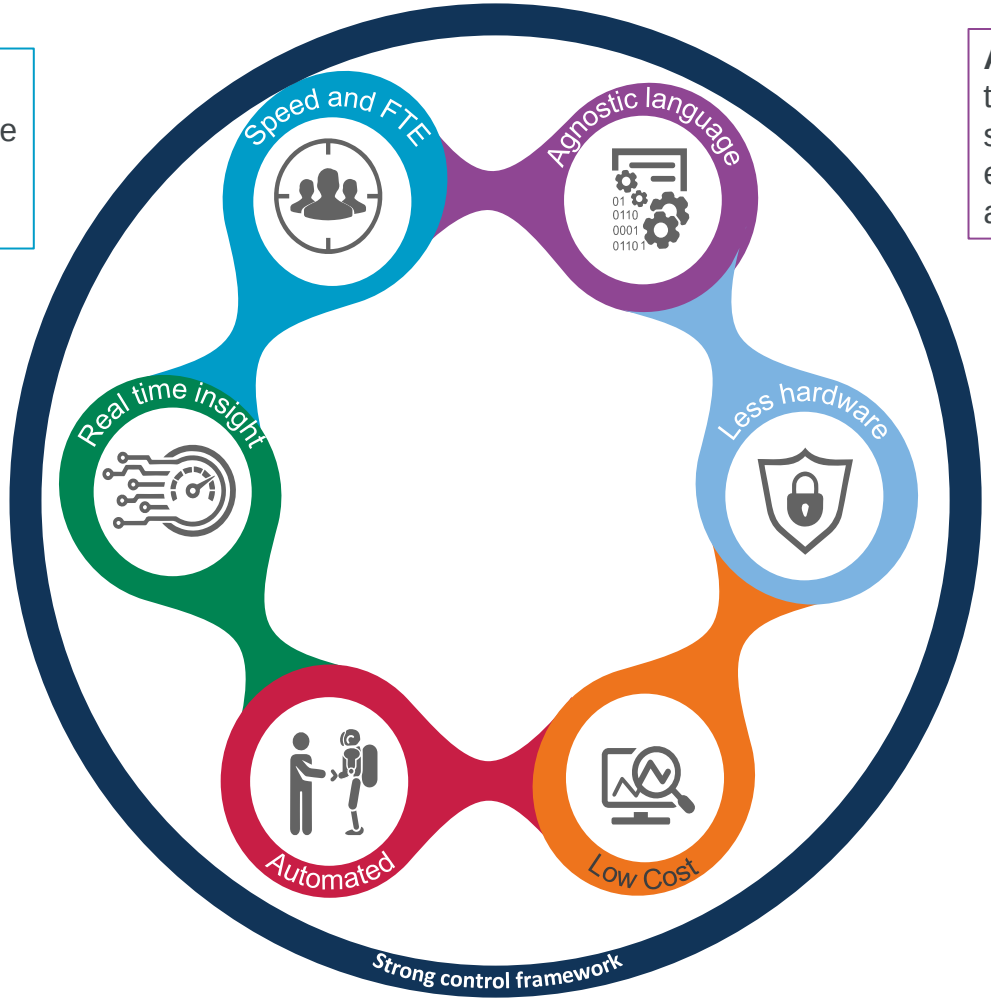
What does the future look like?

Near instantaneous results, scenarios and what-if analysis – more time to do value-added activities, fewer FTE performing repetitive tasks.

Real time automated pricing, reporting, workflow management, visualisation and analytics.

Fully automated processes to optimise efficiency and control throughout the whole process



Agnostic, generic language complements the actuarial skill set rather than relying on specialist coders – complex functions are easier to implement and attractive to young actuaries

Less hardware and a single infrastructure – reducing the need for servers/grids by moving to alternative technologies.

Low cost in terms of licencing (open source) and hardware (potentially zero); specialist resources no longer required.

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Why Innovate?

- Near instantaneous results, scenarios and what-if analysis
- Single source of truth
- Agile change approaches and tooling
- Real-time automated processes with a robust control framework
- Enable people to learn new skills and own new ideas

- Faster decision making and deeper understanding of results
- Foundations for rich data analytics and data innovation
- Digitization and optimization of change management
- Risk and trust management by design
- Culture change and talent retention

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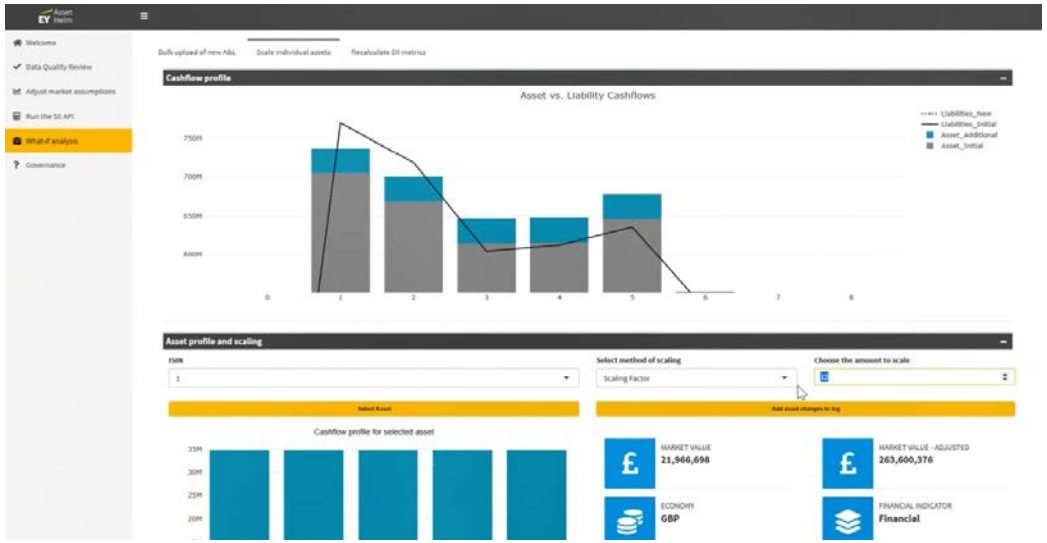
Case study: EY Asset Helm

EY's Actuarial Technology team have supported the ALM teams of several large European clients with their monthly reporting and portfolio management.

Tools developed to improve these processes included functionality for:

- Data quality review
- Sophisticated "what-if" scenario analysis to examine the impact of different investment and hedging positions
- Visualisation tools for analysis
- Automated production of MI



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Case study: EY Asset Helm

Benefits delivered by the Asset Helm to one of our clients include:

An estimated saving of **c.5 man days per month** for monthly reporting within the ALM team

An estimated saving of **c.2 man days for each new investment strategy scenario that is considered and quantified**

Improved, streamlined and traceable MI

Significant cost savings – built in open-source technology

7 areas of new and enhanced functionality throughout the reporting process

Many news ideas for future developments

Improved controls and analysis to facilitate understanding

Self-service MI, automated hypothecation strategies

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Principles of the operating model of the future

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EY Humans@center research

Preparing and managing emotional journeys

The six key drivers of a successful transformation all put humans@center.

01 To Inspire

- Disrupt: look elsewhere to have your thinking challenged.
- Build belief: clearly communicate to people “why” change is needed.

02 To Care

- Acknowledge and plan for the emotional journey of both the workforce and leaders.
- Focus on creating the conditions where people can speak up.
- Manage the stress, keeping it a positive force without leading to anxiety or apathy.

03 To Build

Use technology to bring vision to life:

- Make it real — quickly.
- Invest in your people to develop required mindsets and skills.

04 To Empower

- Create autonomy for the organization to execute.
- Encourage experimentation.
- Incentivize the shift.
- Accept that the pace of progress will ebb and flow.

05 To Lead

Foster leaders who:

- Constantly work on themselves.
- Practice courage.
- Create a culture of accountability.
- Emphasize “we” not “me.”

06 To Collaborate

- Create an environment that fosters connectivity, collaboration and creativity.
- Deliberately co-create new ways of working.

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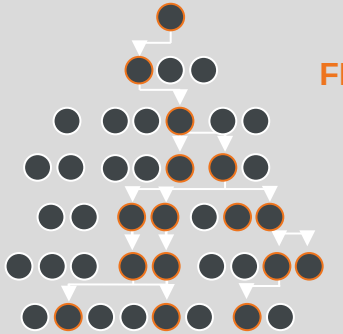
EY Humans@center research

There are three key FROM-TOs to make when driving your people agenda in transformation

1 Drive behaviour change through your influencers



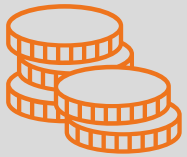
FROM: Top-down

Top-down change activation and communications

TO: Bottom-up

Science-based behavior change with influencers a part of a grassroots bottom-up movement

2 Focus learning on adaptive skills as the currency of your transformation



FROM: Technical skills and hierarchical power

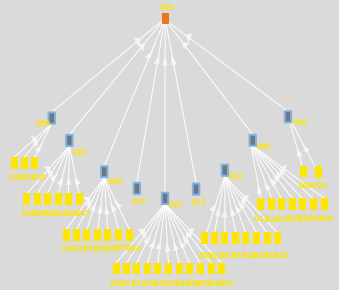
Power through job titles and levels; focus on technical skills in functional roles

TO: Adaptive skills and network position

Power through influence and network position, with focus on adaptive skills

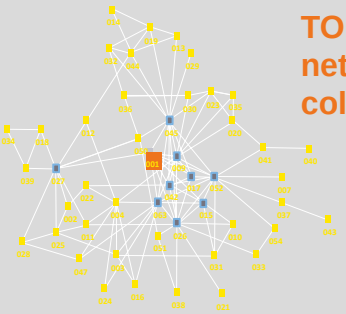
(1) Analytical Acumen, (2) Resilience, (3) Social/Emotional Intelligence, (4) Learning Agility, (5) Creative Reasoning

3 Design your organization to be nimble and networked, reducing friction



FROM: Siloed, hierarchical structures

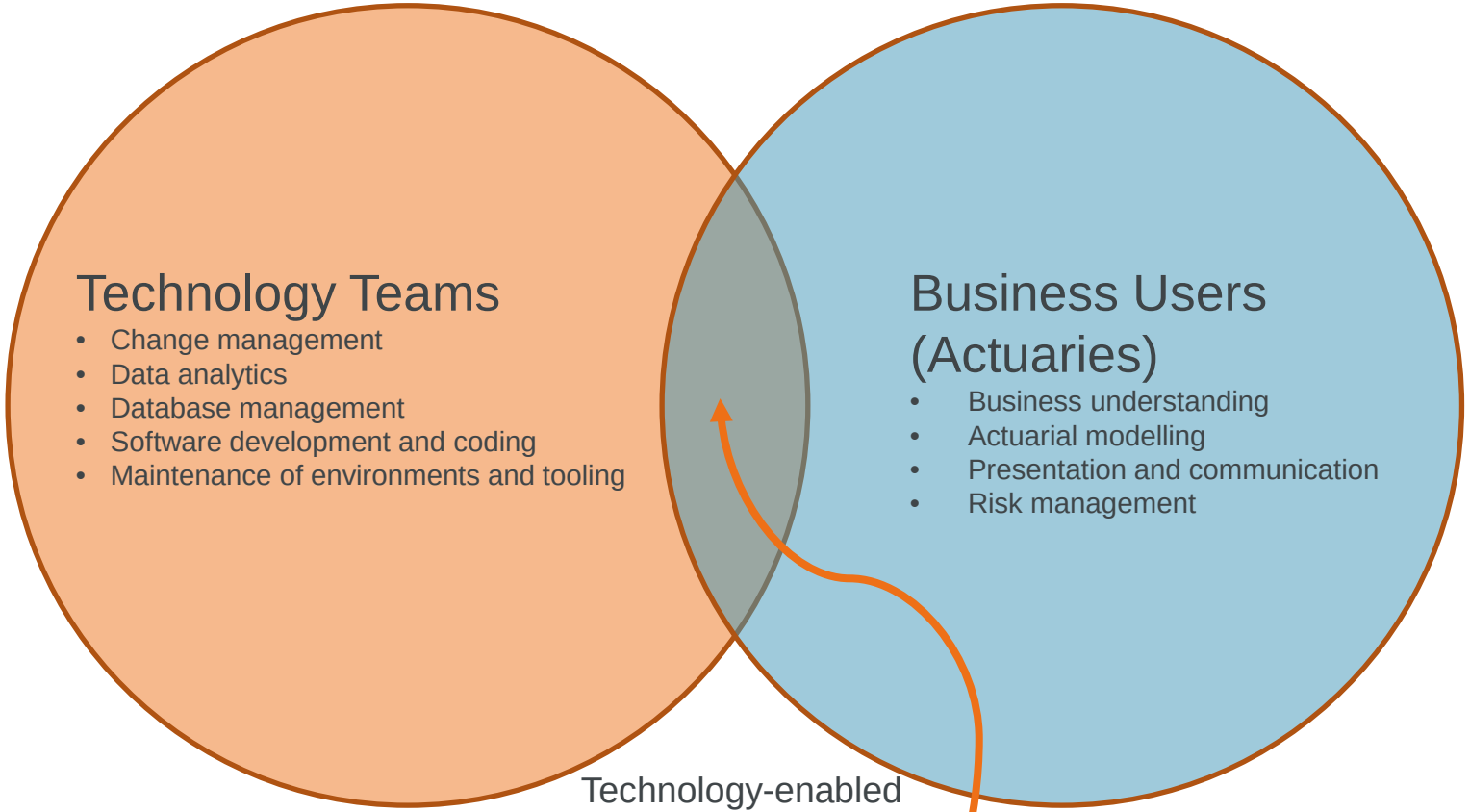
Push through formal hierarchy and infrastructure, which limits collaboration



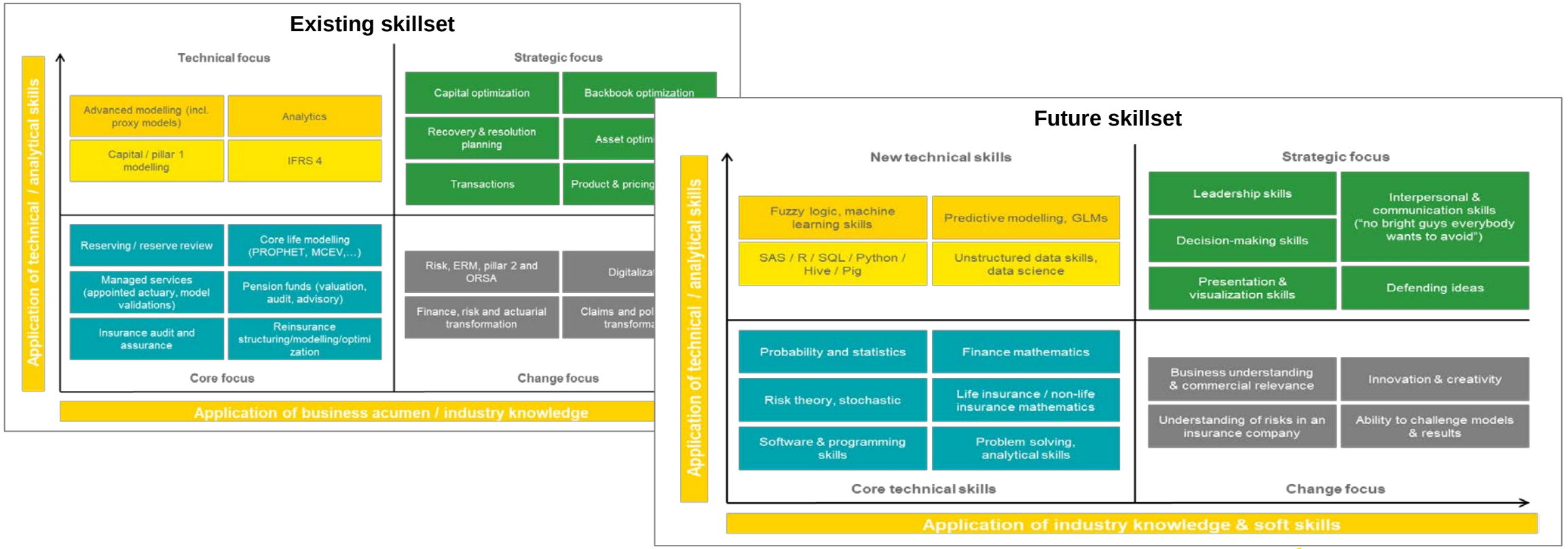
TO: Natural, networked collaboration

Design natural collaboration patterns to reduce friction, unlock capacity and increase capability

Principles of the operating model of the future



What do changing skillsets mean for actuaries of the future?



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Innovation insights – how do we get there?

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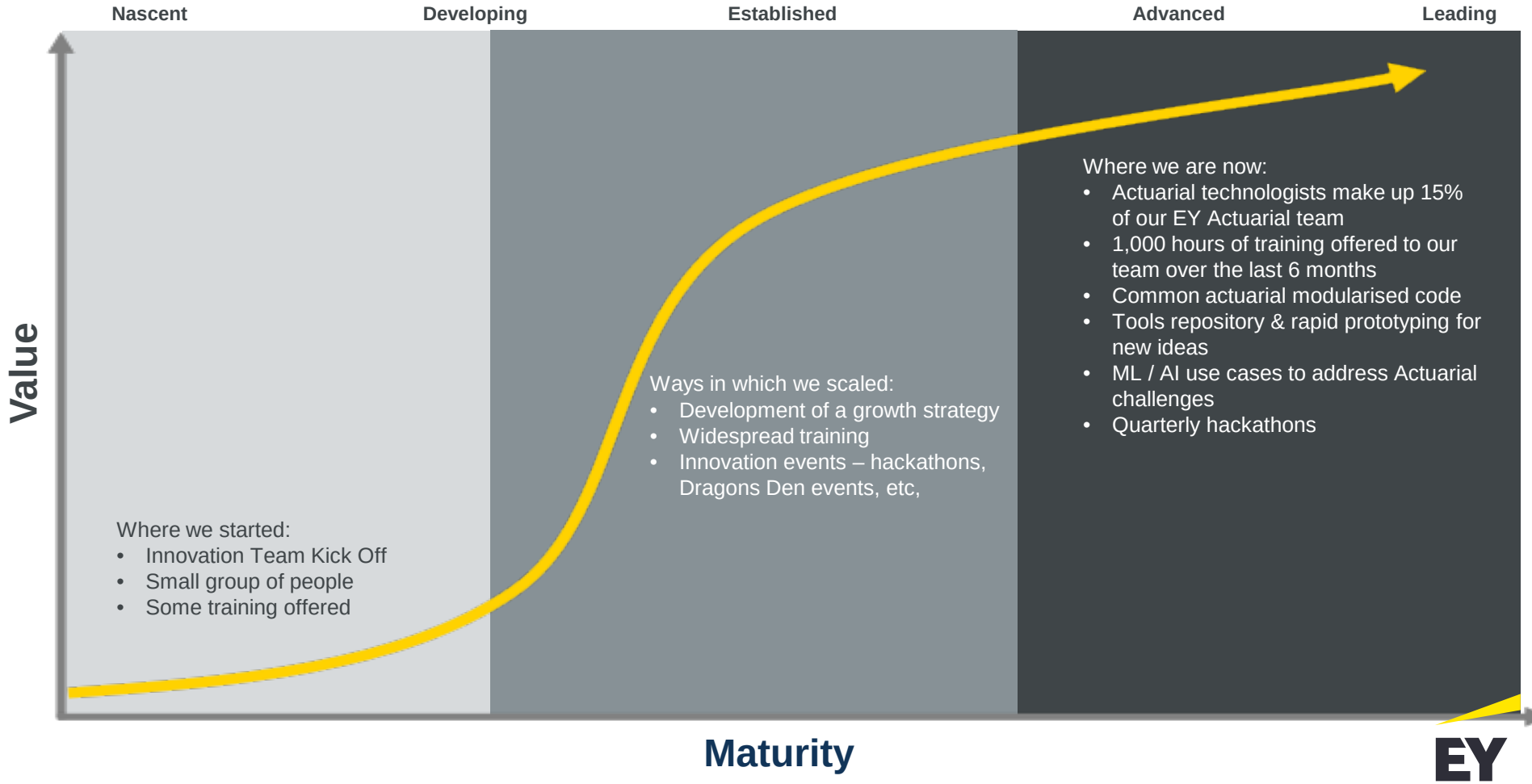
How have we inspired innovation in EY?



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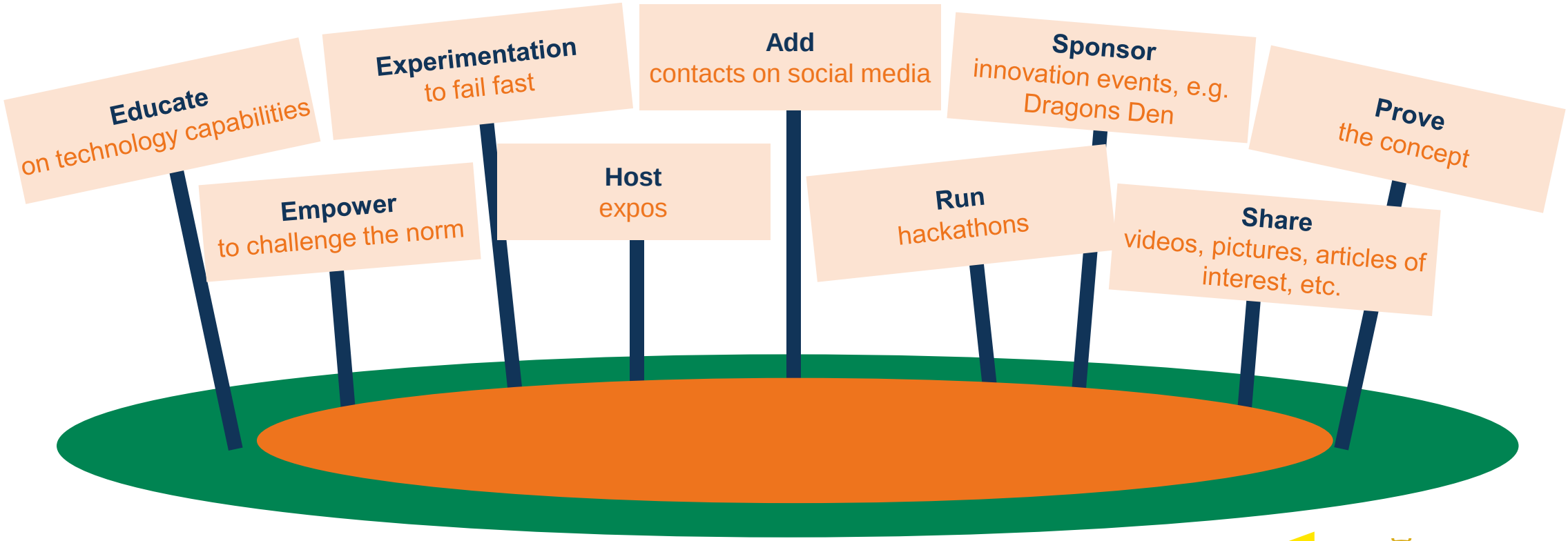
Tactics to inspire innovation



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Questions

Comments

Expressions of individual views by members of the Institute and Faculty of Actuaries and its staff are encouraged.

The views expressed in this presentation are those of the presenter.

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Thank you

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