

4 Ways to Create a Culture of Innovation

The insurance industry needs to pivot from risk aversion to experimentation, and that requires not just prudent management but genuine business leadership.

Joel Makhlufl // March 20, 2017



(Image credit: Adobe Stock.)

As more and more disruption enters the traditional insurance industry, agility and the ability to innovate are more important than ever. There's no shortcut to sparking innovation, but with the right approach you can create a culture where innovative ideas will flourish. There's an opportunity here for carriers to drive the changes that are needed to boost customer satisfaction and build better businesses.

"Change and innovation isn't about technology. It's about leadership," says Mark C. Thompson, an investor and consultant to the Fortune 500. "It's about showing up for the change, being part of the change that you want to see, continuing to make this explicit choice that you want to get better at what you do every day."

If you want to encourage innovative thinking, then you need to reassess your priorities and adopt the right mindset. Remove barriers, gain a fresh perspective, and drive the change forward.

Imagine rebuilding your business from the ground up

If your company had to start from scratch tomorrow morning, what would you do differently? You wouldn't rebuild it exactly the same, would you? Think about what changes you'd make to products and

services. Have you got the ideal network of partners? Consider your structure, your processes, and your systems. What would look different and what advantages could you gain by sweeping everything away and starting anew?

You're not going to throw away your business and start again, but thinking in this way can reinvigorate conventional planning procedures. It can help you to find new ideas and reframe the discussion about what innovation looks like to the organization as a whole.

Don't set limitations

Innovation can come from anywhere. You don't have to hire consultants or lock yourself in a room until you've generated a thousand new ideas. Listen to the people around you. Don't try to become an expert in every part of the business. Listen to the experts who've had the most success. Find new ways to leverage your existing products and partnerships.

Create an air of openness and make it clear that everyone can contribute ideas. Don't shoot everything down because you've tried it before or you think it's too risky. Critical thinking is still vital, but it should be allied to a positive attitude and an open mind. By removing limitations and recognizing and rewarding innovation when you see it, you're creating the kind of environment that's needed for innovative thinking to thrive.

Try on your customer's shoes

"It's not just about reframing our products and services," according to Thompson. "It's about anticipating what is driving our customer's profitability and their success."

Ask yourself what you can do for your customer. Approach your business as a customer and ask the tough questions about what would improve their experience. Listen to feedback and forget your assumptions. Look at your business with fresh eyes. Then gather, collate, and analyze customer data and stir it into the pot to find important insights. What's best for the customer will often be best for the business in the long run, too.

Empower passionate people

Find passionate people and make sure that they have the resources and the authority they need to get the job done. Passion drives people to find solutions quickly and to overcome setbacks. It enables people to shrug off criticisms and self-doubt to realize their vision, because they're determined to have a lasting impact. Passion can help people think beyond accepted wisdom and find new ways of getting things done.

Strive to do better every day and surround yourself with people who think the same way. Success is not an endpoint to reach, but rather a state of mind that drives continuous improvement. Accept that you can't reap the big rewards without taking some risks. Innovation is, by its very nature, experimental and fraught with risk. Learn from the failures as well as the successes. Passion tempered by humility is a winning combination.

The insurance industry needs to pivot from risk aversion to experimentation. The successful carriers of tomorrow will be dictated by the business leaders who are innovating today.

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