The Nolan Newsletter

People, Process, and Technology

NOLAN
MANAGEMENT CONSULTANTS

First Quarter 2013 Volume 40, Number 1

NOLAN
MANAGEMENT CONSULTANTS

Nolan is an operations and technology consulting firm specializing in the insurance, healthcare, and banking industries. We help companies redesign processes and apply technology to improve service, quality, productivity, and costs. Our consultants are senior industry experts, each with over 15 years of specialized experience. Visit our Website at **www.renolan.com** to download articles, client success stories, and industry studies.

Through *The Nolan Newsletter*, we share with our readers:

- Updates on industry, business, and technology trends
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REGULATION, RISK, AND RESPONSIBILITY

Regulation is often seen as a costly and oftentimes unnecessary intrusion into the day-to-day activities of a business. For example, when the financial crisis hit, it highlighted inadequate IT and a lack of process controls at a number of large banks. Sarbanes-Oxley was introduced to inject the controls and regulations necessary to “protect” company assets and customers’ well-being. For many companies, it was overkill. SOX departments sprouted up everywhere, with new roles and new rules, and controls meant to adhere to new regulations which probably didn’t truly address the underlying problems. With time, and conscientious analysis, these internal controls have been significantly scaled back with better and more accurate designs to protect company assets and customer information.

Election-year rhetoric brought out a lot from our elected officials about fraud in the Medicare system and how Wall Street and major corporations take advantage of the unknowing public with “shady” business practices. Unfortunately, this rhetoric is often based on limited information that is then used to enact broad brush legislative solutions that don’t address the real problem and create havoc for businesses who are trying to innovate, create more jobs and grow our economy.

Over-regulation happens when the business environment gets lax. As company leaders and industry stewards, we are responsible for developing processes and controls to identify potential risks and to monitor performance trends for potential problems. This requires a deep understanding of the business combined with innovative metrics and monitoring. Today’s predictive analytics give us fantastic tools, but we still need critical thinking to determine “what” to measure and to design the corresponding business processes and management practices.

When government regulates an industry too broadly in an effort to protect consumers from every imaginable scenario, industry and consumers both lose! We owe it to our employees and customers to manage to a higher standard and obviate the trend toward overregulation. ▪

Dennis B. Sullivan

Dennis B. Sullivan
Chairman and CEO

TODAY'S REGULATORY CHANGES: ARE YOU READY?

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External pressures, the regulatory climate, and speed of change are creating unprecedented challenges across the financial services and healthcare industries. The implications and decisions are unique for every company, but the underlying management best practices are the same. We've explored many ideas around this theme in this quarter's Nolan Newsletter, most notably:

- Regulations will continue to layer-in higher costs for business. In order to address the cost of compliance, avoid narrowly-focused approaches. Broaden scope, leverage objective thinking, tools and measures to continually drive out cost while attaining compliance.
- Healthcare reform – including rising cost of care and implementation of health care exchanges are a reality and an imperative for action. Make sure your staff understands the implications. Define the gaps, develop your strategy, and ensure your new business model is ready.
- Regulations are creating complexity and additional costs for all size institutions but will hurt the smaller companies the most and always cost more than planned. Establishing creative methods to anticipate and adapt to regulatory change without raising costs will be essential for small to mid-size companies.
- Predictive analytics and tools can help you keep your finger on the pulse of the business. Leverage those by using critical thinking and design to make them relevant; obviate regulatory overreach by responsibly optimizing and controlling your business.
- Change is constant. Having a durable change enablement framework in place covering process integrity, process curation, change governance, and implementation strategy is essential.

The pace of change around the regulatory environment will not abate. Keep an eye on the big picture and do not allow change to be a distraction. Focus on customers and desired outcomes. From our perspective, taking a fresh look at how your company anticipates and responds to these challenges can result in solutions that make adaptation a routine business practice. ▪

Is Your Organization Ready for Healthcare Insurance Exchanges?

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Whether you're ready for it or not, the implementation date for Health Insurance Exchange is coming.

A change in the industry as fundamental and controversial as HIX is naturally accompanied by confusion about what it will mean, by procrastination from those opposed to the change and by rumors and speculation over when it will actually happen.

The wise course is to ignore the rumors and to stop the procrastination before it starts. Whether Health and Human Services holds to the January 1, 2014 start date or not, HIX is coming. Preparing for it now positions your organization for greater opportunities for success when it arrives. The more your organization understands about HIX and the practical implications it has, the better equipped you will be to define an operational model that positions your company for success.

Preparing for HIX is obviously imperative, but how will you do it? What role will it play in your organization and how are you going to implement it? When an organization faces a change as significant as HIX, it is all too easy to lose sight of the big picture and become so engrossed in the tactical aspects of implementation that the strategic aspects are ignored. However, in order to participate in a HIX you need a clear vision of how it fits with your organization's strategy. The ability to articulate the vision and strategy is key to preparing the organization for the implementation and ongoing support and administration of HIX. You must not only decide how your organization will accommodate HIX, you must also make certain the employees tasked with implementing it understand what needs to be done, and that they have complete "buy-in" to the process.

> *In order to participate in a HIX you need a clear vision of how it fits with your organization's strategy.*

When an organization is embarking on a strategic initiative with the scope of HIX, it's not at all uncommon to find that the majority of the employees don't completely understand what's involved or its degree of importance to the company. They must understand the value it brings to the organization, how it will impact them and an approach for assessing the initiative and identifying what will be required to support it. HIX isn't scheduled to go into effect until 2014, which makes it easy for employees to see it as more theoretical than real. It needs to be seen as real now. If the project feels real, concrete and immediate, the engagement level of team members increases. They begin to think beyond the implementation phase to how they will actually operate and support changes.

A key component that is often overlooked until late in the process is defining the operating model. How will your organization support HIX once it has been implemented?

A key component that is often overlooked until late in the process is defining the operating model. How will your organization support HIX once it has been implemented? Too often, organizations try to absorb a new initiative into their current operating model, mistakenly believing they can adequately support the initiative with minimal staffing and process changes. The result is quite the opposite. Once implemented, organizations find themselves struggling to support the new initiative. They don't have the appropriate processes and skills in place, customers are unhappy, the organization is in a reactive mode, and additional investments are required to restore business to a normal operating cycle. Thus, it is vital to first understand the strategy. How will HIX fit in the company? Is your organization a passive participant, doing only what is necessary to offer your products on the Exchange? Or will you leverage HIX as a way to grow your business?

As with any change the magnitude of HIX, forming a strategy for it and determining how it will fit in your organization seems like an all but insurmountable obstacle when you first look at it. However, there are some practical steps you can take to define your operating model and reduce the work to manageable tasks.

- Map your strategy and HIX requirements to your organization's current capabilities to assess where you stand currently vs. where you need to be.
- Identify the gaps in capabilities and impact to the critical path for HIX in order to establish priorities for closing the gaps.
- Assess your processes to determine if they are robust enough to support the HIX requirements and determine where new processes need to be developed and existing processes need to be remediated.
- Evaluate your staffing models to determine if you have the right skill sets and staffing ratios to support HIX processes.

- Apply this information against your strategy to determine the type of operating model that is going to work best for your organization. The operational model must be able to support your organization’s strategy with the ability to evolve as the industry model for HIX matures over the next few years.

HIX is coming. It's possible it will be pushed back from its 2014 start date, but it is still coming. The only question is if your organization will be ready for it. The advice given above will help your team determine the direction they need to go and identify the right way to get there. Creating a viable operating model early in the process will set the direction for your team, provide a basis and foundation for decision making, and ensure that your organization can successfully execute your HIX strategy. HIX can be a tremendous opportunity, but only if you are ready for it. ▪

“As soon as we solve one problem, another one appears. So let’s keep this problem going for as long as we can!”

Hidden Costs of Compliance Offer New Challenges and a Mandate to Banks Large and Small

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In the wake of the economic downturn in 2007 and 2008, new regulations came into effect for the banking industry. Though these regulations were intended to preserve the health of banks and offer protection to the public, they also represent increased costs to the industry in the form of compliance which could be too great for many institutions to bear.

The full impact of regulation like Dodd-Frank remains to be seen. In its third year of implementation, there is still continued push-back by bankers based on regulatory confusion and fractured supervision of compliance. At current count, the act has resulted in over 8,743 pages of new regulations as existing rules are amended and new ones are appended, creating an ongoing climate of uncertainty as to just what the regulations will require in the future.

It's common wisdom within the banking community that government estimates regarding the cost of compliance usually fall short of the reality. Despite the best intentions of such estimates, the true cost of training, additional steps in work processes, additional employees and compliance reporting are virtually always higher. These costs affect banks of all sizes, but the impact is greater at smaller institutions - those with $1 billion or less in assets - because of a lack of scale in which to spread the costs of compliance, a lack of compliance expertise and the disproportional incremental costs required to comply with new regulations. As an example, until recently many smaller institutions were able to leave compliance as a part-time responsibility in the hands of a single employee. The increasing burden of regulation and the uncertainty that goes hand-in-hand with a constantly revised set of regulations has forced these institutions to go from one employee charged with compliance to a staff of five or more employees whose sole or primary function is to ensure the bank continues to operate within the regulations. The uncertainty that comes with a constantly changing set of regulations has also caused compliance personnel to become increasingly conservative. They are constantly reading the regulations and procedures, conducting compliance audits and identifying perceived problems. Generally they are paid to find problems and the fear of - and threat of - regulatory fines has cowed many organizations into doing whatever compliance tells them. The implementation impacts are rarely coupled with a reasonable estimate of the ramifications to cost.

Given the historically low interest rates and squeeze on net interest margins that have made operating costs more important than ever in the industry, the heightened cost of compliance is a significant problem. In a recent survey by Ellie Mae (a provider for automated solutions for the residential mortgage industry) 51% of community bank executives said compliance with Dodd-Frank, Truth-in-Lending and the Consumer Financial Protection Bureau is their most significant challenge.

The banking industry is clearly beginning to recover from the dark days of the economic downturn that saw some 400 banks fail between 2008 and 2011. Still, a key factor in the prosperity of banking institutions is scale, with organizations of $2-10 billion in assets enjoying an efficiency ratio some 7% less than their smaller cousins with assets of $1 billion or less. Greater institutional size also usually indicates an enhanced ability to correctly interpret and implement the new processes and additional data requirements that come from new - and rapidly changing - regulation.

Often new steps to ensure compliance are hung on to old processes as a stop-gap measure that may not be the most efficient way to handle them in the long term. Regulations can't always be accurately explained by compliance staff, leaving operations areas to interpret the changes. This results in Training meetings to implement the rules. We also see managers, supervisors and employees having varying interpretations of new regulations, within the same bank.

A bank must find a way to adapt and thrive with these new regulations. As the requirements for compliance and their related costs continue to escalate, some areas of an organization can lag behind others and cling to a modified version of old processes that are inefficient and prone to error. Understanding the true cost of regulations and having the ability to focus on limiting those costs while still being compliant will enable organizations to improve their financial performance and the experience of their customers. It is critical that banks examine each new regulation and weigh the alternative options by which they can comply. This examination must be part of any redesign efforts that many banks are conducting in 2013 to find avenues for performance improvement. It is essential to be proactive in finding the most effective ways to evaluate and adjust to the rising costs of new regulations, either from within or with the assistance of outside consultants who have the advantage of experience and insights continuously working on performance improvement. ▪

Compliance Driven Change: An Opportunity for Optimization

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Delivering shareholder returns in today's low interest rate economy requires a great deal more than strong leadership, good products, focused marketing and continuous operations improvements. Innovation has become a prevalent theme, as has transformation, with industry pundits proclaiming the need for game-changing leaps forward. As proactive leaders struggle to find and implement these game-changers, new or revised regulatory and compliance changes demand immediate attention and sometimes overpower the benefits of improvements realized elsewhere. Consider the following list of pending and "hot" compliance related changes that will drive structural change, capital investments and costs over time:

- Dodd-Frank (FIO oversight and bank affiliations)
- Suitability (amplified review of variable annuities)
- Solvency II (maybe 2014) and IFRS (limited progress)
- Principle Based Reserves (administration and systems impact)
- AG38 (new product impact on secondary guarantees and long term death benefits)
- NFO and Cash Value pricing (sustained low rates below pricing guarantees)
- RMORSA (new operational risk management framework and reporting by 2015)
- FATCA (for companies involved with foreign based parent companies or subsidiaries)

The list represents only some of the changes heading towards the insurance industry, yet the impact of each could be dramatic. Financial reporting is affected along with products, systems, distribution and operations. And if the rollout process is consistent with the past, definitions will undergo revisions up until the last moment, leading to a rush to comply.

Consider one of the decades more well-known, and controversial, regulations: Sarbanes-Oxley (SOX). When SOX was first being implemented, insurance operated at better interest rates and a larger margin than today. This left room for absorbing some of the inherent redundancies and additional layers of control that had to be put in place to comply. Companies engaged in reviews, set up parallel units, put in additional check points, and then audited themselves to ensure compliance. As the industry now attempts to address the aforementioned changes in a much tighter economic environment, a look back at SOX provides an early warning of difficulties:

- Research published by University of Rochester's Ivy Xiying Zhang estimates SOX's net private cost at $1.4 trillion.
- An FEI study indicated that companies complying with SOX ended up paying on average $2.4 million more for audits.
- A number of non-American competitive companies delisted from the American Stock Exchange due to SOX costs.
- According to Protiviti, by year 4, most companies are spending $100k to $500k more per year in compliance costs.
- Most companies significantly reduced SOX-based process and entity level controls by 2011, showing wasted effort.
- Approximately ½ of all companies implementing SOX believed that the costs outweighed the benefits.

Most importantly, despite all the care and planning companies invested in implementing SOX, hindsight reviews have disclosed a number of opportunities for process improvement, organizational optimization, and quality enhancement. Unfortunately, the discovery of inefficiencies comes several years after the implementation.

The net result is that the inefficiencies created in implementing SOX now represent opportunities to reduce costs by optimizing processes. The typical approach is usually fragmented by business or functional area with each doing their piece;

- Drafting up future requirements,
- Reviewing with a team (here usually management),
- Implementing changes as possible and
- Creating "top priority" systems tickets for technical changes.

The above would occur separately in each business area with rarely an enterprise level holistic view. Wouldn't the better approach be to design the optimal process as part of the implementation? Especially given the tight margins, limited capital and drive for profitability?

That has proven to be the case for a number of our clients. In assisting with fast-paced operational change driven by external factors like regulatory changes, competitive pressures, or market shifts, the most successful results have been achieved using a blending of Lean Six Sigma Optimization (LSSO) with Operations Team Workshops and Value Analysis. Using these blended practices to create a plan to drive "once and done" compliance implementations results in the following outline of key tasks:

1. Evaluate across the enterprise all of the business areas impacted.
2. Clearly define the requirements by impacted area.
3. Map out current state processes for each impacted business area.
4. Integrate additional requirements into the present state maps to create a conceptual compliant process model.
5. Conduct workshops with front line staff to determine value added by each step.
6. Draft optimized future process
7. Review and Refine future processes with workshop team
8. Develop an implementation plan weighing near term, smaller deliveries over larger ones where possible.

There are major advantages to this approach. It provides an enterprise view of the required changes and helps to prioritize resources across the project areas for expertise reusability. As it is designed to be collaborative, experienced front line staff drive process reviews. Process optimization is incorporated into the process review and change from the beginning. Finally, it allows for developing expertise with new processes and with basis for changes with front line staff.

If you are interested in best practices for rapid operational implementations along with some case examples, please feel free to drop me a line (Steve_Callahan@renolan.com). ▪

Read Steve Callahan's analysis of what 2013 holds in store for the life insurance industry in the January 2013 issue of LOMA Resource magazine. The article is online at www.loma.org/research/resource.aspx.

Healthcare Change is at Historic Highs: How will Your Organization Adapt?

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Adapt or die. So Charles Darwin wrote, and any shrewd businessperson knows it applies to companies as surely as it does to plants and animals. This is most evident in Silicon Valley, where a company's ability to embrace change can be the difference between an astronomical market cap and being a cautionary tale. For industries such as High Tech, change is written into their DNA; it is a part of their culture and thus can be managed effectively.

For companies in more established industries such as Healthcare, the approach to managing change looks very different. The Healthcare industry, like any other established industry, experiences a steady pace of change, but the periods of extraordinary transformation are not constant or even common. These companies often develop an internal change management capability and then create a dedicated infrastructure for each major change initiative. This provides a dramatic improvement over treating each major change as a one-off event.

However, in the wake of the sour economy and sweeping healthcare reforms, change is coming faster and faster, and there will be a steady diet of it for the foreseeable future; the more measured pace of change is, well, changing. Those companies that are just now experiencing a heightened, sustained rate of business change may not have the luxury of emulating the progressive change culture of Silicon Valley. They are accustomed to a slow, incremental pace, a pace that is ill-equipped to handle the turbulence of the sea change that is just beginning. There is no time to adapt the company's culture, as it can take years to alter a corporate culture - years of excessive costs, effort and risks.

Faced with this dilemma, of accommodating a torrent of change in a corporate culture not built to do so, how will Healthcare companies adapt? The most pragmatic, and ultimately successful, approach is to set up a framework that can handle whatever change is coming. With the proper framework in place, it won't take heroic efforts to manage transformations; it becomes a matter of course. Such a framework should itself be flexible. If it is overly defined or standardized, that would defy the purpose and the spirit. The target framework will be different in each instance, but the solution should adhere to four basic principles.

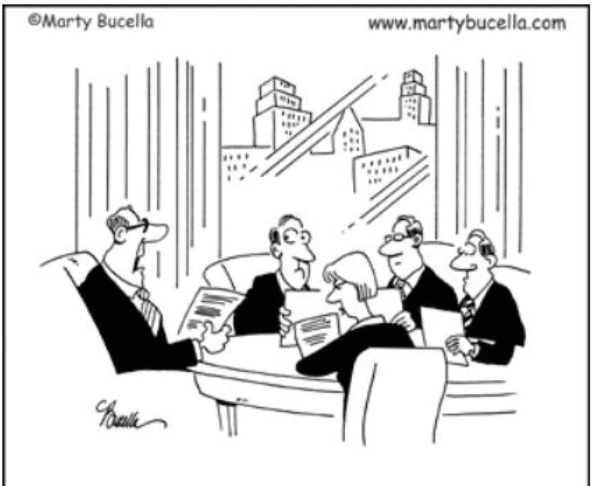
Process Integrity. Establish a methodology and governance for accommodating change in your organization. It should be economical, intuitive and simple to implement and maintain. It should include focus on defining the level of business process maturity needed for each obstacle - those areas of business that remain steady require less attention than those undergoing a significant change.

Process Curation. Policies & Procedures address the challenge of keeping documentation updated and available. Tools, whether enterprise-level or point solutions, help keep business process information consistent and accessible.

Change Governance. A good project can go bad with poor management. This stage ensures the ramifications of the change requirements are fully understood within the organization, that business updates are designed appropriately and that those updates are converted into operational capabilities.

Implementation Strategy. Once an organization understands the changes needed and how to react in order to incorporate them, how can the organization actually make it work? This stage oversees the integration of additional or refined practices into the organization.

If your change enablement strategy is going to deliver benefits, it should be able to be developed and deployed in a relatively short amount of time. Having the right model in place enhances an organization's capacity to sustain a program of change across time and throughout an ever-shifting number of operational changes. Not only will this approach deliver solid benefits, it will also keep the company in the game ... and not just another cautionary tale. ▪



"Once we adapt to these new changes, further changes will need to be made."

Compliance Provides Opportunities for Financial Organizations of $2-10 Billion

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The last few years of uncertainty in the economy, both nationally and globally, have led to the creation of new, far-reaching reforms that carry with them additional burdens for the banking industry. From Dodd-Frank to Basel III, these new regulations result in an increase of time and cost spent ensuring compliance, both of which are proportionally greater for smaller institutions. This environment creates an opportunity for larger financial organizations to acquire their smaller competitors.

There are some 6,700 banks and thrifts in the United States with assets of $1 billion or less. These smaller institutions are under increasing pressure to be able to satisfy the regulatory requirements of recent legislation, as they lack the scale to be able to spread the cost of compliance. Until recently, smaller institutions have been able to get by with a few employees acting in a compliance capacity, but new regulations bring with them new burdens in time and cost, and many of those banks who may have had a single individual ensuring compliance now have full-time staffs of six to ten employees.

Larger scale is an underlying factor of significant advantage for institutions of $2 billion or more in assets. There is a natural break in efficiency ratio for banks of $2-10 billion averaging 67-62%, while the efficiency ratios for banks of $1 billion or less average 74-69%. The strong correlation between efficiency ratio and institutional size is clear.

Compounding the greater costs is the increased accountability executives bear for compliance.

Compounding the greater costs is the increased accountability executives bear for compliance. Although it has been in effect for 10 years now, the personal liability aspects of Sarbanes-Oxley are still being felt across all banks, but most particularly the smaller institutions, whose employees are charged with ensuring compliance yet they may not equal those of larger banks in terms of resources, education or expertise. Moreover, the long-term effects of Dodd-Frank remain uncertain. In its third year now, the legislation is still being changed and revised, and the ABA estimates the list of regulations contained within it will grow from its current 2,300 pages to as much as 5,000 pages, which in turn will only increase the pressure on smaller institutions.

Mergers and acquisitions in the industry reached their peak in 2007, only to fall off dramatically along with the economy. However, even with slow to moderate economic growth, M&A activity will likely heat up again in the next few years. Core earnings have typically been the most significant enabler of M&A. Reduced expenses for loan losses and rising noninterest income helped lift insured institutions' earnings to $37.6 billion in third quarter 2012. This quarterly net income represents a $2.3 billion (6.6 percent) improvement over third quarter 2011, and is the highest quarterly total reported by the industry since third quarter 2006.

The added regulations and their impact on institutions, from increased compliance cost to executive concern over accountability to simple fatigue of the boards of smaller institutions, may become a significant driver encouraging consolidation and enticing small organizations to pursue acquisition.

Larger organizations should be mindful of the opportunities the current climate presents. By leveraging the advantages that come with their size, they are more easily able to focus on and absorb the costs of compliance and business in today's world, while positioning themselves to expand their scope and strength through the acquisition of smaller institutions that are, quite simply, under extreme pressure on their own. ▪

"It's the first step in the M&A Process."

Stephen Connor Joins The Nolan Company

The Nolan Company is pleased to welcome Stephen Connor to our healthcare practice as Vice President. Stephen is an accomplished senior executive with more than 20 years of management consulting experience in the healthcare, insurance, and life sciences industries. With strengths in alignment of business and IT, IT strategy, business blueprints, post-merger integration, and governance, Stephen is a trusted advisor to industry senior executives who are grappling with revenue threats, regulatory challenges, and opportunities afforded by healthcare market shifts.

Prior to joining Nolan, Stephen was Senior Managing Partner, Healthcare for Gartner where he managed their Healthcare vertical covering commercial payors, providers, and life science companies. Among the companies Stephen has worked with are UnitedHealth Group, Aetna, Humana, Cigna Healthcare, CareFirst, Blue Shield of California, Regence BlueCross BlueShield, and Florida Blue.

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First, Fly the Airplane

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Anyone who has been certified to fly airplanes has received many hours of training on how to react if and when something seriously goes wrong. The first rule, ideally, is, "first, fly the airplane." When a door unexpectedly pops open on take off, or the engine stops working a mile or more above ground, it is natural to focus all attention immediately on the problem. But that only makes a bad situation worse. If the pilot loses control of the airplane while addressing the problem, the chance to achieve the ultimate goal, a safe landing, drops significantly.

This concept of "first, fly the airplane," is useful as insurance companies, health plans and banks face what pundits like to call "headwinds." The increasingly complex regulatory environment, as well the prospect of increased taxes, and the continued sluggishness of the economic recovery, just to name a few of the challenges, makes it important to assess both the short and long term impacts on your organization, and prepare a plan of action to address them. However, while that is going on, organizational leadership teams cannot allow themselves to take their focus away from running the business.

Distribution channels must still be supported, customers must still be served, information systems require ongoing improvements, processes must be streamlined, and costs must be controlled. In fact, increasing the diligence in attending to these daily priorities can help mitigate the negative impacts of today's difficult operating environment. Past experiences have given many examples of this fact. In one case, due to their state of domicile seeking new revenue, a company faced a significant increase in their premium tax bill. However, they found an off-setting amount of cost reductions detailed in a previously prepared assessment report.

Just as pilots are trained to sharpen their focus on flying the airplane and then assessing how to mitigate the potential damage of a problem, organizations should step up their efforts to mitigate "the higher cost of doing business" that regulations and environmental complexity almost always generate. Leaders can do this by streamlining processes, improving systems, and assuring the customer experience is not negatively impacted by changes seemingly out of their control. ▪

Sign Up Now for the Nolan Bank Performance Study

The Nolan Company offers all banks and financial institutions with more than $900 million in assets the opportunity to participate in our annual Bank Performance Study. This comprehensive analysis, which is unlike any other, provides results in comparative, line-of-business measures that help participating organizations identify gaps in income, expenses, staffing, and productivity.

The study is organized into 80 distinct functional areas and lines of business and provides comparisons of your bank to: the top-quartile (benchmark) participants; the averages of all participants; and the medians for all participants. More than 700 performance ratios are calculated and a tailored results report is developed for your organization. Best of all, there is no fee for participation.

What You Can Expect

The analysis identifies gaps in performance by quantifying specific areas where the greatest opportunities for improvement exist. Nolan's unique approach ensures that each bank comprehensively accounts for its income, expenses, staff (full- and part-time), operational transactions, balance sheet items, and activities related to each line of business. In this way, a directional view can be developed to determine the underlying reasons for performance gaps. The comparisons are organized in pools, which maintain participant confidentiality while providing granular analysis of performance gaps.

Identify Performance Gaps

Each participating organization will receive:

- A management summary identifying the areas with the greatest opportunity for bottom-line improvement;
- A detailed report that prioritizes the opportunities by total organization and within each line of business;
- Charts for each of the 700+ detailed measures with comparison to benchmark, median, and mean averages; and
- For consecutive-year participants, year-over-year comparative data is also available.

Registration is now open, and we encourage you to sign up today. Don't miss out on this valuable opportunity when planning for operational changes within your bank or financial institution.

To register for Nolan's 2013 Bank Performance Study and view a sample of the output that participants receive, go to **www.bankbenchmarks.com**. ▪

Registration Deadline: March 29, 2013

Conference News: PCI Executive Roundtable

As part of our sponsorship of this annual event, Nolan hosted a tailgate-themed cocktail reception on Sunday evening, centered on the NFC football playoff game. At the end of the game, Nolan conducted a drawing and this year's grand prize included a donation of $1000 to the winner's designated charity.

Dennis Sullivan was please to present the prize this year to Scott J. Bojczuk, EVP & General Counsel, Direct General Corporation. Scott chose to split the donation between two organizations: St Jude's Research Hospital and Hope House International. We congratulate Scott and are pleased to have been a part of contributing to these very worthy organizations.

> ***St. Jude Children's Research Hospital*** *is internationally recognized for its pioneering research and treatment of children with cancer and other catastrophic diseases. Ranked one of the best pediatric cancer hospitals in the country, St. Jude is the first and only National Cancer Institute-designated Comprehensive Cancer Center devoted solely to children.*
>
> ***HopeHouse International*** *exists so that Orphans in Ukraine can become adopted within their country by loving families. Adequate housing is a barrier for most citizens, and it is a government prerequisite for adoption. HopeHouse International enables adoptions by addressing adequate housing needs which result in three or more children being given a family and a future. HopeHouse International is a 501(c)(3) non-profit organization.*

Upcoming Events

LIMRA Distribution Conference | February 20-22 | Orlando, FL
Nolan Executive Vice President Steve Discher and Practice Director Steve Callahan will attend the 2013 LIMRA Distribution Conference in Orlando. Nolan is pleased to be a sponsor of this event that will be held at The Peabody Hotel – limra.com/events

ACORD LOMA Insurance Systems Forum | May 6-8 | Las Vegas, NV
Practice Director Steve Callahan is a session presenter for this event in Las Vegas at the MGM Grand – loma.org

IASA Annual Conference | June 2-5 | Washington, DC
Nolan is honored to again be the keynote sponsor, a roundtable sponsor, and session presenter at the IASA annual conference. This year's event will be held at the Gaylord National in Washington, DC – renolan.com/iasa2013

AHIP Institute | June 12-14 | Las Vegas, NV
Nolan is a sponsor and exhibitor at the annual Institute conference to be held at the Wynn Las Vegas/Encore – ahip.org

AHIP Exchange Conference | June 12 | Las Vegas, NV
Nolan is pleased to be a sponsor for this event held at the Wynn Las Vegas/Encore. Practice Director Mary Hood will be a session speaker on Healthcare Exchanges – ahip.org

America's Claims Event | June 19-21 | Austin, TX
Michael Murdock, Nolan Senior Consultant, will present on controlling claims costs at this event being held at the Hilton Hotel in Austin – americasclaimsevent.com

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