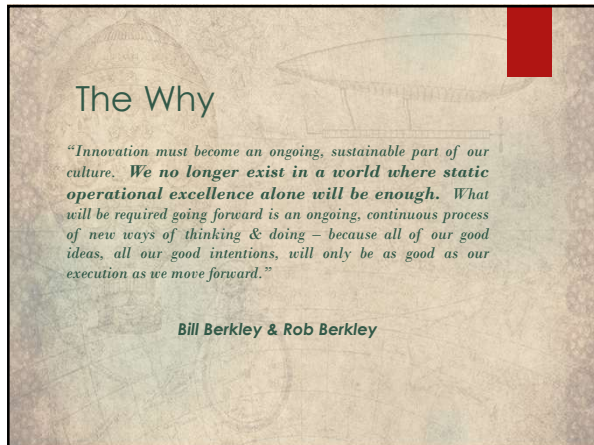




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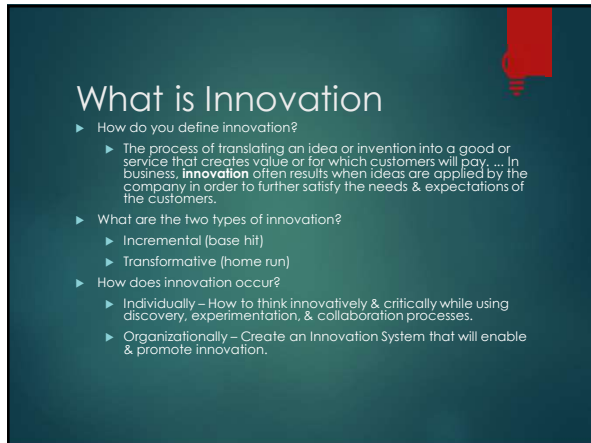
3



The Why

- Smart Machine Age (SMA)
 - Success will be driven by human skills such as creativity, innovative thinking, critical thinking, as well as emotional & social Intelligence.
- Two Basic Business Operation Models
 - Operational Excellence
 - Innovation
- Innovation becomes the key value creation differentiator and a strategic necessity for most organizations

4



What is Innovation

- ▶ How do you define innovation?
 - ▶ The process of translating an idea or invention into a good or service that creates value or for which customers will pay. ... In business, **innovation** often results when ideas are applied by the company in order to further satisfy the needs & expectations of the customers.
- ▶ What are the two types of innovation?
 - ▶ Incremental (base hit)
 - ▶ Transformative (home run)
- ▶ How does innovation occur?
 - ▶ Individually – How to think innovatively & critically while using discovery, experimentation, & collaboration processes.
 - ▶ Organizationally – Create an Innovation System that will enable & promote innovation.

5



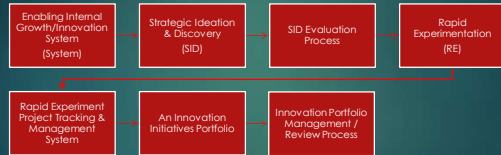
Individual Innovation

- ▶ Individual innovation is a different way of thinking, working, approaching issues, listening, & collaborating.
- ▶ It involves adopting new mindsets, behaviors, & processes.
- ▶ Eliminating ego & **fear**.
- ▶ Asking the 3 W's
 - ▶ Why?
 - ▶ What If?
 - ▶ Why Not?

6

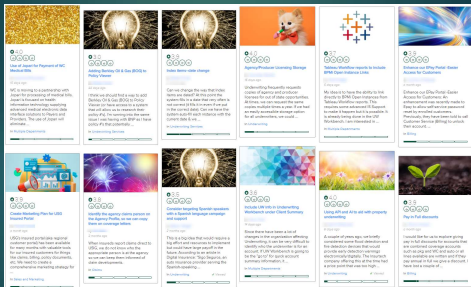
Organizational Innovation

Creating the Darden Innovation Model



7

Spark! An Ideation Machine!



8

Times, they are a changin'

Key Management Views from the 60's through the 90's:

- My Department
- My People
- My Goals
- My Success
- My Company

The New Reality in Leadership from the late 90's on:

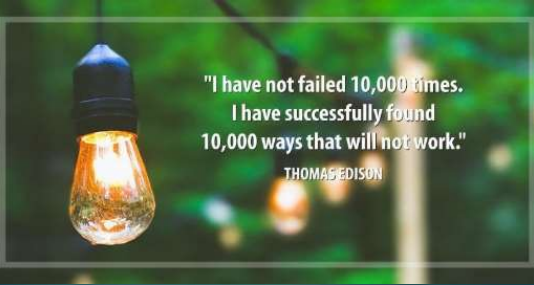
- Our Department
- Our Team
- Our Goals
- Our Successes
- Our Company

9

Innovation Culture

Old Way	New Way
X Individuals win	✓ Team wins
X Play cards close to the chest	✓ Transparency
X Highest-ranking person wins	✓ Best idea or argument wins
X Listening to confirm	✓ Listening to learn
X Advocating	✓ Asking questions
X Always knowing	✓ Always questioning
X IQ	✓ EQ
X Mistakes are always bad	✓ Mistakes are learning opportunities
X Command others	✓ Help others
X Compete	✓ Collaborate
X Self promote	✓ Self Reflect

10



"I have not failed 10,000 times.
I have successfully found
10,000 ways that will not work."
THOMAS EDISON

11

5 New-smart Principles

1. I'm defined not by what I know or how much I know, but by the quality of my thinking, listening, relating, & collaborating.
2. My mental models are not my reality – They are only my generalized stories of how my world works.
3. I'm not my ideas, & I must decouple my beliefs (not values) from my ego.
4. I must be open-minded & treat my beliefs as hypotheses (not values) to be constantly tested, challenged, & subject to modification by better data.
5. My mistakes & failures are opportunities to learn!

12

Common Innovator Behaviors

- ▶ Open Mindedness
- ▶ Listening Attentively
- ▶ Ego Quieting
- ▶ Mindfulness
- ▶ Empathy
- ▶ Courage
- ▶ Resilience
- ▶ Challenging the Status Quo
- ▶ Stress-Testing Their Thinking
- ▶ Collaborating Effectively
- ▶ Being Data-Driven
- ▶ Scientific Thinking
- ▶ Trustworthiness
- ▶ Being Emotionally Secure
- ▶ Listening Reflectively

"WE CANNOT SOLVE A PROBLEM BY USING THE SAME KIND OF THINKING WE USED WHEN WE CREATED THEM."
- ALBERT EINSTEIN

13

Key Innovation Behaviors

- Select your 3 top confirming behaviors.
- Provide key points on why the behavior is key to sustaining innovation.



14

Idea meritocracy & the organization of the future

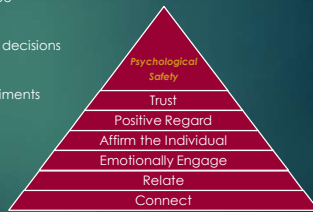
- ▶ The Power of an Idea Meritocracy
 - ▶ This is an environment in which **the best** idea wins. The best idea is determined by the quantity & quality of the data, not the positional power
- ▶ The Organization of the Future – 3 Essentials
 - ▶ Psychological Safety
 - ▶ Positivity
 - ▶ Self-Determination Theory
 - ▶ The choices we make without external influences and/or interference

15

Psychological Safety

Makes it SAFE to:

- ▶ Challenge the status quo/disagree
- ▶ Challenge each other's thinking
- ▶ Challenge higher-ups' thinking & decisions
- ▶ Make hard data driven decisions
- ▶ Engage in low-risk learning experiments



16

Ideation

1. Build on Ideas – Think “and” rather than “but.”
2. Go for Quantity – Generate a lot of ideas from which to build or choose.
3. Create Wild Ideas – Wild ideas can encourage breakthrough thinking.
4. Defer Judgement – Keep it about generating; there are no bad ideas.

Sharpies + Post-Its

Use post-its & sharpies to capture your ideas.

One idea Per post-it allows you to group & build on similar ideas.



17

Rapid Experimentation

- ▶ **Pick Your Idea** – Utilization of the Idea Selection Tool
- ▶ **Build Your Experiment:**
 - ▶ What is the Idea?
 - ▶ Who is the Customer?
 - ▶ What are the Key Values?
 - ▶ What are the Key Assumptions (Viability)
 - ▶ What are the Key Assumptions (Non-Viability)
 - ▶ Minimum Value Idea or Minimum Value Product
 - ▶ Steps
 - ▶ Measure

18

Expectations

Personally embrace & live out the 5 New-Smart Principles.

- ▶ I'm defined not by what I know or how much I know, but by the quality of my thinking, listening, relating, & collaborating.
- ▶ My mental models are not my reality – They are only my generalized stories of how my world works.
- ▶ I'm not my ideas, & I must decouple my beliefs (not values) from my ego.
- ▶ I must be open-minded & treat my beliefs as hypotheses (not values) to be constantly tested, challenged, & subject to modification by better data.
- ▶ My mistakes & failures are opportunities to learn!

Hold yourself & others accountable to new Innovation Behaviors.

Ensure Idea Meritocracy & Psychological Safety are the foundation of each meeting you participate in.

Responsibility to Create, Cultivate, & Capture Ideas

****Champion New Ideas****

19

How does this relate to Virtual audits? 

- ▶ We need to develop & maintain innovative & streamlined systems for:
 - ▶ Collecting client information necessary to complete the audit.
 - ▶ Evaluating the account with as much accuracy as possible (like you were physically at the insured's office).
 - ▶ Completing the audit itself.

20

Virtual Audits

Let's let auditors be auditors

- Audits are initially assigned to admin staff to request & accumulate data.
- Once data is received, assign to auditor for follow up & completion.
- Auditor should evaluate the risk in the normal fashion except they will now use internet resources:
 - Microsoft Maps & Street View
 - Facebook
 - LinkedIn
 - Company Website
 - DOT information
 - Prior Loss Control Reports
 - Prior Audits
 - Evaluation of Other Lines of Business
 - Inland Marine – for equipment schedules
 - Auto – for number of vehicles as well as coverage type (hired/non-owned?) & # operators.
 - Locations – do other covered locations have GL coverage but no exposures assigned?

21

Virtual Audits (continued)

- Auditor will also need new and innovative methods of communication:
 - ▶ FaceTime
 - ▶ GoToMeeting
 - ▶ WebEx
 - ▶ MS Teams
 - ▶ DUO

22

What Might We Catch????????

23

Case #1

The following risk was written with only class 13673 – Grocery Stores on the policy.

Does anyone see anything that stands out?

24



25



26



27



28



29



30



31

Here's how the account was written.

Policy/Insured Summary	
Policy Number	WCA
Policy Symbol	
Effective Date	11/10/2014
Expire Date	11/10/2015
Cancel Date	(not specified)
Annul. Rate Date	(not specified)
Carrier	
Company	
Line of Business	Workers' Compensation
Entity Type	Corporation
Total Premium	\$13,770.00
Total Est Exposure	\$225,000.00
FEIN	
Branch Code	PHS
Name	(not specified)
Name 2	(not specified)
Adm? Insured	(not specified)
Address	AZ
Contact	(not specified)
Phone	(not specified)
Alt Phone	(not specified)
Email	(not specified)
Business Operations	Grading of Land
Policy System	PolicyStar

Locations	
City	AZ 85281
Class Code	6217 - EXCAVATION & DRIVERS
Est. Exposure	\$225,000.00
Premium Rate	Payroll
Subline	
Rate	\$13,770.00
Est. Premium	\$13,770.00

32

From NCCI's Website:

WORKERS COMPENSATION EXPERIENCE RATING

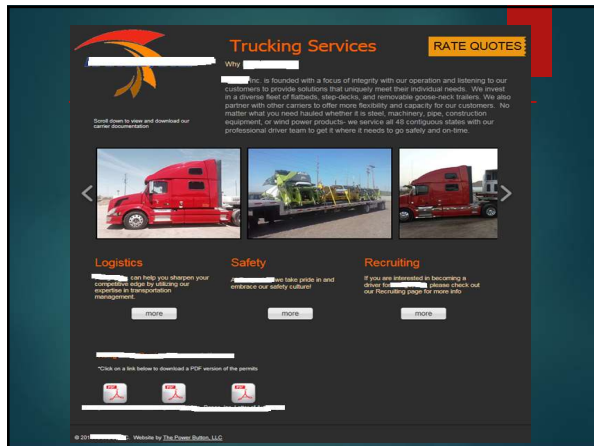
Risk Name: **Street or Road Construction** Risk ID: **02-ARIZONA**

Rating Effective Date: **09/22/2014** Production Date: **09/22/2014** State: **ARIZONA**

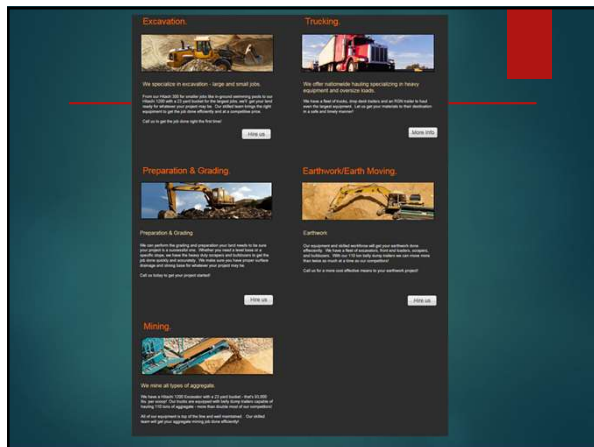
Carrier: **13579** Policy No. **13579** Firm Name: **13579** Exp Date: **01/26/2014**

Code	Rate	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Date	U / O/P	Act Inc Losses	Act Prim Losses
8506	1.98	24	135,000	2,694	910	01/21/13	06	166	166
8217	1.34	30	339,479	4,549	1,630				
7222	2.17	30	46,134	1,001	360				
8810	0.71	47	243,612	171	80				
8812	0.00		0	0	0				
Long Haul Trucking Class				Subject		Total Act Inc Losses:		166	
Policy Total:				\$65,200 Premium:		49,268		166	

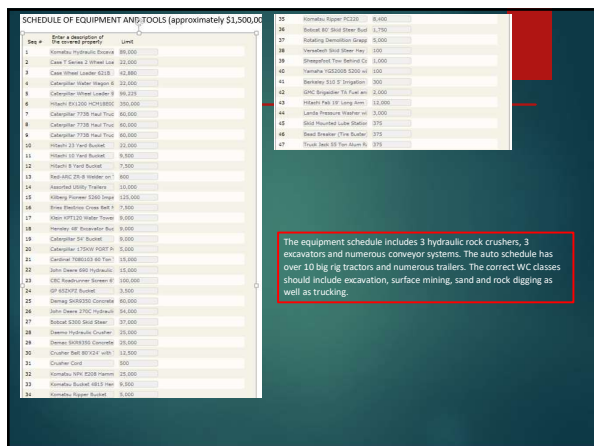
33



34



35



36

Case #3

From the Insured's Website:

XXXXXXXXXXXX Dirt Service is family-owned and operated in XXXXXXXX, TX. Since our company opened its doors in 1993, we treat every customer like they are part of our family. Other companies may offer similar services, but our services come with a personal touch that sets us above our competitors. We strive to go the extra mile to please our customers by offering extraordinary customer service and work hand in hand to help each customer receive the best product for the best price. We have been helping people to improve their properties by clearing, maintaining and building new roads/driveways, building pads, lakes, ponds, and erosion control.

Class Code	91080 - Contractors executive supervisors or executive superintendents - Products-completed operators are subject to the General Aggregate Limit
Est. Exposure	\$13,900.00
Premium Basis	Payroll
Subline	334
Rate	16.6820
Est. Premium	\$232.00

Class Code	91081 - Contractors - subcontracted work - in connection with construction reconstruction repair or erection - not buildings - HCC
Est. Exposure	\$8,144.00
Premium Basis	Cost
Subline	334, 336
Rate	0.5540, 1.3490
Est. Premium	\$5.00, \$11.00

Class Code	91090 - Contractors Permanent Yards - maintenance or storage of equipment or material - Products-completed operators are subject to the General Aggregate Limit
Est. Exposure	\$14,693.00
Premium Basis	Payroll
Subline	334
Rate	10.5000
Est. Premium	\$154.00

Class Code	66410 - Grading of Land
Est. Exposure	\$365,903.00
Premium Basis	Payroll
Subline	334, 336
Rate	11.6460, 10.5000
Est. Premium	\$4,495.00, \$4,095.00

1	Loadbox Motorgrader Model	70,000
2	John Deere Loader Model	40,000
3	John Deere Excavator Model	185,000
4	Ingersoll Rand Roller Model	45,000
5	John Deere Dozer Model 6	100,000
6	John Deere Excavator Model	185,000
7	John Deere Wheel Loader	200,000
8	John Deere Excavator Model	160,000
9	Kobelco Excavator Model 1	160,000
10	John Deere Excavator Model	160,000
11	John Deere Dozer Model 6	80,000
12	John Deere Dozer Model 7	140,000
13	Caterpillar Roller Model CF	42,000
14	John Deere Dozer Model 6	60,000
15	Powerscreen Screen Model	96,000
16	Komatsu Wheel Loader Model	135,000
17	John Deere Skidsteer Model	47,000
18	Caterpillar Wheel Loader Model	140,000
19	Deere Wheel Model 1300	2,300

37

From Facebook!!

38

Residential demolition at Highway Lake

39

Case #4

40

Details

Locations (1)

Claims (0)

Comments (1)

Documents (0)

Rates Made (0)

Coverage/Units (0)

Diary Entries (0)

History

Maps

Locations

Total Est Exposure

\$50,000.00

Total Est Premium

\$251.00

Filter locations

Address

Victoria, TX

Class Code	Operations	Industry	Start Date	End Date	Est. Exposure	Act. Exposure	Premium Basis
97322 - Landscape Services, other than Planting/Consulting - Products completed operations are subject to the General Aggregate Limit					\$50,000.00	\$0.00	Payroll

40

From Facebook:

41

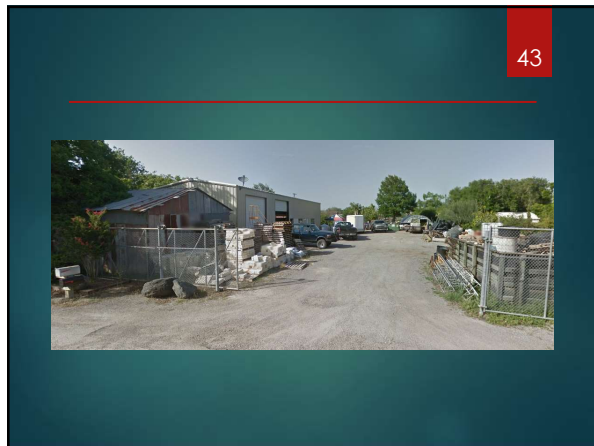
A covered outdoor kitchen and sitting area we did for a customer.

A propane fire pit that we did for a customer. These are super convenient, easy to light and does not emit smoke.

41

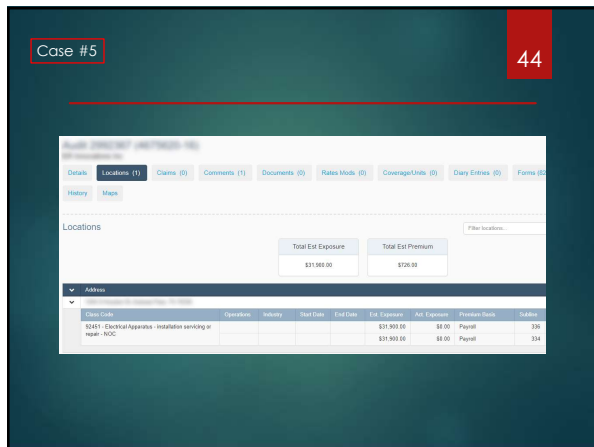
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42



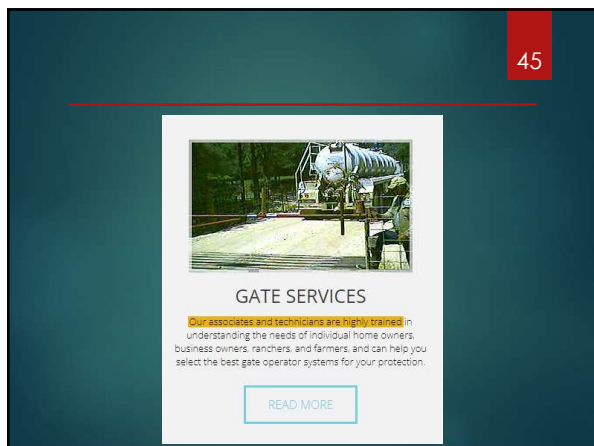
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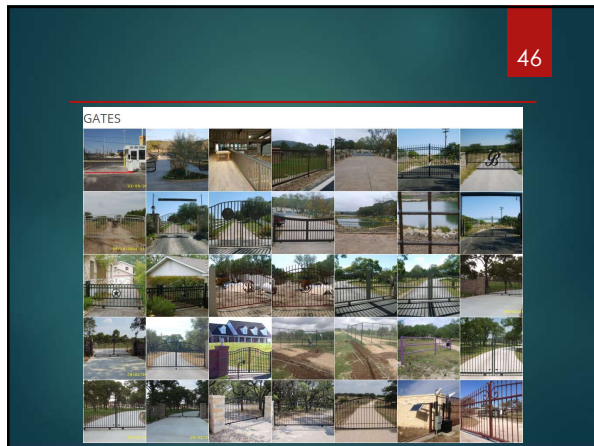
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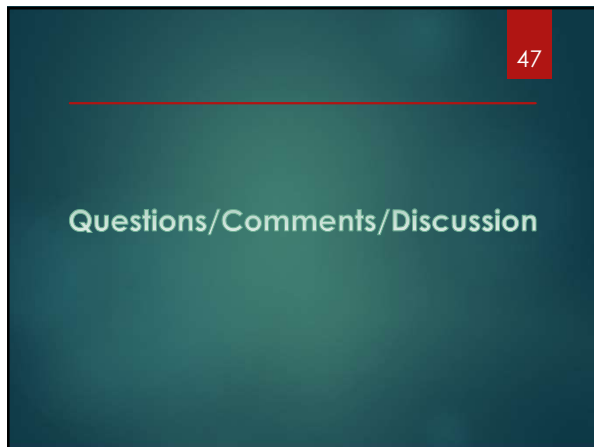


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