

Mantissa Group News

The CIO Agenda for 2020

.....From the Desk

2020 has begun, and for the CIO it is shaping up to be another year of intense pressure. By now, budgets have been set, priorities established, and teams are (hopefully) in place to start the year in earnest. The business has likely established a view of market conditions for the year, and the never ending budget battle will go on all year long.

As reflected by a CIO from a Fortune 100 Life insurance company about the state of the CIO role, “I happily accept the responsibility of being a business leader, an evangelist for technology innovation, an initiator of our transformation agenda, and a developer of leadership talent”. **Mantissa** recognizes that the New Year feels, in many ways, like a new opportunity with various and sometime conflicting responsibilities. Now is the time to set your agenda, and of course, set your personal goals for 2020.

This edition of **Mantissa Group News** takes a look at the agenda for the year, and sets a reminder for the things that are critical to the success of the CIO role in 2020. We will discuss the transformation agenda, the importance of our digital imperatives, the constant reminder to be business leaders first, and the exploration of the leadership part of the equation. All of these items must

come together to ensure you are leading with purpose, and as important, the way that your business would expect.

I happily accept the responsibility of being a business leader, an evangelist for technology innovation, an initiator of our transformation agenda, and a developer of leadership talent
- CIO Fortune 100 Life Insurance Company

Interesting Tidbits

The life insurance business and the technology industries have shown some interesting developments last year. There have been some business and technology transactions, an emergent in the life insurance policy administration system (PAS) space (we interviewed the CEO), and of course, investment in InsureTechs. We will take a peek at just a few of those items.

Final Thoughts – Our Reading List

Since leadership is about the “whole self” we recommend the following for your 2020 reading list:

1. Range, Why Generalist Triumph in a Specialized World
- David Epstein
2. Shoe Dog: A Memoir by the Creator of Nike
– Phil Knight
3. Bold Leadership for Organizational Acceleration
- Jim Tompkins
4. Ego Free Leadership
- Brandon Black and Shayne Hughes

We hope you enjoy this edition of our newsletter.



10 Essential Elements of CIO Success

In June of 2019, Mantissa re-published its classic report, ***The Way Forward: A 10 Step Playbook for CIO Success***. The key elements are listed below, but we encourage you to read the report in its entirety at:

<https://mantissagroup.com/industry-research-2/>

In short, the 10 items are as follows (read the full report for details):

1. Effectively Run the Shop
2. Reduce Expenses
3. Multi-sourcing as a mechanism to reduce cost and add strategic value
4. Relentlessly Deliver as Promised
5. IT at the Speed of Business
6. Transparent Demand Management
7. Don't Align with the Business, Be in the Business
8. Measure Success through Business Value Metrics
9. Transformation or Continuous Improvement
10. Have an Architecture Strategy and Advance the Architecture

We have found that these 10 items stand the test of time and have been strongly endorsed by some of the most successful CIO's in the industry, regardless of the size of the organization.

If we had the opportunity to add two more items to our playbook, we'd include: **Develop a Digital Strategy**, and have a **strong pipeline to InsureTechs** as a means for advancing innovation. Expect a report in 2020 on these very important topics.

Are you a new CIO?

If you find yourself in a **new CIO role** (6 months or less), or in a role with a **new mandate**, we strongly encourage you to articulate your vision through a formal 100-day report process.

Why is this so strongly encouraged? New CIO's (or CIO's with a new mandate) are normally hired for many reasons, such as setting a new organizational direction. However, it is very easy for a CIO to fall into a predictable trap: production problems, sales calls, contract issues, and human resource matters. Issues immediately pile up and the CIO becomes distracted.

Then 6 months pass, and business leaders ask the inevitable question: What exactly has changed? The 100-day report is your mechanism that allows you to hyper focus on your vision and strategic intent. During this time: **1. Expectations are established, 2. Branding opportunities are set, 3. Leadership is evaluated over time, and 4. The CIO is given a mandate.**

The tenure of a successful CIO is inevitably set during the first 100 days. A formal 100-day report will set the tone, not only for the IT organization, but also for the business leaders. Without this discipline, a CIO's tenure can be a crap shoot.

We encourage you to find a good partner to work with you; not to prepare a report in isolation – that's up to you – but to organize YOUR thoughts in a way that is consumable by business executives as well as your own technology organization.



MANTISSA SPOTLIGHT: PENN RIVER LIFE AND ANNUITY ADMINISTRATION SYSTEM

Our interview with DAVID SHAW, Co-Founder and CEO of Penn River

There have been some nice developments in InsureTech market in 2019. Mantissa recently reviewed a Life PAS offering from Penn River (<http://www.pennriver.com>). And while CIO's consistently note that there has not been a new offering in the Life Insurance PAS space in the recent years, we were pleasantly surprised with our Penn River system demo.

First, some of the facts: Penn River is a new entrant in the North American Life and Annuity Policy Administration Marketplace, founded when the system was introduced on March 20, 2019. It is adequately staffed with 15 employees, well capitalized, and located in Media, PA. The key members of the company have experience designing and implementing Life Insurance policy administration systems.

From the point of view of Mantissa, the platform is off to a good start: we have found a platform that is expertly architected by its senior technicians. Penn River is born in the cloud (not retro-fitted) and compatible with multiple cloud platforms including AWS and Azure. The system comes with Fixed and Variable Annuities built into the solution. UL products are expected to be released in the first quarter of 2020, with Term and Whole Life by year end. The platform has a powerful Product Workbench that allows for user friendly product deployments. Customers have a great deal of flexibility to

quickly configure products within the workbench wizard, but can also add entirely new features, extending the code base while preserving the ability to stay current with frequent upgrades. Finally, configurators allow for easy integration with 3rd party systems for new business, illustrations, and compensation systems, which is a must for modern solutions.

The **native cloud** platform enables **rapid time to market** but preserves the ability to **stay current and take upgrades**. We believe this provides a legacy-proof platform going forward

- David Shaw, CEO & Co-Founder of Penn River

Some excerpts from our interview with **David Shaw**, CEO and Co-Founder of Penn River.

Mantissa: Why did you start Penn River?

Shaw: I have been a CIO for the past 16 years in the Life and Annuity space and I know what the typical technology challenges are. I've always wanted to be an entrepreneur and being part of an innovative software company.

Mantissa: What makes the Penn River Platform special?

Shaw: We believe that we have great Intellectual Property with the Penn River PAS. There has been little innovation in the Life Policy Admin System market and we know there is a need. The native cloud platform enables rapid time to market but preserves the ability to stay current and take upgrades. We believe this provides a legacy-proof platform going forward.



Mantissa: Technically speaking, what is your competitive advantage?

Shaw: As I said, we believe this platform provides a legacy-proof solution for carriers going forward. In addition, we are the only platform in the industry that is native cloud, and we take full advantage of consumption based capabilities offered by cloud computing.

For a CIO, this is a company and platform to watch and have on their radar. Mantissa intends to do a more detailed technical review of the platform in early 2020, and will publish a report for our CIO clients. But for now, we believe Penn River is off to a great start!

Leadership vs Management

Are you looking to develop your management team? If not, you should. The strength of your leadership team, as well as the next level of leadership, is instrumental for long term success of the technology organization.

Speaking of leadership, there is a difference between strong *managers* and strong *leaders*. A *manager* will work within the context of an existing structure (e.g. defined operational processes, current ways of doing business). Good managers can clearly bring value to an organization, and a collection of good managers are often critical to the success of an IT operation.

Strong *leaders* are internally driven *to change (or improve)* the way things are being done. *Leaders* chart new territory, they thrive for innovation, they strive to get better. Most often, your leaders are those more likely to be critical players in your succession plans.

It is important to note that a good manager can become a strong leader, and some leaders can evolve into managers.

Both (managers and leaders) are critical talent for an effectively running organization and the nurturing of this talent is very critical to the success of the CIO.

In the News

A numbers of interesting transactions have occurred in 2019 in the Life and Annuities business, as well as emergence of Insurance Fintech. Of note, the acquisition of **FAST by Verisk** for \$193.5 million

<https://www.verisk.com/press-releases/2019/december/verisk-to-acquire-fast-to-strengthen-its-data-and-analytics-solutions-in-life-insurance-and-annuities-market/>

New York Life's purchase of Cigna's Group Life and Disability business for \$6.3B

<https://www.cigna.com/about-us/newsroom/new-york-life-to-acquire-cignas-group-disability-and-life-insurance-business>

Roper Technologies purchase of **iPipeline** for \$1.62B

<https://technical.ly/philly/2019/08/09/exton-insurance-software-firm-ipipeline-acquired-billion/>

We believe that transactions like these show a substantial confidence in Life and Annuity software industry, as well as confidence in the Life Insurance business. We believe that transactions like these, coupled with heavy investment in FinTech's are what will define our year in 2020.



Finally, the trend that we are most bullish about is the emergence of *women in technology*. 2019 was notable for the increase in the number of women developers, leaders, and CIO's, which we feel is great for the industry as a whole!

Concluding Thoughts

The CIO is first (and foremost) a business leader. They need to be fluent in the business they support, with strong business relationships. We have seen over time that CIO's are generally judged primarily by the strength of their business acumen and business instincts. Company leaders instinctively trust that the CIO will bring a

strategic mindset to the business of technology. Included, is confidence that a responsible transformation (or modernization) agenda will be crafted, and a leading edge digital strategy will be developed.

Mantissa will be devoting a paper on this very topic in early 2020. Check our website at <http://www.mantissagroup.com> for this newsletter and additional content during the year.

Happy New Year!



Don Desiderato is a former Fortune 100 Executive and Founder of Mantissa Group LLC, a strategy consulting firm serving the CIO executive and their extended leadership teams. He is a deeply experienced senior technology executive helping leaders with their **technology strategic plans**, as well as simultaneously focusing on **leadership development and culture**.

Mantissa Group provides strategic business and technology consulting services. For our insurance carriers, we support the Chief Information Officer (CIO) executive with a broad range of knowledge spanning the Life, Annuity, and Retirement Services industry. The mission of Mantissa is to serve business and technology executives and leadership teams. Mantissa's highly integrated services leverage targeted research, strategic consulting, and executive and leadership coaching.

Website: <http://www.mantissagroup.com> contact us at: info@mantissagroup.com