

Suncorp Strategic Innovation Division: A Fledgling DDO

A small case study by Jennifer Garvey Berger

The other floors of this financial services company are just what you'd expect: cubicles filled with people on the phone, safety and other motivational posters on the wall, sign-in boards to track the location of the employees. Someone wandering by mistake toward the quarter floor that houses the Strategic Innovation (SI) division, however, would know that something different is going on. There are no cubicles, just chairs on wheels, desks on wheels, and white boards on rails that slide in every direction to create walls, working surfaces, and gallery spaces to display the thinking the team members do together. The single permanent wall is covered with the paintings the group has created over the last three years, each representing images of strategy, the future, or risk, in the visual metaphors that were most resonant for their creators.

This is what Home looks like for this fledgling DDO, a division of Suncorp Personal Insurance, in Sydney Australia. Begun three years ago as a strategic investment in the long-term competitiveness and resilience of the business, this division is meant to introduce into the organizational DNA an entirely different way of thinking about strategy and the future. Mark Milliner, the CEO of Personal Insurance, was increasingly concerned about the risk of status quo for a successful business and the threat of "invisible forces of change... not only reshaping the insurance industry of the future, but our world of the future." He was also passionate about the need for his leaders to think in new ways about the looming uncertainties. Mark says that this investment "was about future-

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proofing our business so that we didn't wake up one morning and find we didn't have a business at all or the world had changed around us."

Suncorp Personal Insurance has a more traditional strategy team and an enterprise risk management group to help the business make choices and mitigate risk, but Mark wanted an internal function that would serve many business needs at once. Not only did he want the new division to think in new ways—to challenge assumptions and help the organization learn about change—but he also wanted the new division to do a different sort of work: to seek out alternative business models and new ideas for meeting emerging needs, build relationships around the world with entrepreneurs and innovative thinkers who would become strategic partners, grow the capacity of leaders throughout the business to think in strategic ways, and continue to evolve the Personal Insurance business.

In order to meet these goals, members of SI think about risk in unusual ways. Rather than focusing only on reducing it, people at SI consider how a given risk may usher in a new opportunity. In a project called "Marco Polo," launched before the SI division was a twinkle in Mark's eye, people from all across the business began to imagine a series of possible futures that would have a disruptive impact on personal insurance. SI's central task is to develop and manage Strategic Options that enable the business to uncover what might be possible in the event that one of those future scenarios actually begins to emerge. Options are learning positions that enable a better quality of conversation about the business' direction and choices and provide access to alternative business models. This means that members of the team have to immerse themselves in future worlds that don't exist—take the perspective of future customers, imagine future lives—and then explore emerging possibilities in the present that might bridge to those futures. This turns out to be an extremely taxing mental and emotional exercise and requires capacities most people don't automatically develop in the course of their regular lives. They have to deal with many competing perspectives simultaneously, constantly challenge their deepest assumptions, and use diversity and conflict as tools to unlock new ideas. They are constantly increasing their capacity to make a different kind of sense, together. Because of this, the work, the structure, and the culture of the team are all attempting to be deliberately developmental.

Like the more fully realized DDOs at the heart of this book, the SI team believes that there is no difference between developing themselves as people and getting their work done. Although she had never heard the term “Deliberately Developmental Organization” when the team began, Kirsten Dunlop, the Executive General Manager of Strategic Innovation, was well steeped in developmental theory, and she knew she wanted her team not just to think about new things, but to think in new ways. She didn’t know exactly how to do this, of course; she calls what they are doing “leadership in the nude,” as they practice on the edges of their own competence and comfort level. The team has a flat structure with team members working in multiple self-led teams concurrently, often at a distance. Team members see their own ability to break out of the confines of their previous perspectives as core to thinking about the future of insurance (by thinking about the future in general) in new ways. They believe that the thinking and being patterns that they brought in with them are too constrained to offer something truly innovative to the business. This means that development is imperative. Their theory is that a socialized perspective might be too locked in the confines of the current context to do this innovative work. Even a self-authored perspective is likely to be constrained in a single (albeit self-authored) set of beliefs about the world. At SI, they lean into the self-transforming mind in their work and conversations. And given how unusual such minds are, they know they have to support people to grow.

On this early autumn April morning (we are in Australia, remember), the whole team is together for one of its regular reflection days. The 24 of them sit in a large circle—all the whiteboards pushed aside to make the biggest possible workspace. In the circle are the Core Team—the 12 members of the division who are permanent members—as well as the group called the Principals—the 12 who come from other parts of the business and move into SI for a year (arriving in groups of three every quarter—so there are always a few people who are brand new and a few who are about to cycle off). The topic today is about the burgeoning tension between the Core Team and the Principals. No one is quite clear what is causing this tension, but it is beginning to get in the way of the work and slow down the pace of the group. Rather than guess at what the issue is or have a vague “team building” session, the SI team employs common practice here (as in other DDOs you’ve seen). They begin to unpack their understanding with a series of fishbowl conversations.

First in the inner circle is a subset of Principals, talking about their experience of the difference in the two roles. They talk about their delight that they are getting to do this exciting and innovative work, their attention to the departure of several among them in the next few weeks, and their own anxiety about returning to their previous jobs. When they pause, those in the outer circle appreciate the process of the conversation—they point to particularly good questions, particularly good listening. Some people notice what looks like an area of tension or discomfort. The next round begins, with a few Core team members joining the middle circle and some people pulling back to the outer circle for a different vantage point. The conversation deepens, and now they begin to talk about the power differential, about their confusion about who gets chosen to be on which Option Teams, about how they are finding themselves changing so fast that they are dizzy with the effort. Now the tension that had been underground previously begins to bubble to the surface, and they turn it around in their conversation so that they can understand it.

In the first round, the outer circle was explicitly appreciative; in this round the outer circle brings a more critical eye. They ask about the way the inner circle members are enacting their values: How much have they been asking curious questions rather than making points? How much have they been listening to one another? How much have they been surfacing the real conflict? The issue about how decisions get made about Option teams fades away as what turns out to be the central issue emerges: Some people have a nagging fear that others are people selfishly pursuing their own interests versus really doing what the team collectively needs.

This shows up in a topic that one Principal calls, “the dance between our roles and our personal development.” There is widespread agreement that they are growing and changing, their previous assumptions about the world falling away before new assumptions get born: “We are growing so fast here with little time to reflect on who we’re becoming.” They talk about how they are more aware of themselves, of their weaknesses, of their strengths. They are redefining work, redefining leadership. “Now I see leadership is about how attuned you are to the people around you and the context in which you’re working. It’s less about deliverables—which I used to think was the whole point. It’s about the journey and not just the destination. I am noticing what it’s like to really notice.”

While there is widespread agreement that people are changing, a disagreement begins to emerge between those who have a sense that the team and its work are primary and those Principals who sense that their own individual growth over these twelve months is the most important piece. A relatively new member of the team says, “It *has* to be about me first. I have to slash my floaties, become more independent in my thinking and action than I’ve ever been before. I need to feel like I can’t swim so that I have to keep my head up by myself. I have to focus on my own individual development before I think about what’s best for the group. I only have a year! First I need to swim before I can think of going back into my team and teaching them to swim.”

But someone else counters: “The point of the development is what we’re doing for the business. We’re getting better *on behalf* of what the business needs of us—we can’t focus just on ourselves.”

“That’s the point,” another member builds. “We’re paying attention to our own growth and development for the purpose of doing our work better. If the world were remaining the same, we could remain the same. If the world is changing and the business is changing—we need to change too or we can’t take it forward.”

In the first round of the fishbowl, the conversation was fast and furious and people seemed to ricochet off the ideas of their colleagues rather than build upon them. By the third round, the conversation becomes slower and more reflective and people listen more carefully to one another. Even while the conversation is impassioned, they reach into the perspectives of those they don’t agree with, really seeking to understand. They probe and ask clarifying questions: “Have I got that wrong?” “Am I misinterpreting what you said?” They watch the process of the conversation itself and they watch themselves inside the conversation, with one member wondering aloud, “Hmmm. Am I just trying to deflect the conversation from a place that makes me uncomfortable?” And they track the changes in themselves, noting: “I could not have thought like this three months ago!” They are more aware of the process and the content simultaneously, more aware of their own reactions but less captured by them, more able to deeply understand and consider the perspective of someone who disagrees.

Vital—and somewhat dangerous—issues are raised. “I’m really reacting to all this self focus,” one of the Core team says. “Professional development isn’t for the self, isn’t supposed to be self-focused. It’s so I can do my job better!”

Someone cries. Someone else gets angry. But these strong emotions are not *verboten* here and the group hands around a tissue or steps back to laugh together before pushing on deeper and deeper into this important and difficult conversation. The ones who have been here for six months or longer find their rhythm relatively easily, even through the tension; the newer ones see what they will be able to do before their time in the group is up.

The conversation begins to weave together the individual and team development ideas, the personal and the organisational. They close the fishbowl with a conversation about their purpose—individually and collectively, as members of families, communities, and this organisation. They connect back into the idea that Insurance is ultimately about creating a sense of hope and security in an uncertain world—a concern they deeply share with their customers. They understand the way insurance actually supports growth and risk taking to create a better future—and it is sometimes the only space of comfort after a disaster. They believe in the organisation and in the need to find new ways to protect what people most value. The Core team members wonder what they can do to help amplify this shared sense of purpose; the Principals talk about their need for personal support and reflection time as well as the stretch the job demands. By the end of the 90 minutes, the people in the inner circle physically lean in to one another, their tone reflective, searching. The people in the outer circle have pulled their chairs tightly around the middle. They learn that none of their concerns are totally right, and none are unwarranted. They make a new pathway forward, together. The room almost vibrates with the new meaning being created there.

Later in the day these questions are deepened with rich theory and research about power, development, and purpose, and the team experiences and creates developmental practices. They reconsider the hidden assumptions their ITC process uncovered and unpack the collective assumptions of the team, they look at the various ways power and connection interact, and they practice listening deeply to the sense their colleagues make instead of the more common practice of listening to build an argument for what should happen next.

This practice of mixing content with developmental practices on their reflection days goes back to the very beginning of the team. As the team formed, the first offsite wove ideas of complexity, an uncertain future, and adult development together; their first practices were about deep listening and honest sharing of feedback about each other. Like the other fledgling DDOs in this chapter, they used the Immunity to Change process to discover their personal big assumptions and to find their Edge. They also explored the edges of their own development using an individual developmental assessment, as they talked about what they were discovering about the benefits and limitations of their particular developmental places.

Over time they have created a host of on-going practices to strengthen their communities and support their development. There are rituals to welcome new team members and to farewell those who are going. They think hard about the theory and practice of transitions—vital for a team always in transition in one way or another. New members take the developmental assessment and learn about adult development—at the theory level and at the personal level. They create art pieces together to “externalize the interior.” They have a formal check-in before their meetings to get a quick barometer about what is going on for each person—whether at home or at work. They practice what Kegan and Lahey call “the language of ongoing regard” by making space at the end of meetings to thank each other for things that have gone well. They work with a voice coach who pushes them to take active (not reactive) roles in the scenes in which they find themselves and to speak from their core. They use the repeated practice of Berger and Johnston’s “developmental habits of mind” (asking different questions, taking multiple perspectives, and seeing more of the system) to challenge them as they fall into unhelpful patterns in meetings.

Recently, the team has begun to expand beyond the work space, to have evening sessions to which family members are invited; after a couple of years of this work, it’s clear that the changes SI members experience don’t stay at the office. Team members have brought their partners, their children—and even their parents. The whole room was moved when the 16-year-old son of one of the Principals talked about how he had noticed that his father was more curious about him and his life since he had started working in SI. When Principals finish their time in SI and move to another part of the business, these “Pioneers” are supported with on-going action learning groups where they make sense of what

it means to think about the world in new ways as they encounter old colleagues and challenges.

The Strategic Innovation Team is a tiny island of 24 people in the sea of a large, 15,000 person company. And yet the team is beginning to see some of their practices and ways of thinking move into the mainstream of the business as they transition from a group on the fringe, to a vital part of the capacity of Personal Insurance to create future offerings and expand its vision of the world. In SI's short lifespan, it has influenced the larger ecosystem of Personal Insurance to make some significant changes in the way people work (for example, by experimenting with innovative approaches to employees working from home, with extraordinary customer satisfaction results, unprecedentedly low levels of absenteeism and high sales performance), to create vital new partnerships (for example, with start-ups to co-develop pioneering and disruptive business models for insurance) and to adapt the model of the core insurance business to prepare for change. The SI team is increasingly called on to support innovative thinking throughout the business.

The SI team stands now at a crossroads as demand for their perspectives and time outstrips their current resources, and their next moves (do they grow? do they create little cells that live inside each area of the business?) will shape not only the developmental nature of their team, but quite possibly the developmental nature of the entire business. Will Personal Insurance become a DDO? Will all of Suncorp try this new approach? Perhaps we will learn the ways that DDO practices create contagious effects that reshape an entire organization.