

Eight questions for the chief transformation officer

McKenzie



1

Do I have the full backing and confidence of the CEO and the board?



2

Have I taken on incumbent vested interests and slaughtered relevant sacred cows?



3

Have I established a rhythm and clock speed that is changing the metabolic rate of the business?



4

Have I connected to the front line and truly understood its perspectives and frustrations?

Am I coaching the CEO and top team and successfully changing how they lead the transformation?



5



6

Do I have a clear-eyed view on where the real value lies and where we cannot afford to compromise?



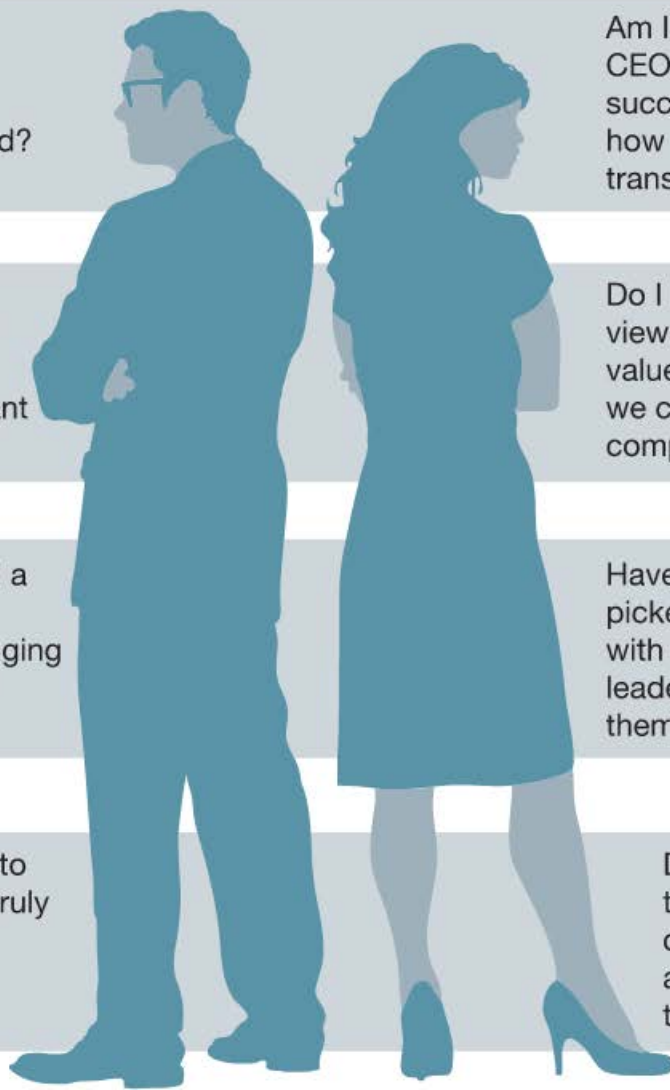
7

Have I intentionally picked some fights with senior line leaders and gotten them to change?



8

Do I understand the dominant culture and mind-set and where it needs to shift?



Expected outcomes of using the RTS approach



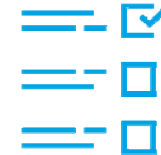
Financial Performance

- Radically improve operating results
- Improve cost structure
- Drive revenue growth
- Improve capital efficiency and free-up cash



Organizational Health

- Break down silos and create cross-cutting communication paths
- Dramatically improve employee motivation and execution discipline
- Drive changes in mindsets and behaviors to lift performance across the entire business

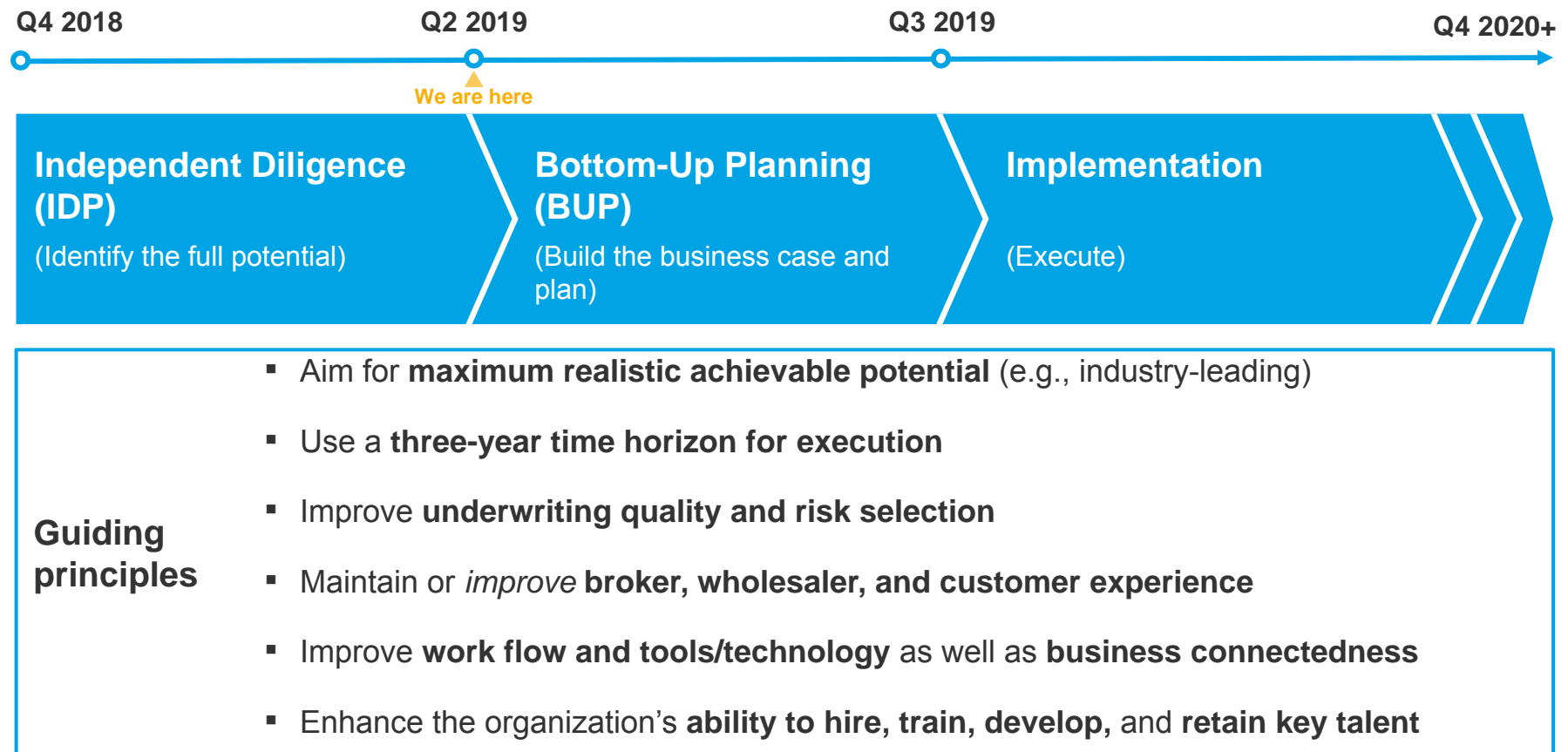


Capabilities

- Build execution “muscle”
- Create language and norms for more rigorous and efficient decision making
- Identify, fully develop, and coach the next generation of leaders
- Embed new tools and practices to ensure improvements stick



Our transformation journey



Work is split across 13 workstreams



AS OF 7/1/2019

BU + Functional workstreams											Enabling / transversal streams		
	GI NA	GI Int'l (ex-Japan)	GI Int'l Japan	L&R	Investments	IT	Finance ¹	HR	Comms and Mktg	Real Estate and Corp Admin	GI Claims ²	Health	Procurement (incl. HQ)
Sponsor (WSS)	Michael Price	Chris Townsend	Bob Noddin	Kevin Hogan	Doug Dachille	John Repko	Mark Lyons	Lucy Fato	Lucy Fato	Peter Zaffino	Anthony Vidovich	Lucy Fato	Mike O'Malley
Lead (WSL)	Chris Flatt	Jason Kelly	John Monk-smith	Sabby Ray	Elaine Rocha	Trevor Crowe	Adam Burk	Joel Poulter (Interim)	Greg Gian-grande	Roberto Stewart	Nicolas Berg	Greg Gian-grande	Glenn Adelman
Finance (Point of contact)	Evan Karabell	Scott Landry	Julian Chapman	Paul Hoepfl	Atif Mahmood	Jacqui Jacoban	Rob Kotlar	Andre Wade	Andre Wade	Shveta Arya	Jack Switzer	N/A	Ujwala Singh (Interim)
HR (Point of contact)	Kelly Moran-Burns	Maggie Zhang	Mika Matsuo	Liz Cropper	Priya Singh	Pat Crincoli	Heather Lubas	Joel Poulter	Joel Poulter	Pat Crincoli	Ryan Merrit	TBC	Josh Kagel

1 Includes GI Actuarial and Corp Dev
2 Excluding Claims Legal, Claims LAE



Key Transformation roles



Workstream Sponsor

- Owner, accountable
- Ambassador
- Collaborator

% Time dedicated

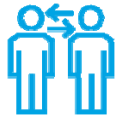
20-30%



Workstream Lead

- Owner, responsible
- Coordinator
- Pathfinder, problem solver

100%



Workstream HR POC

- Helps create business plans
- Analysis of head count impacts
- Role model

20-30%



Workstream Finance POC

- Supports initiative business cases
- Tracks / validates financial impact
- Highlights financial trends

20-30%

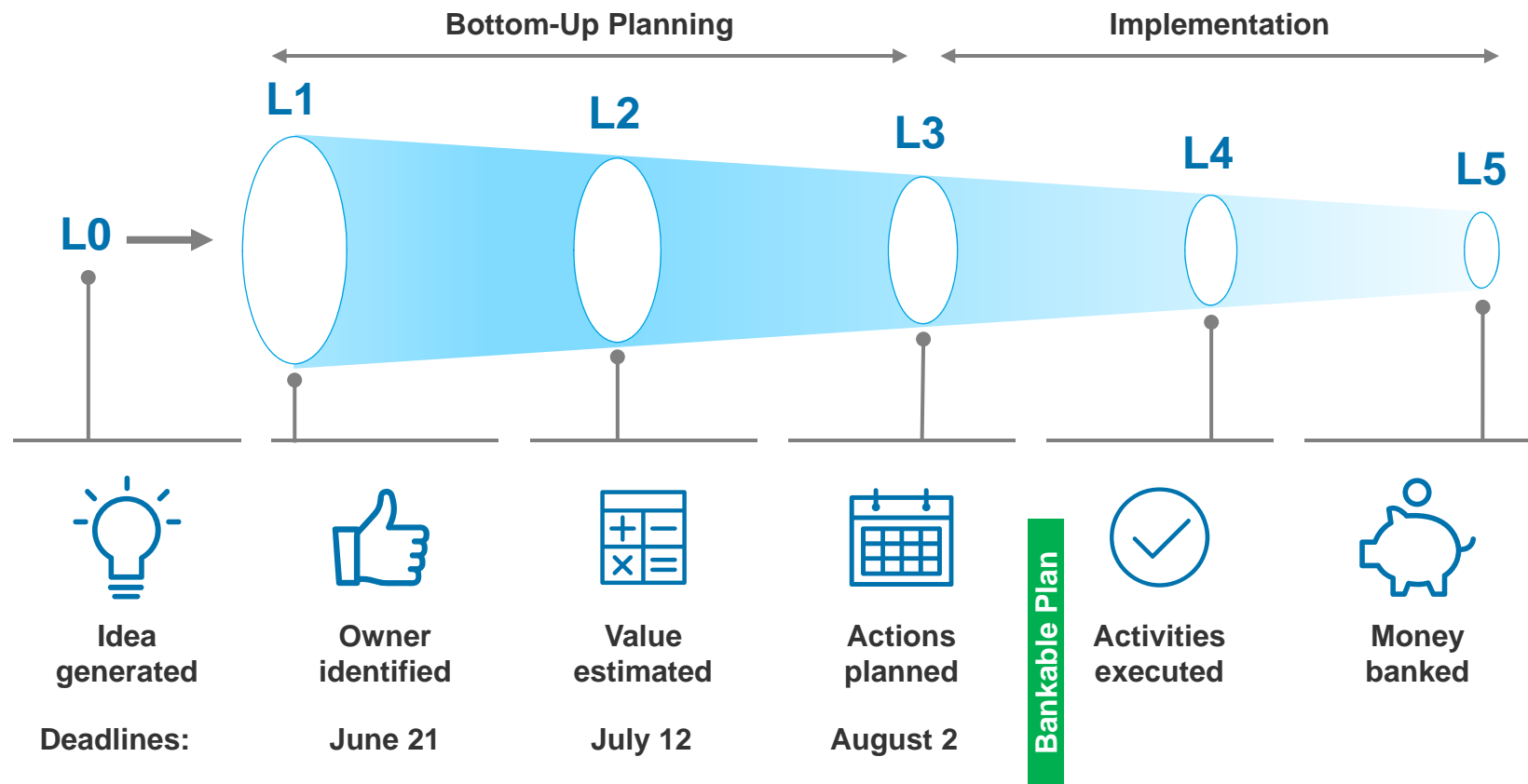


RTS Coach

- “Personal trainer”
- Convener of expert input
- Challenger – not a consultant



By the end of BUP, all Initiatives will have reached L3



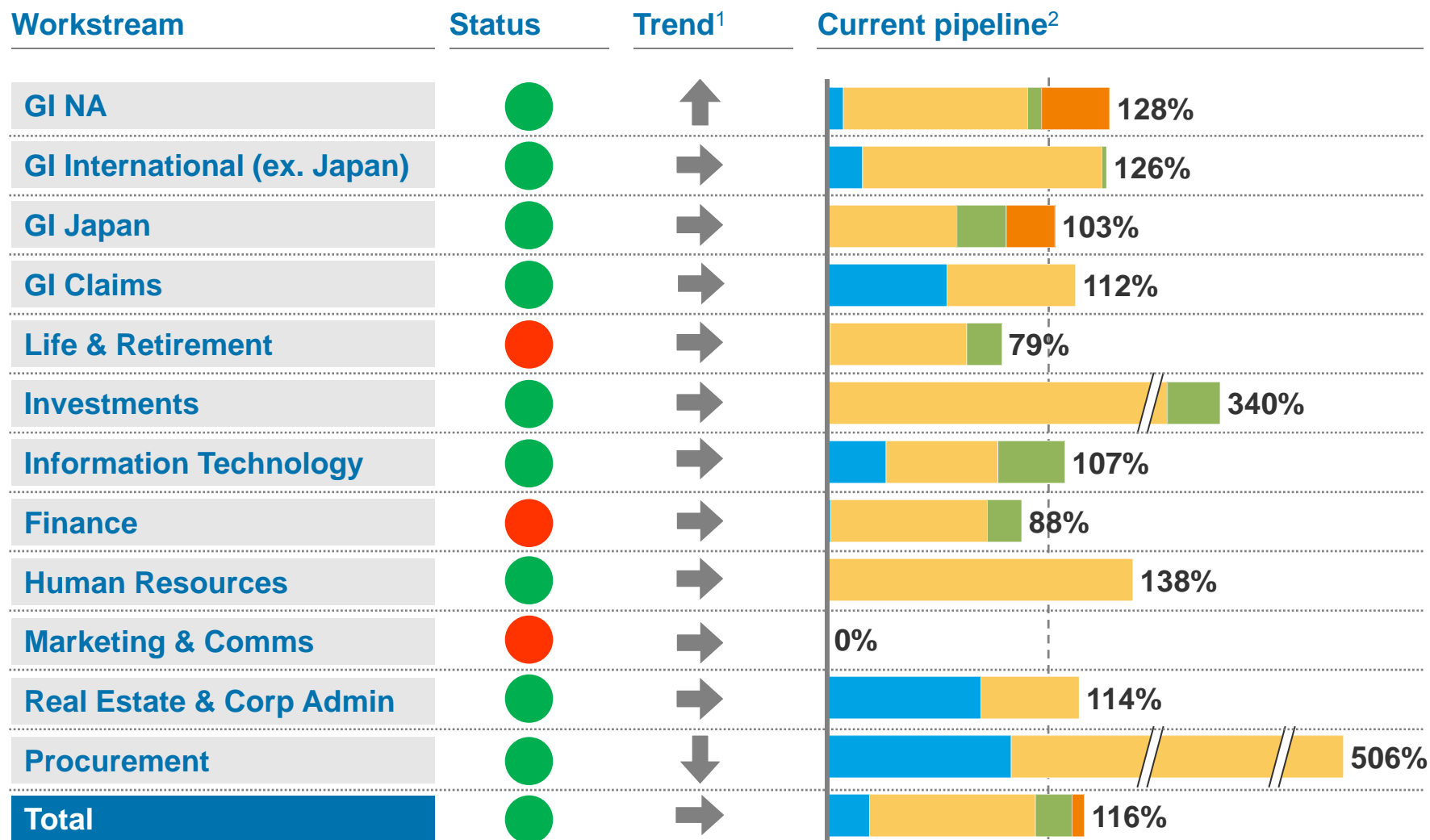


Program update

- Current pipeline of initiatives worth **116% of the overall target**
- **1175 initiatives** in Wave
- **1340+ AIG colleagues engaged** in the Transformation
- **Cross collaboration across workstreams ongoing** and needs to continue
- **Health workstream progressing**, with Health Focus Group sessions held throughout the past 2 weeks. Organizational Health Index survey to be launched on August 12
- **L3 deadline = August 2**

BUP workstream progress: Week 8

- ↑ Increased by more than 10% vs previous week
 ↓ Decreased by more than 10% vs previous week
 → Stayed between 10% and -10% of the previous week's value
- L1 L2 L3 L4 L5



1 Versus previous week

2 Pending deduplication, validation of GOE impact, and allocation of Procurement impact



Sequencing and Prioritization

