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## Developing Next-Gen ASEAN Insurance Leadership Talent

# Strategic Management Practice and Execution for Success

Rangam Bir  
Malaysia, 26<sup>th</sup> August 2024

# PERSONAL INTRODUCTION

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- ▶ Chief Executive Officer & Managing Director, AmMetLife Insurance Berhad, Malaysia
- ▶ Independent Board Director, The Malaysian Insurance Institute (MII), Malaysia
- ▶ Fellow of The Malaysian Insurance Institute (FMII)
- ▶ Member of the Institute of Corporate Directors Malaysia (ICDM)
- ▶ Member of the Singapore Institute of Directors (SID)
- ▶ 28 years of financial sector experience in insurance, pensions and investments
- ▶ Highly passionate about Culture, Communication, Collaboration and Community to drive innovation and change



# AYIM DAY 1 PROGRAM STRUCTURE

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## Session 1

### Strategic Management Practice

- Strategic Framework for Competitive Advantage
- Strategy Planning and Development
- Strategic Processes and Governance

## Session 2

### Strategic Execution

- Strategic Prioritization
- Goals, Milestones and Deliverables
- Managing Risks, Issues and Resources

## Session 3

### Key Success Factors

- Competitive Benchmarking
- Strategic Alignment
- Culture, Communication and Collaboration

SESSION 1

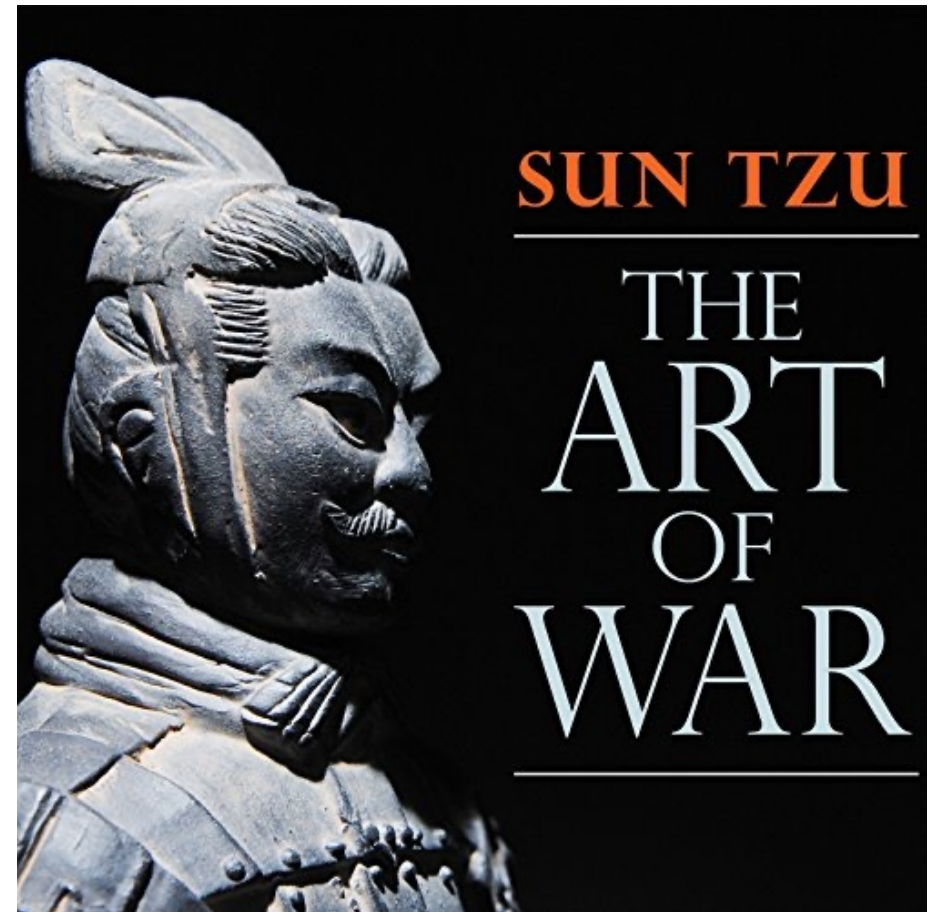
# STRATEGIC MANAGEMENT PRACTICE

Understanding  
Strategy and  
Putting it into  
Practice

# HISTORY OF STRATEGY

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- ▶ “Strategy”, as a term, as well as “Tactics”, originated with the ancient Greeks
- ▶ Sun Tzu’s “Art of War” written in 400 B.C. is considered a masterpiece of military strategy
- ▶ Strategy has historically been associated with war, to beat the enemy
- ▶ It came into prominence during World War II
- ▶ Tactics win battles – Strategies win wars



# WHAT IS STRATEGY?

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- ▶ Strategy, put simply, is your plan to achieve your objectives
- ▶ Strategy is medium/long-term in nature
- ▶ Whereas successful execution is determined by short-term milestones and deliverables
- ▶ A well-developed strategy is forward looking, truly reflects comparative strengths and opportunities for the business, while considering emerging opportunities and trends
- ▶ Robust strategic planning is not static and rigid, but dynamic and competitive



# Understanding Strategic Planning



# WHY DO A LOT OF STRATEGIES FAIL?

- ▶ Strategies are top-down driven without bottom-up buy-in
- ▶ Strategies are siloed rather than cohesive
- ▶ Strategies do not reflect the real capabilities and strengths of the organization
- ▶ Strategies are focused on fine-tuning rather than identifying new opportunities
- ▶ Strategies lack the follow-through in terms of resources, organizational alignment and execution
- ▶ Strategies lack continuity and are influenced by prevailing trends





# WHY DO A LOT OF STRATEGIES FAIL?

## Strategic Planning

### Strategy ≠ Planning

- **Strategy is competitive** in nature – How do you plan to Win?
- It **defines your competitive space**
- It involves **taking informed strategic risks to achieve targeted outcomes**
- Strategy is about **taking risk**

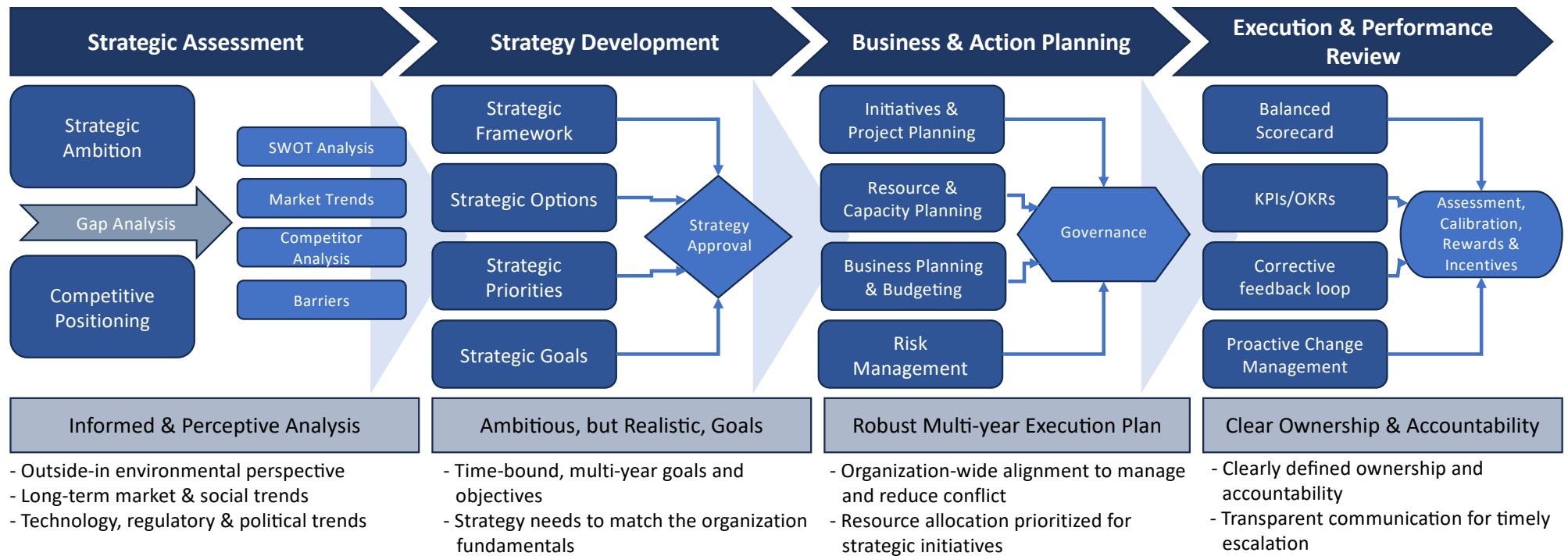
- Organizations **focus on planning as a proxy for strategy**
- **Strategic Planning** and **Business Planning** are **separate disciplines**
- Robust Strategic Planning is **necessary for organizing & executing**
- Planning is about **managing risk**





The “What”  
without the  
“How” leads to  
strategic failure

# THE STRATEGIC PLANNING PROCESS



# WHAT ARE YOUR BUSINESS OBJECTIVES?

- ▶ Grow?
- ▶ Enter new business segment?
- ▶ Scale the business?
- ▶ Achieve Profitability?
- ▶ Compete?
- ▶ Gain more Market Share?
- ▶ Survive?
- ▶ Raise Capital?
- ▶ Reduce Costs?



# USING SWOT FOR STRATEGIC ASSESSMENT

- ▶ Achieve a realistic assessment of strengths and weaknesses
  - ▶ relevant to competitors, market and the environment
  - ▶ fact-based and data-driven
- ▶ Assess internal and external factors, as well as current and future potential
  - ▶ reflect actual opportunities or threats
  - ▶ aligned with strategic ambitions, risk appetite and competitive abilities

## Strengths

Characteristics of a business which give it advantages over its competitors

## Weaknesses

Characteristics of a business which make it disadvantageous relative to competitors

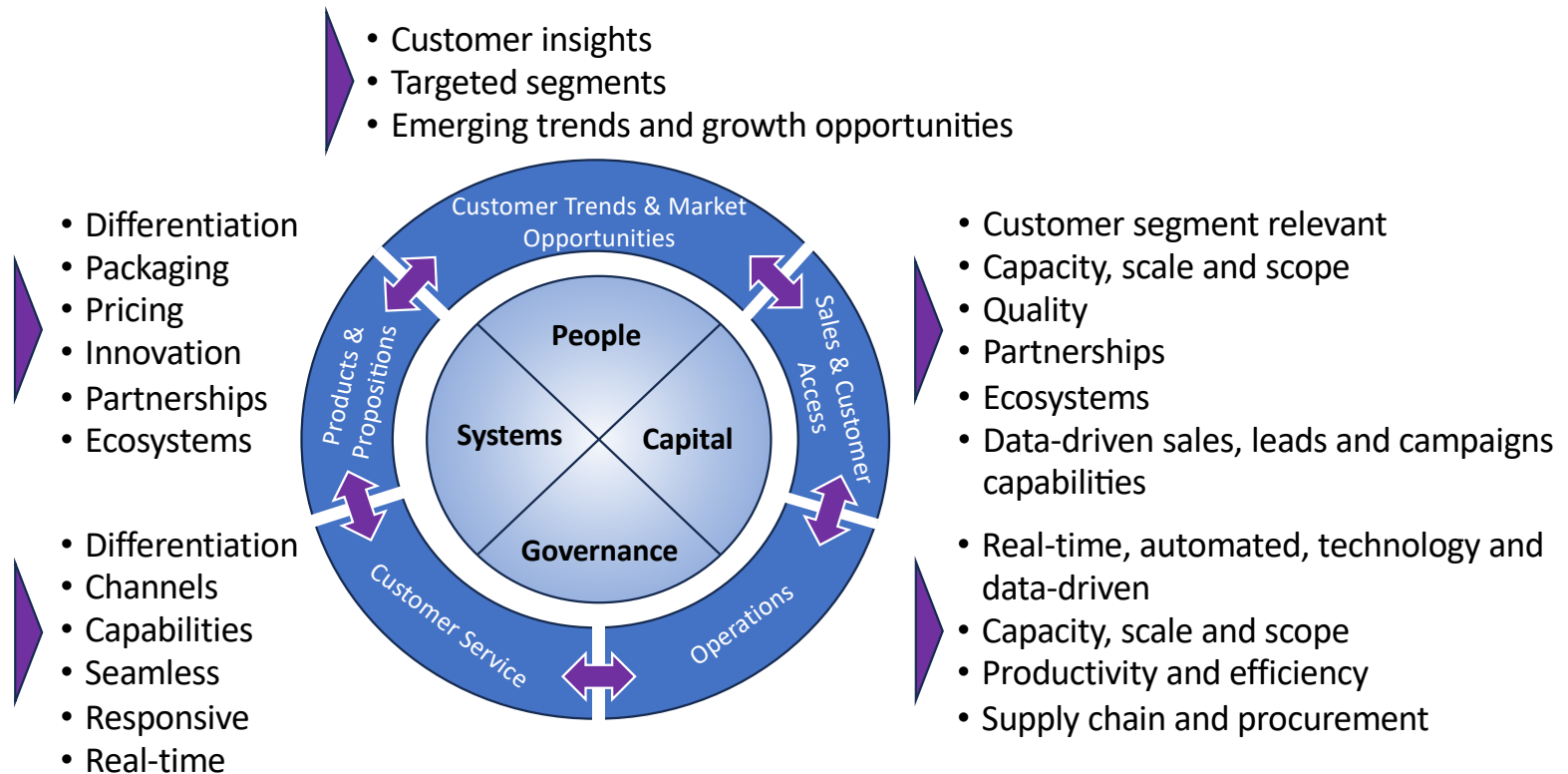
## Opportunities

Elements in a company's external environment that allow it to formulate and implement strategies to increase profitability

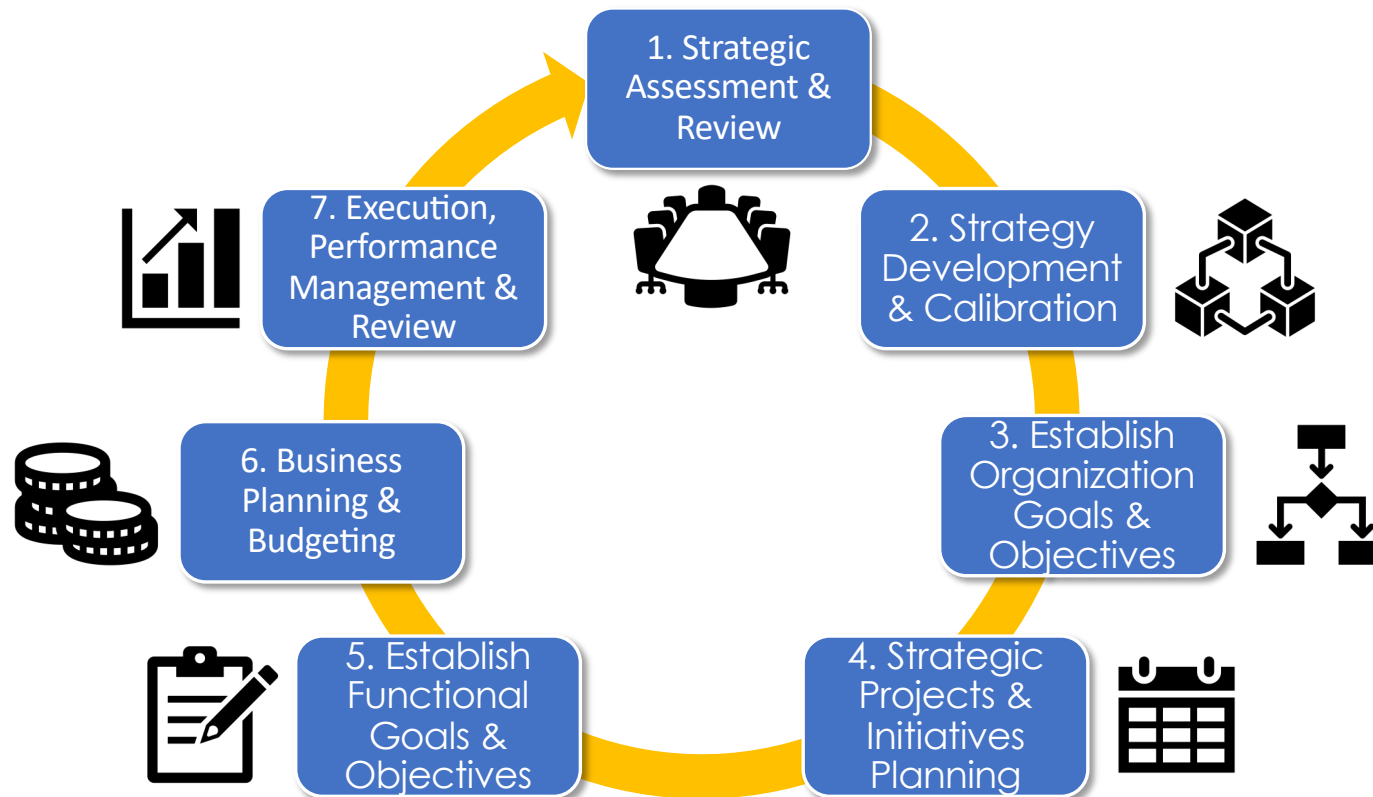
## Threats

Elements in the external environment that could endanger the integrity and profitability of the business

# FRAMEWORK FOR STRATEGY DEVELOPMENT



# THE STRATEGIC PLANNING CYCLE



# BUILDING A SUCCESSFUL STRATEGY

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- ▶ Strategy should be **holistic at the level of the organization**
- ▶ It should be **focused and targeted on competing** towards achieving the Strategic Goals and Objectives
- ▶ The overall Strategy should be **simple, ambitious, compelling** and **powerful to energize and motivate the organization**
- ▶ The Strategy should **define what are the priorities and what are not**
- ▶ The **business and functional priorities should be aligned to deliver the strategic priorities**





# QUICK STUDY: A Plan Is Not a Strategy

Harvard  
Business  
Review

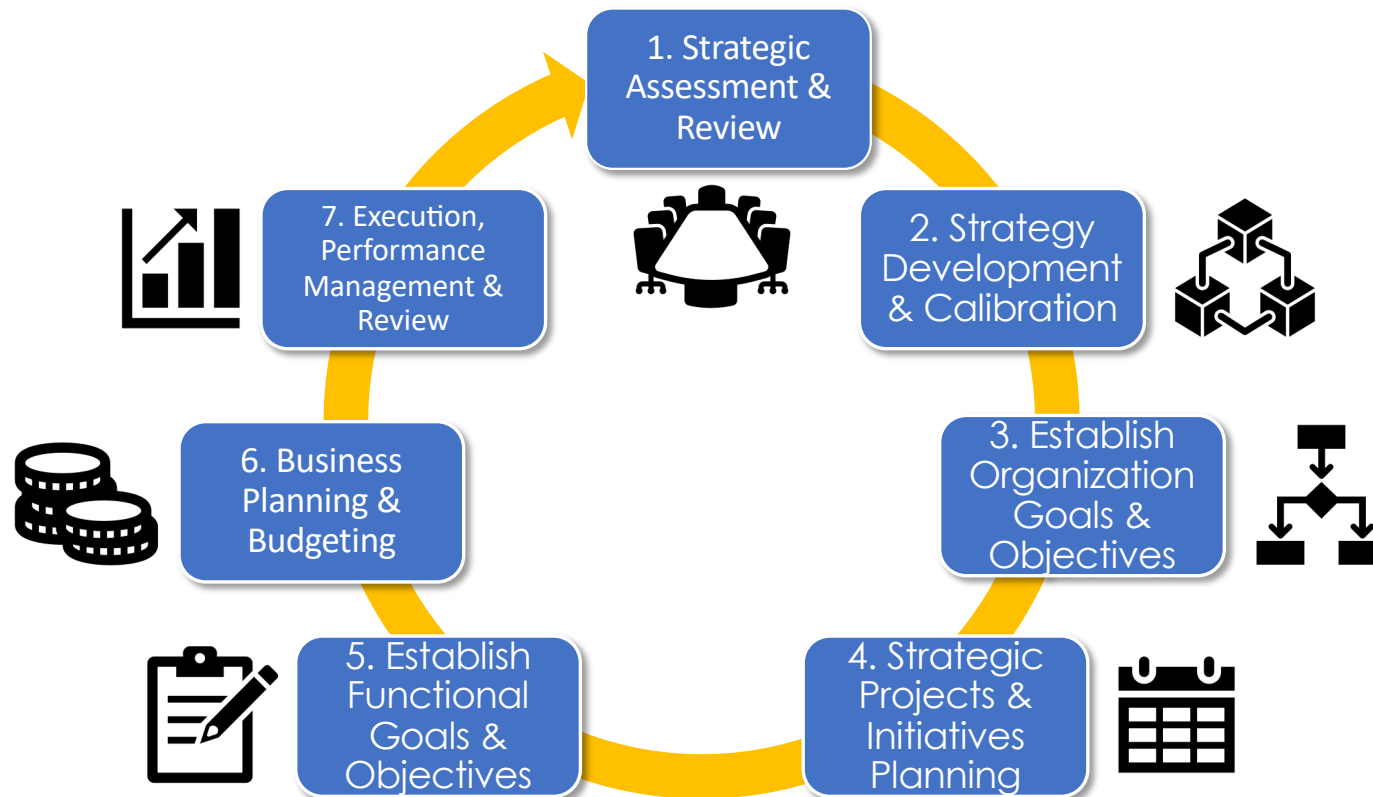


SESSION 2

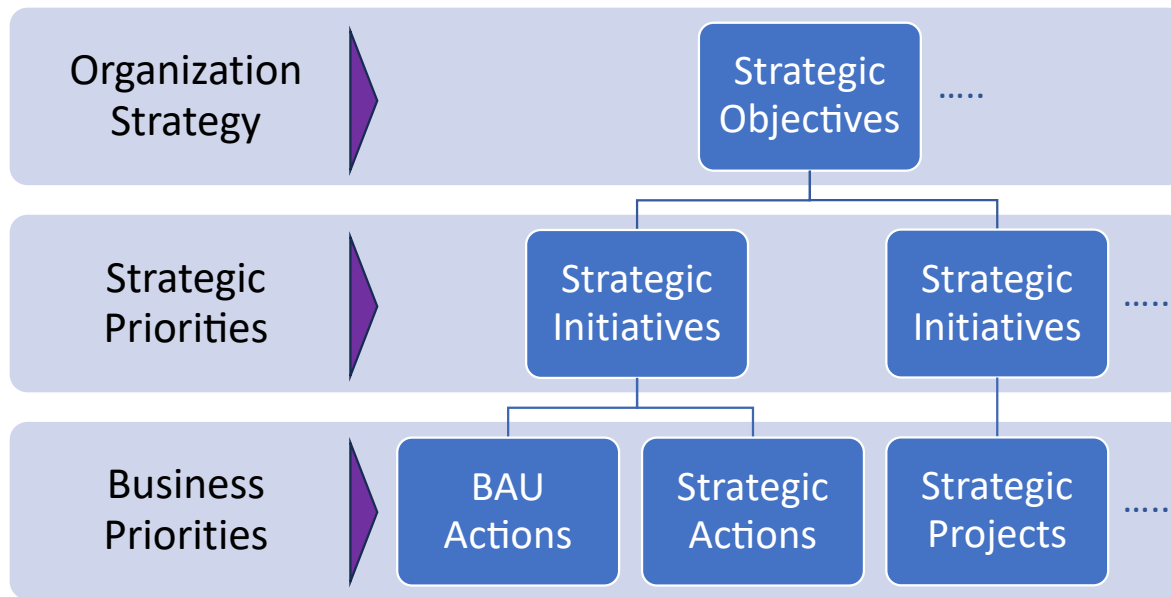
**STRATEGIC  
EXECUTION**

Strategic Priorities,  
Action Planning,  
Managing  
Resources, Risks &  
Execution

# THE STRATEGIC PLANNING CYCLE

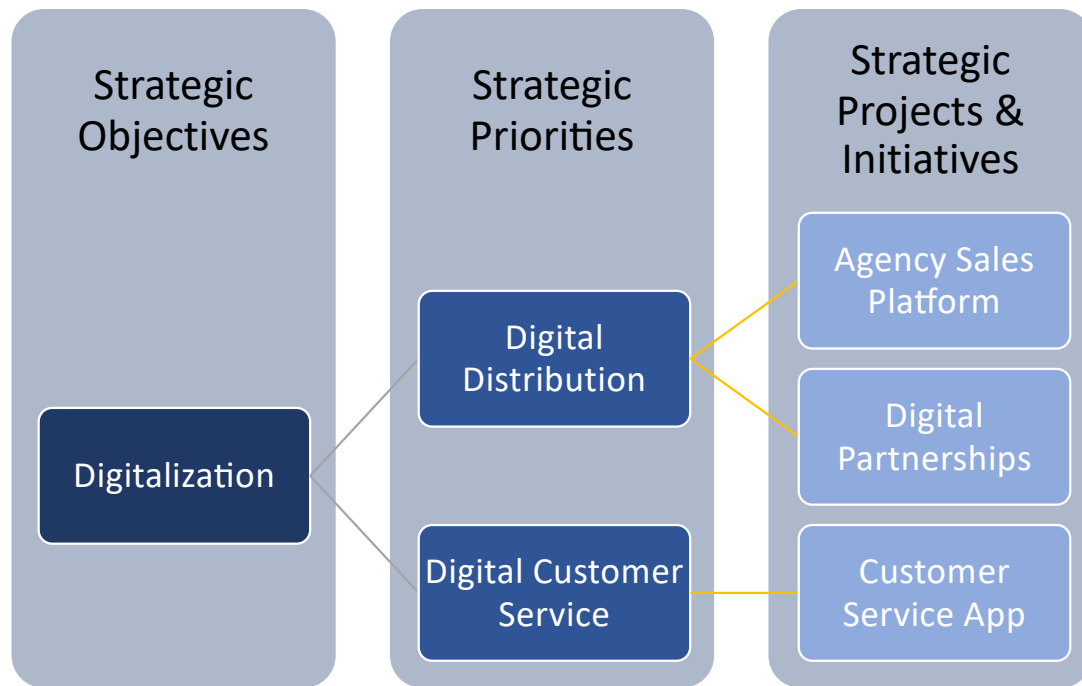


# STRATEGIC EXECUTION MODEL

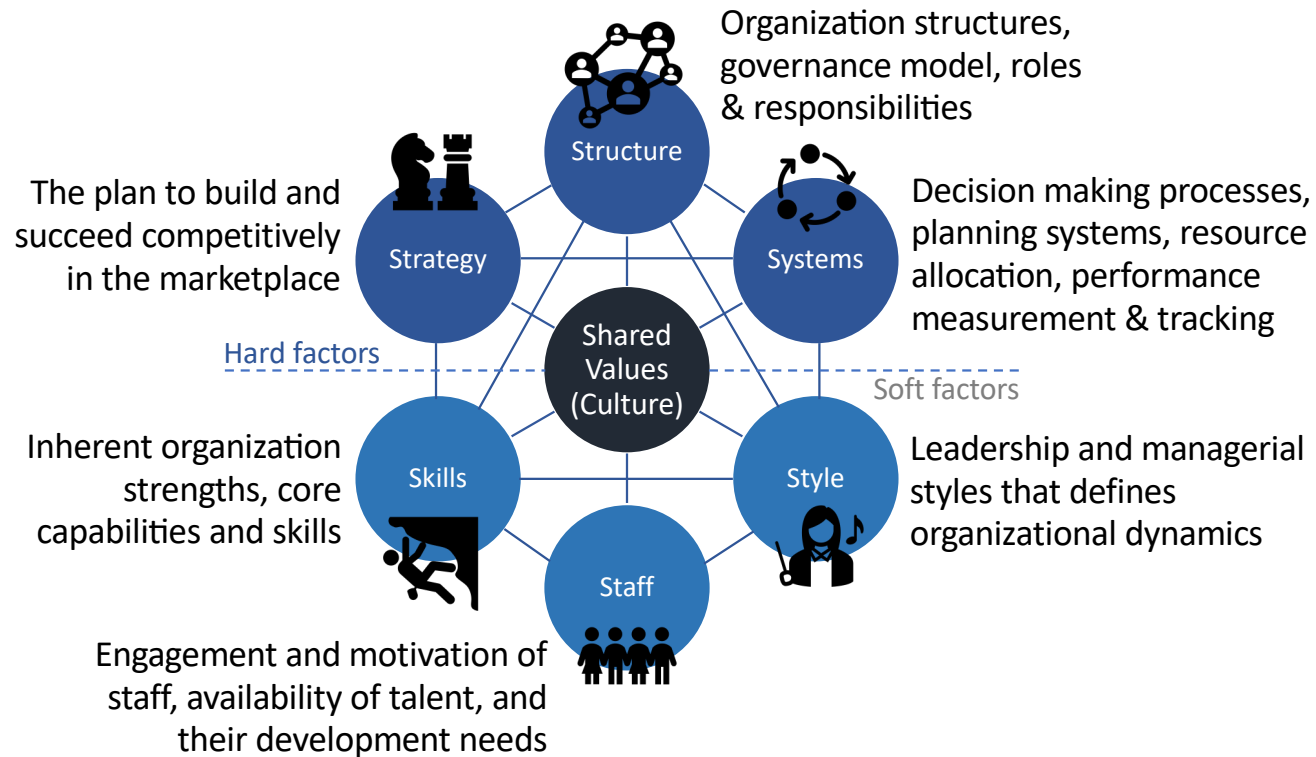


- ▶ The **holistic organization strategy** should have **tangible and well-defined Strategic Goals & Objectives**
- ▶ The Strategic Objectives should form the basis for **specific Strategic Priorities and Strategic Initiatives**
- ▶ Each Strategic Initiative could have several **business actions, strategic actions or projects** leading to its implementation
- ▶ Each of these business actions, strategic actions and projects should have **clearly defined performance measures, timelines and owners**
- ▶ Projects and initiatives requiring capital investments should have **individual business cases to validate expected returns**

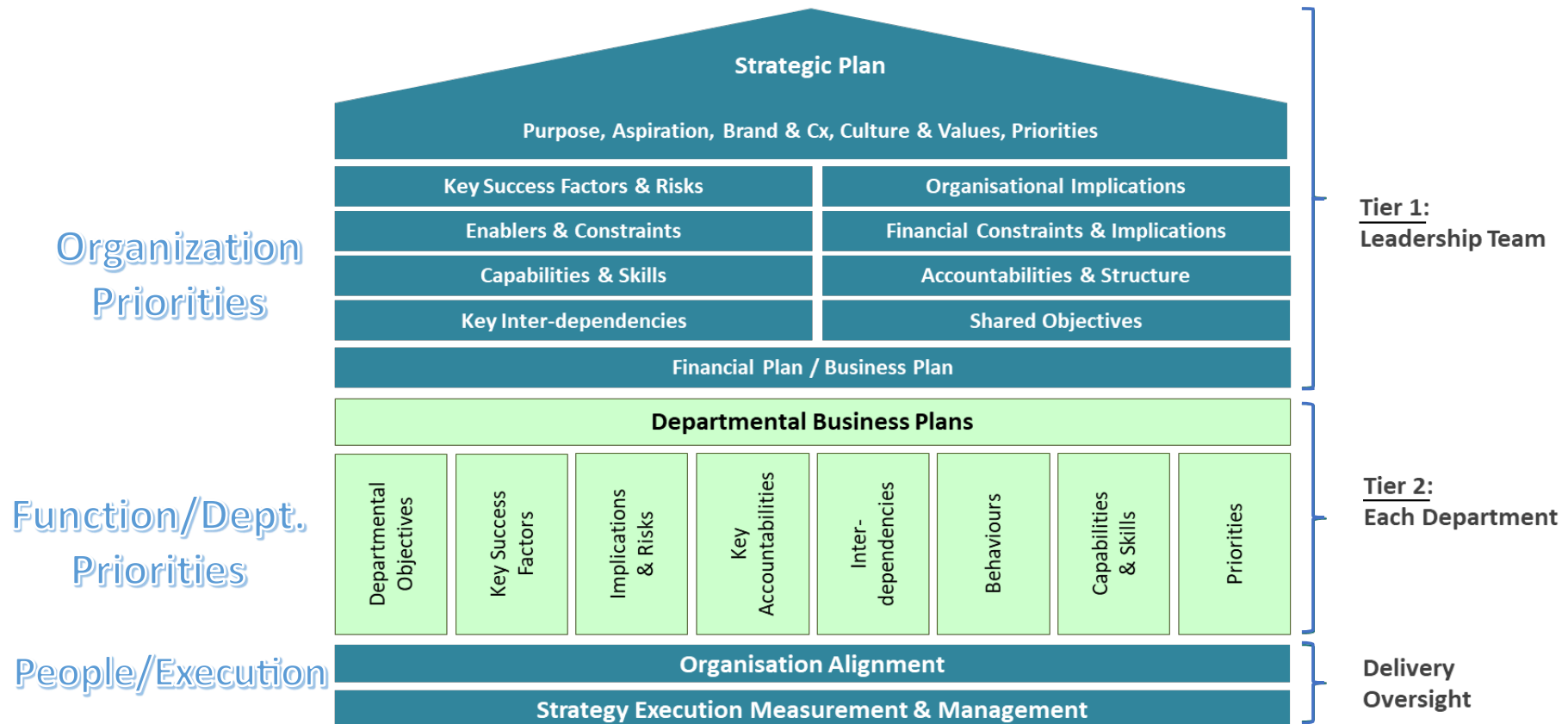
# STRATEGIC EXECUTION MODEL: Example



# MCKINSEY 7-S MODEL FOR STRATEGY EXECUTION



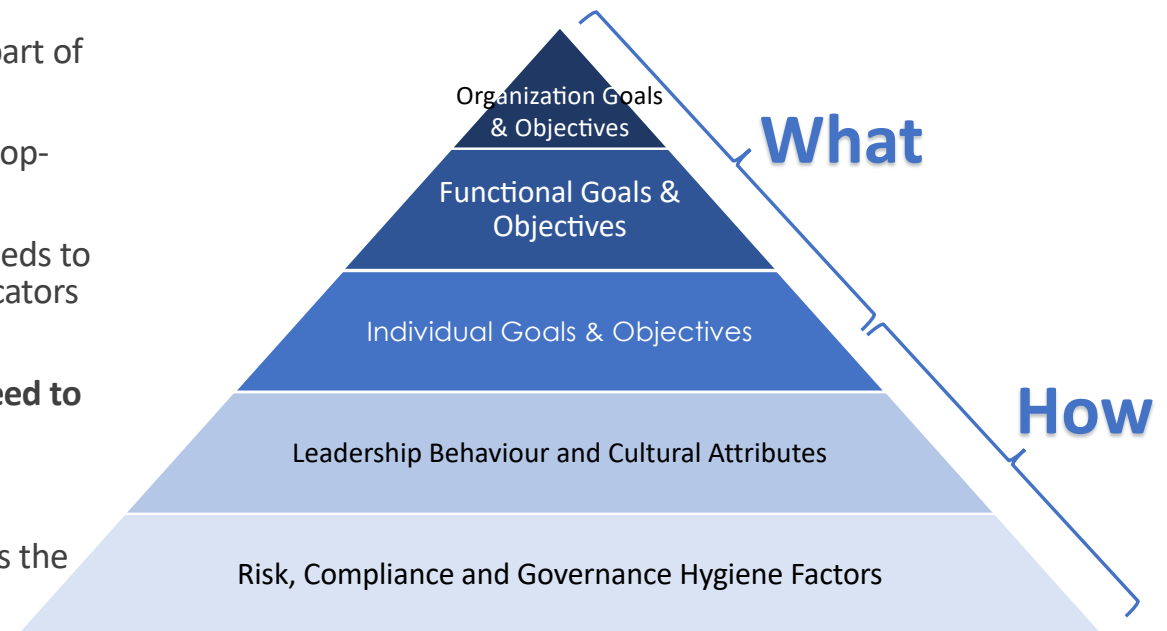
# ACHIEVING ORGANIZATIONAL ALIGNMENT FOR SUCCESSFUL STRATEGY EXECUTION



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# PERFORMANCE MANAGEMENT AND REVIEW

- ▶ **Performance management and review systems** are a key part of successful execution framework
- ▶ **Well-designed and well-defined objectives** ensure strong top-down as well as bottom-up alignment
- ▶ **Correlation between the different performance drivers** needs to be well understood to focus on the main performance indicators to avoid micro-managing
- ▶ **Performance management as well as incentive systems need to be aligned** with the strategic goals and objectives
- ▶ **What gets measured gets managed!**
- ▶ **Regular review, transparency and communication** provides the basis for timely calibration and course correction

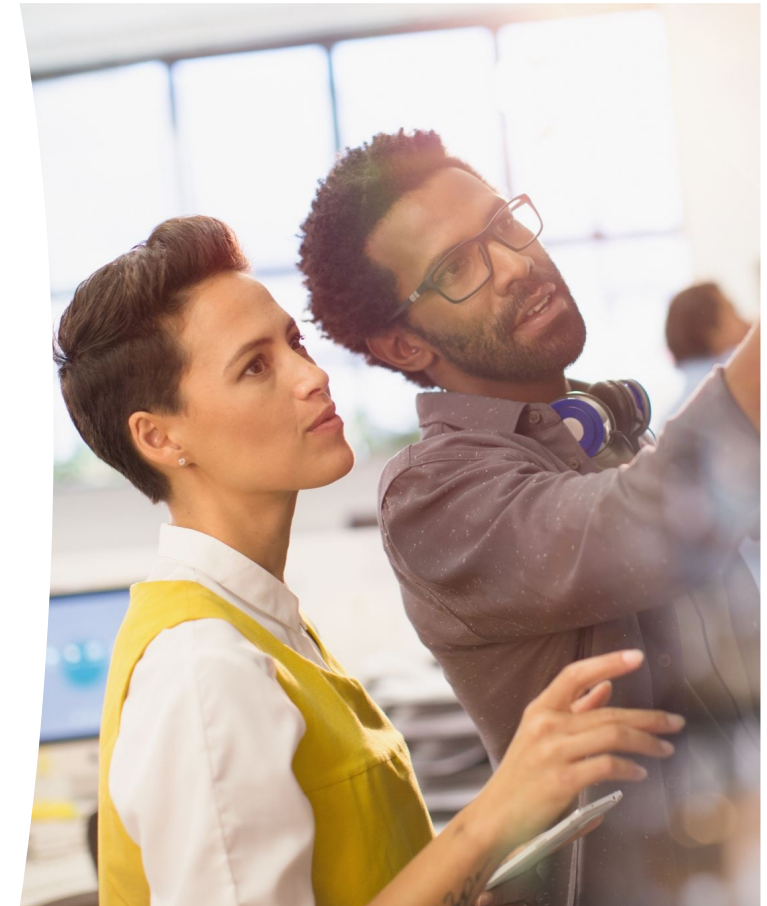




# MANAGING RISKS AND GOVERNANCE

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- ▶ **Review long-term assumptions** to ensure relevance, validity and currency of strategic plans
- ▶ Identify risks to the strategic plan based on **emerging risks and other external trends**
- ▶ **Stress-test business plan scenarios** to ensure resilience
- ▶ **Ensure the robustness of the process** to strategize, plan, budget, approve and execute strategic initiatives and projects
- ▶ **Manage the transparency around progress** through regular communication, escalation and decision milestones
- ▶ **Monitor and track Key Risk Indicators** associated with business plans, strategic projects and initiatives



## SESSION 3

# KEY SUCCESS FACTORS

Competitive  
Benchmarking,  
Achieving  
Alignment, Culture,  
Communication &  
Collaboration

# KEY SUCCESS FACTORS FOR SUCCESSFUL STRATEGY EXECUTION



# VALUES vs CULTURE



## Values

1. Intrinsic beliefs
2. They typically do not change over time
3. Principles that guide actions in uncertain times
4. A guide to decide between right and wrong
5. Core values include Respect, Integrity, Ethics etc.
6. Values can be defined (*but not necessarily lived*)

## Culture

1. Influenced by values, environment, people and leadership
  2. Culture is how people act and do things
  3. Culture adapts over time to changes in the external environment and leadership
  4. Culture is dynamic and has the biggest impact on organizational outcomes
  5. Culture can be experienced but not easily defined (*unwritten rules*)
1. Response to stimuli  
2. Organizational dynamics  
3. Strategy execution  
4. Innovation  
5. People & talent

# HOW CULTURE IMPACTS ORGANIZATIONS

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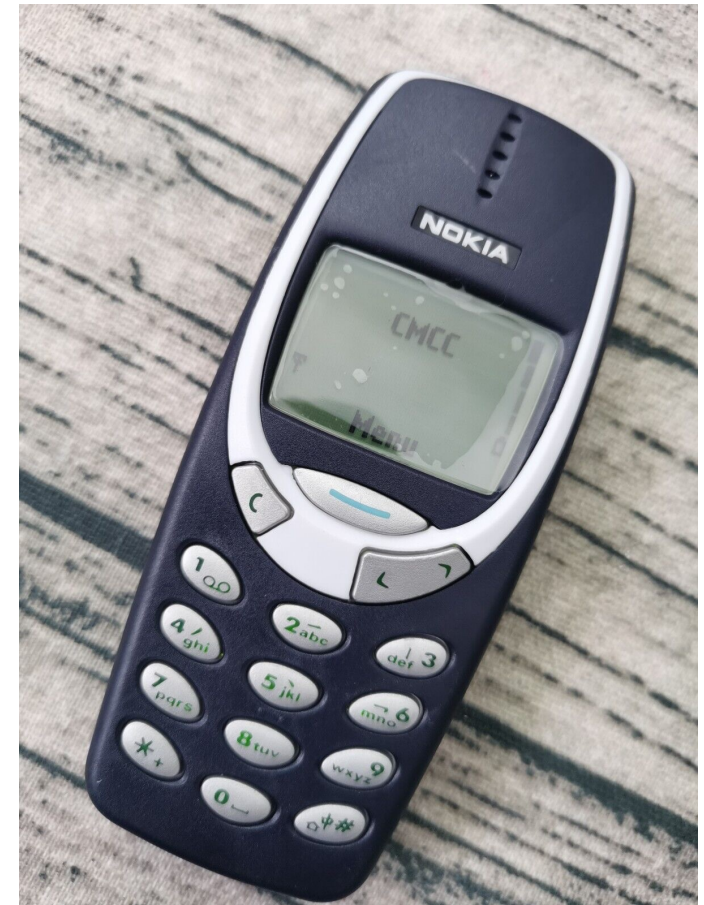
- ▶ Organizational Culture refers to “the practice or method by which things get done” in a social environment
- ▶ The culture creates the environment in the organization and influences the nature of the long-term plans that move the organization toward its vision
- ▶ Culture also dictates the policies and processes that enable the organization to live its mission every day
- ▶ In effect, Strong Organization Culture defines Success more than Values and even a brilliant strategy



# THE COMPLETE COLLAPSE OF A MARKET LEADER

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- ▶ In 2007 Nokia commanded around 40% share of the global mobile devices market
- ▶ Nokia began its journey in the mobile phone industry in the 1980s, but its first GSM mobile phone was launched in 1992
- ▶ Within a decade, by 1998, Nokia surpassed Motorola as the leading mobile phone manufacturer with 23% market share
- ▶ In 2007 Apple introduced its first iPhone and the Nokia story began to unravel



# NOKIA: CASE STUDY DISCUSSION

Discuss the Nokia business case in your group and present your evaluation on the following questions:

- ▶ What would you identify as the main reasons for Nokia's ultimate demise?
- ▶ Which single strategic decision do you consider to be critical in deciding Nokia's future?
- ▶ What role did Culture play in shaping and influencing Nokia's decisions?
- ▶ What main weakness as part of the strategic framework can you identify in Nokia's case?



# KEY TRENDS IN INSURANCE STRATEGY

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Shift from inside-out to outside-in perspectives

- ▶ Deconstruction of the value-chain that has traditionally defined insurance organizations
- ▶ Strategic change from not-invented here mindset
  - ▶ Building partnerships
  - ▶ Ecosystems
- ▶ Development of core digital business capabilities
  - ▶ Customer insights driven
  - ▶ Test & Learn
  - ▶ Product propositions, packaging and services
- ▶ New technologies like Gen AI, Robotics and Drones, EVs create opportunities as well as potential disruptions for insurance

