

Executing the Strategy

An Interview with Jay S. Bullock,
Executive Vice President and Chief Financial Officer, Argo Group



Jay S. Bullock

EDITORS' NOTE Jay Bullock joined Argo Group in 2008 from Bear, Stearns & Co. Inc., where he was Senior Managing Director and Head of Bear Stearns' Insurance Investment Banking Group. While at Bear Stearns, Bullock was an advisor to Argonaut Group, Argo Group's predecessor company, on a number of transactions. Prior to joining Bear Stearns in 2000, Bullock was a managing director at First Union Securities. He is an honors graduate of Southern Methodist University and received his M.B.A. from the McColl School of Business, Queen's College, Charlotte, N.C. Bullock also holds the designation of Certified Public Accountant.

How has the CFO role evolved and what makes someone effective in that role?

When I started here, the board wanted to make sure I knew how to keep score on the business. Today, it's exciting to report that the CFO role is much more than that.

It requires someone who wants to be involved in influencing the strategy of the organization since much of what the CFO is responsible for will impact that strategy. The regulatory environment, solvency, rating agencies – all of this affects your ability to execute on the strategy and all of this falls under my umbrella.

Companies need to have somebody in the CFO role who shares the company vision and, as a result, is able to influence the strategy to achieve it.

How close is the working relationship among leaders at Argo?

I've had the benefit of watching an evolutionary process unfold. Before we acquired the company in Bermuda and bought the business in London, Mark effectively managed the company by walking around the executive floor having conversations with everyone; by the time he was back in his office, he had covered all of his direct reports for the day.

Within eight months, we went from that scenario to one where we had a business with leaders based in London, Bermuda, and in the U.S. We had to change the way we operated and create more structure than some of us were used to.

Today, we get together on a regular basis and that gives us the opportunity to interact personally with the various business leaders and maintain that real-time basis. It just takes a lot more effort. In the interim between those meetings, we continue to actively communicate and discuss progress.

Another of my roles is acting as Chair of our reinsurance committee. Reinsurance is effectively nothing more than another form of capital but, in order to effectively chair that committee, I have to understand the underlying businesses. It also requires I be closely aligned with the Chief Underwriting Officer, who influences which businesses we want to retain and which we don't. There are many interdependencies.

What has your strategy been for creating growth?

Our growth over the past 12 years has been impressive, yet our focus has always been on finding profitable, intelligent, and sustainable areas of growth rather than merely expanding our footprint. We look for areas where, in partnership with our clients, we can grow our best existing businesses organically. We leverage the expertise we have within the company to introduce product adjacencies. Where appropriate, we also seek to make select acquisitions of businesses that have a strong strategic fit. In some instances, these acquisitions have added important strategic elements to the platform, such as the acquisition of our Lloyd's platform in 2008. ●

Cultivating Change

An Interview with Jeffrey L. Radke,
Head-Global Operations, Argo Group



Jeffrey L. Radke

EDITORS' NOTE Jeffrey Radke has held his current post since May 2013. Previously, he was Managing Director-Syndicate 1200 from January 2011. He was also Director of Syndicate Management from August 2009. Prior to that, he was Chief Executive Officer of PXRE Group. He received his Bachelor of Business Administration in Finance and Insurance from University of Wisconsin-Madison.

How do you define your role and what are your areas of focus?

Argo Group is made up of a number of companies that were acquired and brought together as well as businesses, like our Brazil and Surety businesses, which we built from the ground up. Each brought its own systems and processes, which we've integrated to varying degrees over time. My role was created a year and a half ago to pull together and improve the efficiency of all of the operation's functions, such as IT, data, business process, sourcing and support services, and change management to enable each of the businesses to focus on their core competencies, such as underwriting, claims, distribution, etc.

What form do your efforts take in leading change and how do you engage employees in these efforts?

The first step is to define the problem, then you sketch out what the future solution looks like and what steps it will take to get there, and you communicate as openly and honestly as you possibly can about what sort of disruption this will create for people.

I am excited about the degree of change we're undergoing. For example, we're implementing a complete end-to-end business delivery platform called Edge. Our IT infrastructure is going through a complete refresh and we are getting much more focused on optimizing our business processes.

We're also changing the way we manage change – we're introducing a formal program management office with much closer tracking in terms of business value metrics and performance.

Additionally, we're focused on becoming much more customer-centric. We do okay here, but there are so many opportunities today to leverage data and better anticipate the needs of the customer.

The final project might prove to be the most challenging. With customer efforts, time is critical, and compressing response time frames is vital. Customer expectations are changing fast. The issue becomes how we produce a quote in an hour, not a day. This gets to the heart of how fundamentally we have to change our processes.

With the amount and pace of change involved in all of this, it's critical to keep everyone focused on priorities and monitoring key metrics to keep us on track.

Did people enroll in the transformational change right away?

I've learned that you need to be totally open and honest about what the disruptions are and also what the upside is. People can then make up their own minds, hopefully in an environment of trust, whether they are on board or not. For those who are, we have to make expectations clear and provide regular and meaningful feedback. We're working hard on that. I think we've got a great team in place now that is focused on where we need to be five years from now and excited about the challenge of getting there. Our success will require me and my leadership team to keep our employees engaged and collaborative in the process. ●