The Value of Financial Security

An Interview with Tom Watjen, President and Chief Executive Officer, Unum Group

Tom Watjen joined Provident, a Unum predecessor, in 1994 as Executive Vice President and Chief Financial Officer, and was later named Vice Chairman and Director of Provident Companies, Inc. Following the company’s merger with UNUM Corporation in 1999, he became Executive Vice President of finance and risk management for UnumProvident Corp. In 2002, Watjen was promoted to Vice Chairman and Chief Operating Officer of the merged company and elected to its board of directors. In 2003, he was named President and Chief Executive Officer of UnumProvident, whose name was changed to Unum in 2007. Earlier in his career, Watjen was a managing director at the investment banking firm of Morgan Stanley, a partner with Conning & Co., and worked in corporate finance and investments for Aetna Life and Casualty. Watjen received a bachelor’s degree in economics from Virginia Military Institute in 1976 and a master’s in business administration from the Darden School of Business at the University of Virginia in 1981.

Would you provide an overview of the history and heritage of Unum and touch on how the company has evolved?

Unum’s oldest predecessor was founded in 1849 as one of the first companies to provide insurance protection in the event of illness, injury, or loss of life. Our Colonial Life business was started 75 years ago as one of the first to deliver voluntary benefits in the workplace. In Great Britain, our Unum U.K. business began in 1970 as the first to offer employee benefits coverage in that country. So Unum has been around for 169 years in the U.S. and 75 years ago as one of the first to deliver voluntary benefits in the workplace. In Great Britain, our Unum U.K. business began in 1970 as the first to offer employee benefits coverage in that country. So Unum has been around for 169 years in the U.S. and 75 years ago as one of the first to deliver voluntary benefits in the workplace.

The most important thing we can do to maintain this unique position is to continue to invest in our people – through increased training, broadening and deepening our leadership team, creating succession plans to maintain continuity, and developing and recruiting talent that will bring new insights and perspective to the company.

How challenging is it to differentiate from your competitors?

Providing basic financial protection to individuals in their place of work is our only business, which in and of itself is fairly unique. We are therefore unquestionably committed to investing in this business and pursuing the principles that have gotten us to where we are today. We compete with excellent companies, but their commitment to this business can change, at times aggressively pursuing a growth-at-all-cost strategy, while at other times withdrawing or retrenching as other corporate priorities overshadow this part of their business.

What is your outlook for the U.S. economy and do you see strong growth opportunities for Unum in the U.S.?

This remains a challenging environment, with the slow economic recovery, persistently low interest rates, and improving but still tepid business confidence continuing to create headwinds for our company. Our results over the past few years though show that we can effectively operate in this environment by staying focused on the things we can control, while also aggressively taking the actions needed to capitalize on what is unprecedented opportunity in our business.

How is technology impacting your business and how do you ensure that the focus on technology doesn’t detract from the people side of the business?

Mobile and self-service capabilities are prominent in industries such as banking and telecommunications, and more so becoming a big part of today’s benefits industry. Unum is investing heavily in its technology platform, but rather than taking our focus away from people, these investments are often helping our employees to meet the ever-changing needs of our customers and building even stronger customer loyalty.

Unum has placed a major focus on building a diverse and inclusive workforce. Why is this so critical and have you been happy with the results of these efforts?

I’m proud of our progress in this area, but there’s always more we can do. We have a number of programs in place to encourage diversity and inclusion – whether we’re recruiting at college fairs, creating opportunities for our veterans, or developing future leaders within the company, these are all critical to competing today and into the future.

Would you touch on the areas of community engagement you support?

A strong commitment to our communities is one of Unum’s core values. We place particular emphasis on supporting K through 12 education initiatives that we see as investments in strong communities today, but also in developing the workforce and leaders of tomorrow.

We have an additional responsibility to help people understand the importance and value of taking personal responsibility to protect their financial futures. One of the best ways we can do this is to encourage dialogue among the private and public sector to ensure that people are protected financially in the event they cannot work or suffer the loss of the principal wage earner in the family.

What are your key priorities as you look to the future to ensure that Unum maintains its leadership position in the industry?

One of the greatest challenges for all financial services companies is finding profitable long-term growth opportunities. We can always find revenue growth, but it often comes with a price we’re not prepared to pay – sacrificing our risk and financial objectives.

But, as I said earlier, we’re driven by an even bigger goal – expanding the market for essential financial protection products and services. To seize this opportunity we must better educate the market on the need for coverage, simplify our products and services to make them more understandable and affordable, and do so in a way that doesn’t compromise the principles that have been so important to our past success.