



## **Unlocking the power of agile working at Gjensidige**

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## Introduction

Gjensidige is a leading Norwegian insurance company. Gjensidige Forsikring ASA is the parent company of the Gjensidige Group, and its head office is in Oslo, Norway. The Company has general insurance operations in Norway, Denmark, Sweden and the Baltic states, in addition to pension operations in Norway. The general insurance operations include both property insurance and accident and health insurance. The Norwegian general insurance operations also include life insurance, which is pure risk insurance with a duration of up to one year, largely group life insurance. Operations outside Norway primarily take place through branches. In the Baltics, they have a subsidiary in Lithuania with branches in Estonia and Latvia. Gjensidige's operating income in 2020 was 28 billion NOK, while total assets were 118 billion NOK.

2020 was a good year for Gjensidige. To quote CEO Helge Leiro Baastad:

*“Gjensidige delivered a record high result in 2020. We continued to reap the benefits of the improvement work we initiated in 2018, on both the revenue and cost side. At the same time, the financial and economic consequences of the coronavirus pandemic were limited. Cancelled trips led to unusually high claims. They were offset by a reduction in other claims expenses, however, because customers stayed at home more than usual...In the long term, the coronavirus pandemic will, undoubtedly, result in an increased need for digital self-service solutions and cost-efficient processes.”<sup>1</sup>*

However, Gjensidige needs to move on, change the way they work. The task of suggesting a new way of working has fallen on Sigurd Syrdal, Manager, Department for processes and automation. Small companies (a lot of them start-ups) are disrupting the business environment. They are fully digitalised, using cutting edge technology and are totally customer focused. They have an entrepreneurial organisational form and culture. Tech companies (especially the start-ups) are a good example – time to market is essential for success. They work on short-term project in a very flexible way. This is called agile working:

*Agile working is a way of working in which an organisation empowers its people to work where, when and how they choose – with maximum flexibility and minimum constraints – to optimise their performance and deliver “best in class” value and customer service. It uses communications and information technology to enable people to work in ways, which best suit their needs without the traditional limitations of where and when tasks must be performed.<sup>2</sup>*

Sigurd feels that Gjensidige should, on some projects, work more like a start-up company, utilising an agile way of working. “I would like to see business as usual, but working more agile”. He suspects there will be some resistance in the organisation. Gjensidige is doing well with a record high result – why change? Sigurd, however, feels the need for a proactive

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<sup>1</sup> Gjensidige Annual Report 2020

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<https://modgov.sefton.gov.uk/documents/s70932/%20Agile%20Working%20A%20Guide%20for%20Employers%20produced%20by%20the%20Employers%20Network%20for%20Equality%20and%20Inclusion.pdf>

approach. The time to implement changes is when you are doing well, when you have the resources to make the changes.

### **Your task**

Your task will be to help Sigurd. First phase has already been launched in 2020. Areas for agile working need to be identified. Time to market, customer value and business value need to improve if Gjensidige is to maintain its position. Sigurd is eager to launch phase two of the transition to more agile working at Gjensidige.

- Show how more agile processes differs from the traditional way working
- Describe the benefits of working more agile for a traditional and heavily regulated company like Gjensidige
- Describe how the expected results, budgets, time frames can differ from a more traditional way of working
- Show how Gjensidige can forward agile working in their “business as usual” environment.

## Gjensidige

Gjensidige is a leading Nordic insurance group listed on the Oslo Stock Exchange. It has about 3700 employees and offers insurance products in Norway, Denmark, Sweden and the Baltic states. In Norway Gjensidige also offers banking, pension and savings. Gjensidige has provided insurance services for 200 years. Gjensidige's annual report for 2020 is available online.<sup>3</sup>

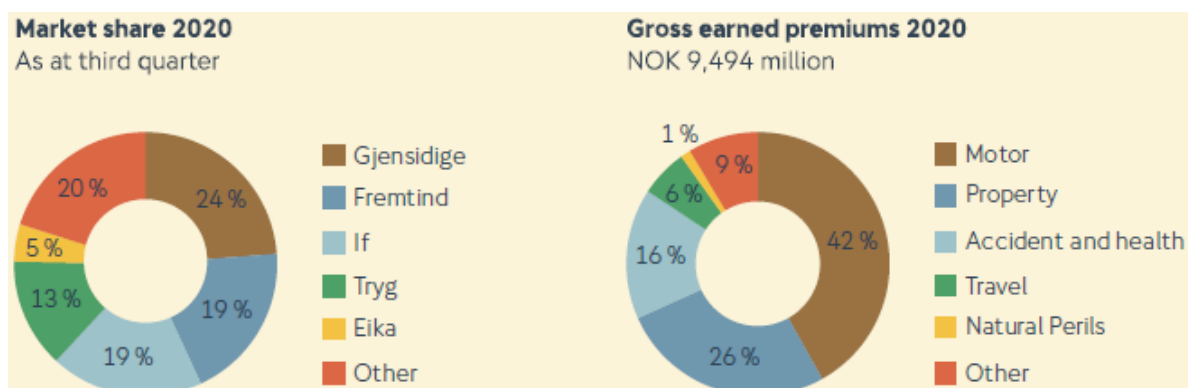
### History

*For 200 years, we have safeguarded life, health and assets for our customers. It started with the mutual fire insurers. Forty years later, Ole Jacob Broch founded the life insurance company Gjensidige. Broch was a passionate enthusiast, and he shaped the company together with – and for – the customers. This has left its mark on the organisation and our culture. The commitment to the individual customer has contributed to good customer experiences and sound performance for two centuries. This is our history. The power to make changes through different phases of Norwegian society and business and industry forms the basis for our present and future competitiveness.*

Follow the link below for a comprehensive description of Gjensidige's history.  
(Gjensidige's website: <https://www.gjensidige.no/group/about-us/the-history>)

### Non-life Insurance

Gjensidige offers both general private and commercial insurance in the Norwegian market. The products are primarily sold through dedicated distribution channels, but also in cooperation with a number of partners in the private market. Gjensidige is the market leader in the private general insurance market. Their market shares and main products are:

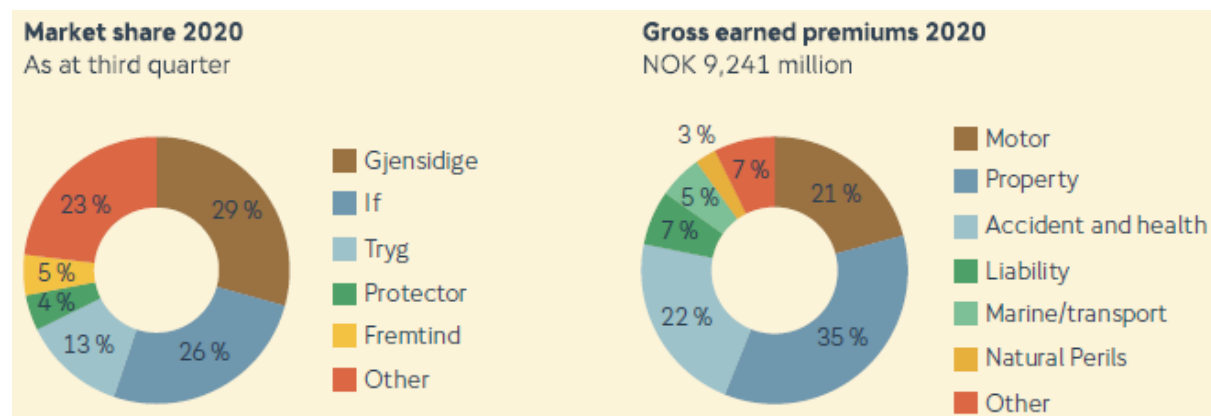


The Commercial segment offers a wide range of general insurance products to the commercial, agricultural and municipal markets in Norway. Sales primarily take place through dedicated distribution channels, and only 20 per cent of the premium volume is brokered business. Gjensidige is market leader in general insurance for the commercial and

<sup>3</sup> <https://mb.cision.com/Public/1122/3285608/93d180e83a251000.pdf>

agricultural markets. Most of the customer portfolio consists of small and medium-sized enterprises and agricultural customers.

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## Strategy

The Board has adopted Gjensidige's corporate strategy for the years ahead. The strategy sets out guidelines for the brand strategy, sustainability strategy, HR strategy, technology strategy and the different segments' business strategies. The corporate strategy follows from the mission 'We safeguard lives, health and assets in a sustainable manner' and the overriding vision 'To know the customer best and care the most', as well as the position we seek as the most customer-oriented company in the insurance industry. Gjensidige has defined the Nordic region and the Baltics as its geographical catchment area, and we aim for continued growth in general insurance in this area, in addition to a broad range of services in the financial sector in Norway.

Gjensidige has identified several megatrends towards 2030 that needs to be addressed:

- The growing elderly population challenging the Scandinavian welfare model.
- Increased urbanisation, new technology and new ways of owning cars.
- Digital user habits giving rise to of good, personal digital services.
- New technology combined large amounts of data provide increased behavioural insight.
- Climate and nature-related risks.
- EU initiatives impacting products and services, claims settlements (for example the choice of materials) and investments.

Gjensidige's strategic platform is designed to address this:

With regard to leadership, capabilities and culture the Annual report says:

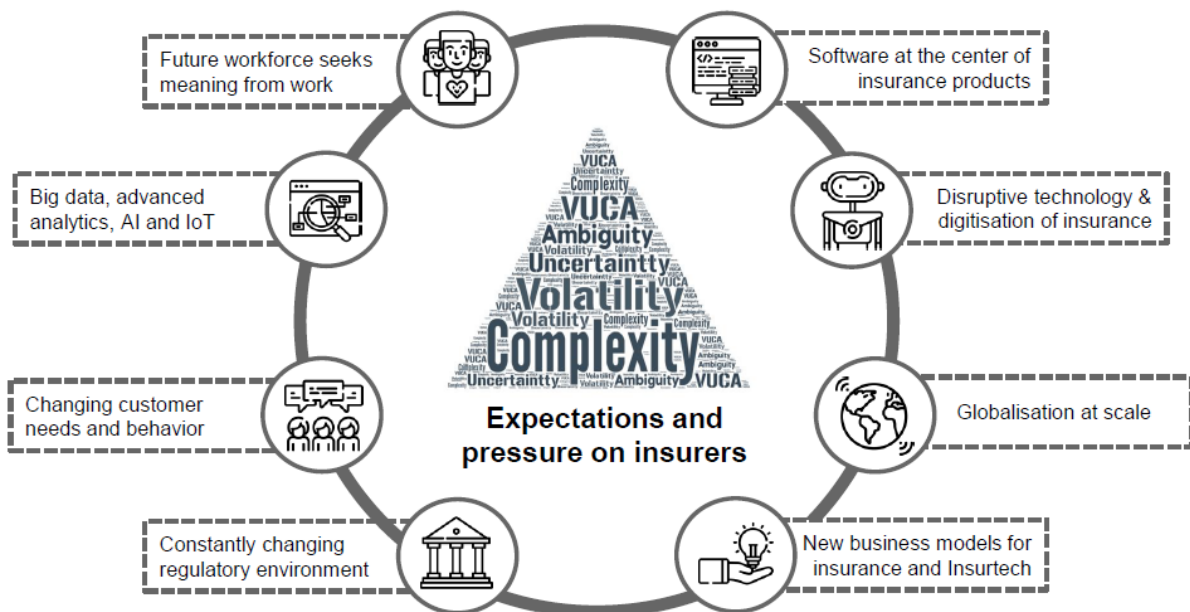
Strategic platform – founded on sustainable choices



*“To succeed in the future, organisations must be founded on diversity, inclusion and trust. We need managers with the ability to attract, develop and retain relevant expertise at all times, and ensure a flat organisation structure and short decision-making paths. Job rotation will be an important means of building expertise across the Company, combined with the recruitment and development of employees. Gjensidige’s core values – create a sense of security, apply new thinking, and go for it – shall drive the organisation.”*

## Agile working

The VUCA (Volatility, Uncertainty, Complexity, Ambiguity) world requires fundamentally changes in the way of thinking and the way work is conducted.



Companies have to react fast and flexible on the increasing pace of change

- Rapid innovation in technology
- Changing customer preferences due to digitalisation
- Disruptive competitors entering the market
- Additional regulatory requirements
- Shock events (e.g. Covid 19 or natural catastrophes)

As stated before, agile working is a way of working in which an organisation empowers its people to work where, when and how they choose – with maximum flexibility and minimum constraints – to optimise their performance and deliver “best in class” value and customer service. It uses communications and information technology to enable people to work in ways, which best suit their needs without the traditional limitations of where and when tasks must be performed.

Characteristics of agile working include flexibility, autonomy, and a focus on activity and outcome.

### **Flexibility**

Agile working arrangements include policies to allow employees to work where, when and how they like.

### **Autonomy**

Employee autonomy is an element of agile working. Employees are trusted with the flexibility to reach goals.

### **Focus on activity**

Agile working strategies are focused on the activity or the work you do rather than the place you do it.

### **Focus on efficient and quality outcomes**

Agile working strategies can also be seen in stated outcomes. Desirable outcomes can include exceeding customer expectations, minimising costs, reducing physical office space needs, and driving sustainability.

The underlying 12 principles of agile working are:

1. The highest priority is to satisfy the customer through early and continuous delivery of valuable products.
2. Build products around motivated individuals. Give them the environment and support their need, and trust them to get the job done.
3. The most efficient and effective method of conveying information to and within a development team is face-to-face conversation.
4. Welcome changing requirements, even late in development. Agile processes harness change for the customer's competitive advantage.
5. Deliver working products (Minimum Viable Product) frequently, from a couple of weeks to a couple of months, with a preference to the shorter timescale.
6. Business people and developers must work together daily
7. Agile processes promote sustainable development. The sponsors, developers, and users should be able to maintain a constant pace indefinitely.
8. Continuous attention to technical excellence and good design enhances agility.
9. Simplicity – the art of maximising the amount of work not done through prioritisation – is essential.
10. The best ideas and solutions will emerge from self-organising teams.

11. At regular intervals, the team reflects on how to become more effective, then tunes and adjusts its behaviour accordingly.
12. Transparent prioritising of projects, products and services based on business benefit.

## **Examples of Agile methodology**

### **Spotify<sup>4,5</sup>**

Spotify, launched in 2008, is a popular music player, known for providing original and limitless collections of music content. It is today a very successful company with 1600 employees. They owe their success to their deeply-rooted agile methodologies and utilisation of Agile Scaling. The strategy is called Spotify Tribe.

The Spotify model is a people-driven, autonomous approach for scaling agile that emphasises the importance of culture and network. It has helped Spotify and other organisations increase innovation and productivity by focusing on autonomy, communication, accountability, and quality.

### **ING<sup>6</sup>**

In the summer of 2015, the Dutch banking group ING embarked on journey shifting its traditional organisation to an agile model. ING had come to the realisation that they were a technology company operating in the financial services business. They needed to emulate the speed, dynamism, and customer centricity of digital players. Their inspiration was not from other banks, but real tech-companies. Comprising about 350 nine-person “squads” in 13 so-called tribes, the new approach at ING has already improved time to market, boosted employee engagement, and increased productivity.

Other well-known and successful companies working agile are Google and Netflix

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<sup>4</sup> <https://www.pmtoday.co.uk/spotify-scaling-agile-model/>

<sup>5</sup> <https://www.atlassian.com/agile/agile-at-scale/spotify>

<sup>6</sup> <https://www.mckinsey.com/industries/financial-services/our-insights/ings-agile-transformation>



## Conclusion

When ING introduced an agile way of working in June 2015, the company was performing well. There was no financial imperative that demanded change. Customer behaviour, however, was rapidly changing in response to new digital distribution channels, and customer expectations were being shaped by digital leaders in other industries, not just banking. ING needed to stop thinking traditionally about product marketing, and start understanding customer journeys in this new omnichannel environment. An agile way of working was the necessary means to deliver that strategy.

Gjensidige is in the same situation. The company is doing well and there is no financial imperative that forces a change of working. However, Gjensidige needs to move on, change the way they work. The task of suggesting a new way of working has fallen on Sigurd Syrdal, Manager, Department for processes and automation. Small companies (a lot of them start-ups) are disrupting the business environment. They are fully digitalised, using cutting edge technology and are totally customer focused. They have an entrepreneurial organisational form and culture. Tech companies (especially the start-ups) are a good example – time to market is essential for success. They work on short-term project in a very flexible way.

### Your task

What is the way forward for Gjensidige, the next step? Sigurd feels that the threat from the disruptive companies can be met by unlocking the power of agile working. The first phase of the transition was launched in 2020. Areas for agile working need to be identified. Time to market, customer value and business value need to improve if Gjensidige is to maintain its position. Sigurd is eager to launch phase two of the transition to more agile working at Gjensidige.

Your task will be to help Sigurd.

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Sigurd is looking forward to receiving your suggestions.

Good luck!