

Driving Change Through Technology

An Interview with Martin Lippert,
Executive Vice President, Global Technology & Operations, MetLife, Inc.

EDITORS' NOTE Martin Lippert was named to his current post in September 2011. Prior to joining MetLife, he served as Chief Operations and Technology Officer for Citigroup. Previously, Lippert was Vice Chairman and Group Head of Global Technology and Operations for Royal Bank of Canada (RBC). While at RBC, he served as Chairman and CEO of Royal Trust Corporation, Chairman of RBC Dexia Trust Corporation and Moneris Solutions, and a member of the board of directors for RBC Insurance. He also had oversight of RBC Ventures. Lippert began his career in the information technology department of Mellon Bank, where he spent 16 years in progressively responsible positions, culminating in his being named Executive Vice President for Information Management and Research. Lippert was a special advisor to the board of Freddie Mac during the financial crisis, and has sat on the board of advisors of the IBM Corporation and Sun Microsystems. Lippert holds a bachelor's degree from the University of Pittsburgh.



Martin Lippert

COMPANY BRIEF MetLife, Inc. (metlife.com), through its subsidiaries and affiliates ("MetLife"), is one of the largest life insurance companies in the world. Founded in 1868, MetLife is a global provider of life insurance, annuities, employee benefits, and asset management. Serving approximately 100 million customers, MetLife has operations in nearly 50 countries and holds leading market positions in the United States, Japan, Latin America, Asia, Europe, and the Middle East.

What excited you about this opportunity and what made you feel it would be the right fit?

I had a conversation with Steve Kandarian (President, Chairman, CEO) around the change agenda that he was trying to bring to the company. He talked specifically about how he viewed technology as being a key component of driving change inside the company.

We spoke at the time about how to do that given the constraints around market growth and revenues, and doing it in a way that it has a positive impact on our bottom line.

We agreed to a model that was designed to self-fund much of the change we were undertaking. We ended up with a model that, for every \$3 of expense I took out of the company,

it allowed me to reinvest \$2. This created an incredible opportunity with respect to being able to put investment behind the desire to bring about change.

I really enjoy those change agendas, and I saw the opportunity not just for being able to change MetLife but we felt that we had a real opportunity to change the industry, and that was very exciting.

How did you handle communication with the employees about the change and would you touch on technology as a catalyst?

Change management is really difficult. The company had gone through cost-cutting exercises before, so there was a negative association with those issues inside the company.

We knew it was critical for us to take expense out of this organization, so we introduced a lot of benchmarking that gave us real data to support what our cost ratios were.

We explained to the employees our excitement that we were taking cost out to fund the rebuilding of this organization. We were investing in our company so it would become one that people in the industry will see as a leader and innovator.

Much of our communication and change management was underpinned by that. We were quick to start plowing dollars back in so staff quickly saw that we were being true to our word. That level of investment has continued to increase as we have continued to drive the savings numbers higher.

As we compete for talent in the marketplace, we are winning people away from a number of high-profile tech companies, many of which are good partners of ours. The story we are now able to tell about changing the company really resonates with people, and that continues as we look to extend digital strategy globally.

We're also demonstrating how innovation is being brought to an industry that has been pretty staid.

Is this more of a technology company than an insurance company?

At our core, we are an insurance company. We used to talk about companies being enabled by technology but increasingly, companies are technology companies, and whatever products they supply are a by-product of that.

We try not to represent ourselves as just an insurance company but as a company that protects people's dreams.

How do you make sure the people side of the business isn't lost?

We have to think about where our customers want to be serviced in a way that provides them the opportunity to do that in whatever manner they prefer, wherever they want to interact with us, and ensure that we are accommodating all of those from a channel strategy perspective.

It's about matching whatever channel is appropriate for the customer at any particular point in time. There will be times when it's going to be important for that customer to be talking to an agent and understanding specific details about a product. Other times, automation fills the need very nicely.

Even when an agent is involved, we've invested heavily in those call centers, for instance, to improve first-call resolution scores, and we look at various metrics. I manage customer service as well, and we've tried to use the technology to drive the scores significantly higher. Over the past two years, we have done that successfully.

It's about having the appropriate channels to service the customer when they want service and in the best way possible.

Is the innovation still primarily on the product side?

Product innovation is one component, but innovation with respect to distribution is another very big component, as is innovation with respect to data and data analytics. Data is the new oil, and it becomes the currency with which companies are going to operate – How well do you know your customer and can you predict their needs?

Process innovation is most exciting given where we are in our evolution and that we still have a substantial opportunity to take more cost out of the company. Many of our processes are still manually based, and those manually based processes don't only contribute to cost. In fact, in some respects, I would argue that the cost element is probably the least important of them. As we digitize those processes, it not only takes cost out but significantly reduces the time it takes for us to respond to a customer. Customers are then more satisfied and this results in repeat business for us. This is certainly something we can build upon. ●