

Adjacent opportunities (8.3)

Turning opportunity into action

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When Jeff Post took over as CEO of Fireman's Fund Insurance Corporation, the company was losing a billion dollars a year. A lot of things had gone wrong to bring this company to its knees, but benign neglect was at that top of the list. Post began talking to everyone about an audacious plan to turn Fireman's Fund around in three years. It was a plan that emerged out of a meeting with Fireman Fund's parent company, Allianz, and it did not arise out of some careful German procedural analysis. In a meeting with Allianz's CEO, the declaration just popped out of Post's mouth. On the trip home, he and a colleague then had to figure out how to make it work.

It began with a clear message and Post's willingness to talk and engage everyone within the company. He held one on ones, town hall meetings, video conferences. His style was genuine, a little folksy, with enough good old boy to make every one feel like this wasn't the CEO of a major American Icon company – this was your friend. But Post wasn't about to let that friendly feeling get in the way of his job. If people weren't willing to get on board, they were let go, no matter how long they had been with the company or how important their job. Interaction by interaction, Post told his story about what it would take to bring Fireman's Fund back.

He had history on his side. Fireman's Fund was born out of the turn of the 19th to 20th century disasters in San Francisco. The Fireman's hat logo of this venerable insurance company was still a powerful and recognizable brand. It had long radiated a sense of protection and pride.

Post also built a loyal cadre of advisors and senior players. When you came on board with Post, you knew there would be work to be done, but because he was so damn engaging, you were willing to make the effort. You didn't want to let down a friend.

I know this to be the case. Post brought me on a job that, after spending some time with him, I understood why people would do what they did for him. When ever I entered his office I felt a genuine presence — no pretense, no us and them, no hierarchical distance. What emerged out of those encounters was a mutual dedication to meet a need.

Three years after Post launched his intuitive and emergent plan, the damndest thing happened, it worked. Fireman's Fund's profits were now six hundred million dollars a year. Post and his team had capitalized on opportunities that had emerged out of an insurance market turnaround, and they were the first to admit it. That alone would not have made the difference. Just as he recognized the opportunity when his plan leapt from his mouth in Germany, he was able to utilize the market opportunities that emerged to retool and galvanize his legions on the ground and create a two billion dollar turnaround in three years. His reward from Allianz for commandeering this remarkable feat, was to be terminated.

A year later, I heard that Jeff Post had resurfaced at CUNA Mutual Group. At first, I thought it was simply another insurance company, until I found out that CUNA stands for Credit Union National Association. Post had found another organization and industry that was struggling to find a new identity and was in need of a turnaround. The Credit Union Industry was no longer solely about local memberships from specific organizations. In many communities, they were going head to head with banks.

The transition for Post might not seem too dramatic. He was going from an insurance company to the financial services enterprise supporting the credit union association. That wasn't too great a leap. There were, however, some differences. While Fireman's Fund was very much about making a profit, Credit Unions were non profit enterprises. There was also the fact that Fireman's Fund had been nestled into the foothills of Novato, CA, just north of San Francisco in Marin County. The CUNA Mutual Group was located in Madison, Wisconsin. This meant Post had to leave his sprawl on the California coast for the wilds of Madison, WI. OK, sacrifices have to get made. But when Post invited his senior team to join him, to leave their homes on beautiful Tiburon, and the foothills of the Livermore Valley, and come to Madison, something rather remarkable happened – they did.

Now, we talk about how all adjacent opportunities are not equal. I think even those who love Madison, Wisconsin would admit that the San Francisco Bay is one of the great places in the world. But this isn't about where people live, it's about loyalty. And people aren't loyal like that unless they really believe in the man building his stake in Madison, and the opportunities that might be possible.

Slowly, Post and crew began reviving the business founded in 1935. They began opening the 5500 folks working for CUNA Mutual to new opportunities, new ideas of how to communicate with one another and new ways of doing business. Post was out there telling the story.

Credit Unions are based on the notion of people helping people. So, when I suggested to Jeff Post an opportunity I thought he

was now in a position to consider – no one ever said I was shy and retiring – he obliged and gave it some thought. And then he made a decision.

As non-profit organizations, Credit Unions are social enterprises. They use free market principles to address the needs of the community. What I was suggesting was to deepen that connection of social enterprise. Through my work with Volunteers of America, I had been introduced to the realm of micro-finance – small loans given to people to start businesses who would normally never qualify for credit. What proponents of micro-finance declare is that it is a surefire way to eradicate poverty. We've seen it happen in places like Bangladesh, India, and in Africa. And we know it will work in the United States, too, because we've seen it work here, too.

Having previously learned that with a simple phone call, major corporations could be enlisted in efforts that were good for people, if they saw it was in their best self interest, too, I came to Post and company. Riding on the opportunity I had been given to have access to Jeff and his senior team, I proposed an adjacent opportunity for CUNA Mutual Group and a bit of a challenge: to become the bully pulpit from which to engage credit unions in micro-finance in their communities. But this was more than simply talking to their constituents. CUNA Mutual agreed to explore, with other corporate partners, how this move toward eradicating poverty might work for everyone involved. Oh, they may not call it eradicating poverty, but that's the course on which they have launched themselves. And it makes excellent business sense to do so. It's a business proposition in which everyone who enters wins: the credit unions, CUNA Mutual, the people receiving the micro-financial aid, the communities in which those new business will get started, and the country as a whole. All of this activity is nothing more than a series of adjacent opportunities, taken.

So what adjacent opportunities are you leveraging to change the world?