

Per California Code of Regulations, title 2, section 548.5, the following information will be posted to CalHR's Career Executive Assignment Action Proposals website for 30 calendar days when departments propose new CEA concepts or major revisions to existing CEA concepts. Presence of the department-submitted CEA Action Proposal information on CalHR's website does not indicate CalHR support for the proposal.

A. GENERAL INFORMATION

1. Date

5/25/2016

2. Department

State Compensation Insurance Fund

3. Organizational Placement (Division/Branch/Office Name)

Public Affairs / Marketing

4. CEA Position Title

Vice President, Marketing & Distribution Management

5. Summary of proposed position description and how it relates to the program's mission or purpose. (2-3 sentences)

The Vice President, Marketing and Distribution Management will serve as a strategic leader and policy advisor in the planning, development, implementation and maintenance of all State Fund distribution and marketing strategies, while exercising oversight of the National Client Services program. This role will be responsible for designing strategies and providing management oversight to ensure the effectiveness and efficiency of the distribution plant and the overall health of the Marketing program. This position will interact frequently with other program managers and provide counsel to the executive team to matters related to distribution and marketing strategies and performance.

6. Reports to: (Class Title/Level)

Executive Vice President, Public Affairs / CEA (C)

7. Relationship with Department Director (Select one)

- Member of department's Executive Management Team, and has frequent contact with director on a wide range of department-wide issues.
- Not a member of department's Executive Management Team but has frequent contact with the Executive Management Team on policy issues.

(Explain):

8. Organizational Level (Select one)

- 1st 2nd 3rd 4th 5th (mega departments only - 17,001+ allocated positions)

B. SUMMARY OF REQUEST

9. What are the duties and responsibilities of the CEA position? Be specific and provide examples.

Strategically lead and serve as a policy advisor in the planning, development, implementation and maintenance of the following areas to ensure they align and support the enterprise vision, goals and objectives:

Distribution and Marketing policy role:

- Develop a comprehensive distribution strategy that will enhance State Fund's image, reputation and position in the marketplace and support business strategies.
- Monitor, measure, and manage plant distribution performance and design strategies to improve performance when needed; the plant is all the brokers who are contracted to place business with State Fund.
- Responsible for department and commission expense management.
- Advise executives on go-to-market, customer experience and communication strategies.
- Collaboratively work with Underwriting, Loss Prevention, and Audit on guidelines and strategies within certain industries.
- Oversee market research to understand current and emerging competitive landscape and identify areas of opportunities to influence marketing effectiveness and overall performance outcomes.
- Ensure State Fund's marketing department remains abreast of changing demographics and relevant and emerging issues, in an effort to effectively and strategically evaluate marketing activities.
- Direct and guide State Fund's National Client Services program by having oversight of the business planning and performance management efforts of State Fund's largest brokerages and Access Partners.

B. SUMMARY OF REQUEST (continued)

10. How critical is the program's mission or purpose to the department's mission as a whole? Include a description of the degree to which the program is critical to the department's mission.

- Program is directly related to department's primary mission and is critical to achieving the department's goals.
- Program is indirectly related to department's primary mission.
- Program plays a supporting role in achieving department's mission (i.e., budget, personnel, other admin functions).

Description: This role is critical to several of strategic areas that support State Fund's mission and vision:

1. Deliver a market leading service experience that will enable State Fund to become California's workers' compensation carrier of choice;
2. Provide California businesses with fair pricing; and
3. Build a high performing organization.

In an effort to achieve the above mentioned goal statements the VP, Marketing and Distribution will be accountable and responsible for:

1. Developing, directing and providing administrative guidance over a comprehensive distribution program, which manages brokers, pipelines and risks to ensure plant performance is effective, efficient and valuable.
2. Directing and guiding State Fund's National Client Services program; which works with State Fund's largest brokerages (national clients) and access partners to coordinate services between our regional offices, Corporate Marketing and national clients.
3. Advise State Fund's executive team on strategies around how State Fund goes to market including recommendations for redesigning the customer service experience, managing non-contracted broker business through access programs, compensation and segmentation strategies.
4. Build and maintain strategic relationships with brokers; Brokers currently represent 80% of State Fund's premium.
5. Provide support and training to State Fund field marketing staff to ensure consistency, engagement and retention, to continuously build a high performing organization.

B. SUMMARY OF REQUEST (continued)

11. Describe what has changed that makes this request necessary. Explain how the change justifies the current request. Be specific and provide examples.

State Fund has been unsuccessful in attracting talent with the right skills and experience to manage the above mentioned duties. State Fund's Executive VP, Public Affairs and an external consultant are currently managing these responsibilities and in support of the enterprise goals, mission and vision, it is imperative to attract the appropriate staff member that can drive the marketing and distribution strategy.

In order for State Fund to become California's carrier of choice it is critical that broker management becomes a stronger strategic focus. 80% of State Fund's premium comes through brokers, therefore validating the need to ensure that this program has a dedicated leader that can drive its success.

C. ROLE IN POLICY INFLUENCE

12. Provide 3-5 specific examples of policy areas over which the CEA position will be the principle policy maker. Each example should cite a policy that would have an identifiable impact. Include a description of the statewide impact of the assigned program.

1. Develop vision, strategy and execution of State Fund's distribution strategies (i.e. direct, brokered, small commercial, mid-market, large and specialty business) to ensure they align with the enterprise purpose of being a competitive insurance provider, and becoming California's workers' compensation insurance carrier of choice. In order to do this, the VP, Marketing and Distribution Management will advise the executive committee on the best strategies for acquiring and retaining business. Our effectiveness in the market directly impacts premium writings and operational effectiveness across the enterprise.

2. This position will advise the executive committee on how to best organize our internal structure to meet the needs of our business by segment and how to best manage fixed internal costs as well as variable commission expense. This plays a significant role in our financial results as staffing and commission are significant expenses that make a significant impact on our overall combined ratio and impact our rates.

3. In addition to monitoring internal customer experience, this position is directly responsible for overseeing market research to understand current and emerging competitive landscape and identify areas of opportunities for State Fund to ensure that we are able to respond to evolving market dynamics in order to respond effectively to the needs of California businesses.

C. ROLE IN POLICY INFLUENCE (continued)

13. What is the CEA position's scope and nature of decision-making authority?

The position will develop strategies and policies in Marketing and Distribution Management by:

1. Formulating and directing the execution of a marketing plan that includes enhancing business development and making strategic decisions about how to structure our programs, including areas such as using insurance wholesalers or creating internal service centers.
2. This role will recommend short and long range policy level strategic goals, objectives, performance measures and timelines; set budget management policies regarding the allocation of marketing dollars, and develop the annual budget and expenditure decisions to ensure operation within budgetary restraints.
3. Developing and managing the contract requirements and processes for our broker plant. This position will be responsible to establishing the specific qualifications for establishing a contract with State Fund and managing the process for contract cancellation. Given the large volume of premium, these types of decisions have the potential to significantly impact State Fund's overall business results.
4. Implementing policies around State Fund's Broker Program, which involves broker acquisition and retention. The VP, Marketing and Distribution Management will develop, recommend and implement tactical segmentation strategies that support State Fund's position in the marketplace. This will allow State Fund to manage broker performance effectively and efficiently and design compensation plans that support business plans. These compensation plans, along with developed service strategies, will drive performance and add value or improve performance.
5. Accountable for making decisions based on market trends that influence the type of workers' compensation insurance services that are needed and sought after by current and potential clients. As a result, this will allow state Fund to effectively manage the "book of business" to support fair pricing.
6. As a leader over the National Client Services Program, this role is critical to ensuring that the policies implemented support the coordination of services between State Fund's regional offices, Corporate Marketing and our national clients. This program encompasses our largest brokerages and is vital to ensuring that State Fund optimizes business planning and manages national client performance.
7. Oversee the development of best practices to ensure standards are consistent and executed and become part of the division's culture. These activities include developing and monitoring division budget, tracking appropriations, addressing non-performance/compliance and contract issues and fiscal forecasting.
8. Oversees the development, implementation and monitoring of methodology and data collection for qualitative/quantitative consumer and marketing research projects that are complex in scope.
9. Develops division policies and processes to ensure accuracy, accountability and efficacy and streamlines business practices.

14. Will the CEA position be developing and implementing new policy, or interpreting and implementing existing policy? How?

This position will be responsible for assessing our current distribution plan and making recommendations for ways to improve a wide range of market strategies as described above. They will be responsible for the direct management/implementation of much of the adopted policies.