



## Case Study:

# NFU Mutual: Journey into the Unknown...?

## KEY METRICS (2014)

- 900,000 customers
- £1.3B GWP
- 3800 Employees
- 88% COR

## BACKGROUND

Founded by 7 farmers in 1910, today NFU Mutual has over 300 branches nationwide and continues to go from strength to strength. With local agents providing a personalised service for their 900,000 customers, NFUM have a dominant market share and combined operating ratio and retention rates that are the envy of their peers.

The time was right for the business to capitalise on these solid foundations and look at a strategy of growing the business to a wider audience — meaning unfamiliar customers, channels and markets.

A combination of specialist farming products with wide policy coverage provided existing clients exactly what they need. Selling via localised tied agents also appealed to the existing client base as it gave them the personalised service they were familiar with. However, there was a future generation of farmers that also needed to be attracted and NFUM had to develop a farming proposition to appeal to this generation.

## ALTUS ENGAGEMENT

NFUM needed a proven and consistent method of understanding the impacts of potential new propositions on the business, and a way of understanding which areas of the business needed to change in order to deliver them successfully.

Altus has developed a uniquely engineered approach to understanding and visualising what Financial Services companies do, culminating in our iconic one-page view of Business Capability. Using this content, NFUM were able to quickly understand where new propositions would impact their business and focus their efforts accordingly.

Find out more

[www.altus.co.uk](http://www.altus.co.uk)  
+44 (0)1225 438 000  
[enquiries@altus.co.uk](mailto:enquiries@altus.co.uk)

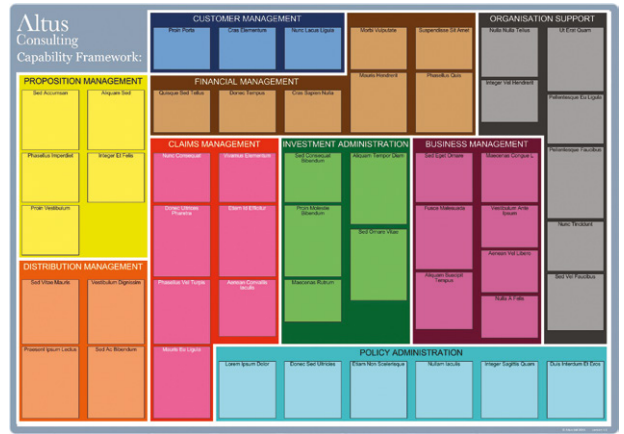


# NFU Mutual

## OFF-THE-SHELF MODEL

Having a ready-made model of a typical General Insurance business and its underlying information flows, makes it much easier to understand the impacts of any changes across a business - be they regulatory, technology, operational or strategic.

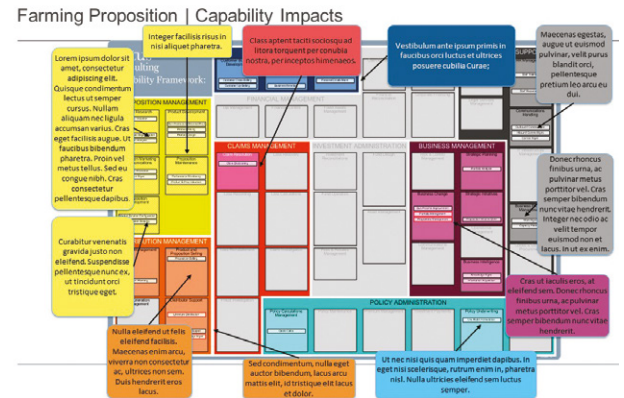
The Altus GI Capability Model formed the backbone of this engagement and was used to test a new proposition that NFUM were looking at from a feasibility perspective i.e. how capable are we of building, selling and administering this new product over time? The new proposition was a step change from existing products, not just in its overall product features but also in that it was to be sold to new customer segments via new channels. The model encompassed all of what the business does and we were quickly able to pull out areas where NFUM needed an uplift in their capability in order to deliver the new proposition.



## IMPACT ANALYSIS

The model is hierarchical, which allowed NFUM to see the appropriate level of detail for the key areas such as Product Development, Channel Management and Claims Investigation when carrying out further analysis. It also allowed us to present back a summary view to senior management, safe in the knowledge we could dig into the detail when required.

A powerful one-page view of where the business would be impacted most by this new proposition was put together, allowing underlying people, process and technology to then be addressed in a more traditional workstream format.



## A MODEL FOR THE FUTURE...

This exercise was not just about testing one new proposition though. Altus put in place a repeatable process for testing future propositions and understanding the impacts across the business.

Alongside this work, NFUM also carried out an exercise to identify which systems supported which capabilities in order to understand the IT impacts of new propositions without having to start from scratch each time.

This was by no means the end of the process though. With dimensions such as strategy, organisation, process and programme/portfolio still to capture, NFUM now have a model that can now drive future change in a consistent and engineered way.

