INNOLEAD IMPACT CONFERENCE

Building Strategy and Innovation Capabilities

...at a 198-Year-Old Insurance Carrier

Andrew Morse | AVP of Innovation, The Andover Companies

THE ANDOVER COMPANIES

FOUNDED

1826 — 198 years in operation

STRUCTURE

Mutual — owned by policyholders

DISTRIBUTION

Exclusively through independent agents

STATES

MA, NH, ME, RI, CT, NY, NJ, IL

EMPLOYEES

340

TOTAL ASSETS

$4.5B+

ANDREW MORSE

AVP of Innovation
The Andover Companies

- Leads innovation for a 198-year-old mutual carrier
- Collaborates across all levels — from individual contributors to the Board of Directors
- Focused on building durable innovation capabilities, not just projects

BUILDING THE CAPABILITY

WHERE WE STARTED

- Team of 2
- No innovation process
- No strategic foresight capability
- No annual planning process at Andover
- "What does innovation even do?"
- Outside-in model: scan the horizon, bring ideas back

WHERE WE ARE NOW

- Team of 5
- Award-winning innovation process
- Strategic foresight embedded in the team
- Annual planning process established
- Involved in Andover's most important initiatives
- Inside-out model: solve core problems, earn the right to look to the horizon

OUR ORIGINAL VISION

"Innovation as a standalone entity - scanning the horizon for transformational opportunity."

1 OUTSIDE-IN TRANSFORMATION

Scan beyond insurance, identify horizon 3 opportunities, and bring them back to Andover to execute.

2 HORIZON 3 FOCUS

Prioritize transformational, future-state opportunities — not incremental improvement to today's business.

3 ALL 4 CAPABILITIES, DAY ONE

1. Strategic Foresight
2. Human-Centered Design
3. Culture of Innovation
4. Venture Capital / Solution Scouting

REALITY

The Pivot

Insurance is difficult to begin with — and there was more than enough value in solving today's problems well.

We took an inside-out approach: partner closely with Andover's business units, focus on core innovation, and solve their real, current-day problems and opportunities.

One capability at a time — starting where we were needed most.

BUILDING ONE CAPABILITY AT A TIME

1. **Human-Centered Design**
   Started here — needed most for partnering with business units
2. **Culture of Innovation**
   Scaled by teaching, not doing in a silo
3. **Venture / Solution Scouting**
   External perspective once internal trust was built
4. **Strategic Foresight**
   Earned — not assumed

STEP 1

Quick Wins & Communication

1 Get to Work

Once we understood their problems, we focused on solving them — quickly and visibly.

2 The Communication Tour

Made ourselves known to every business unit — walked through our vision and listened to their needs.

3 Our Definition of Innovation

"Something different that creates value." (Adopted from Innosight.) Simple enough to remember. Broad enough to matter.

DISCUSSION

How did your team first introduce itself to the broader organization (and how were you received)?

LESSON LEARNED Innovation must earn its keep.

CAPABILITY FOCUS Human-Centered Design · Culture of Innovation

STEP 2

Building Culture

1 From "a company with an innovation team" to "an innovative company"

Scaling innovation meant involving people across the organization - not doing it for them.

2 Innovation Challenges & Rotational Program

We created structured ways for colleagues to experience and contribute to innovation work.

3 No Silos

We involved business unit colleagues at every step of our projects - they shaped the work, not just reviewed it.

DISCUSSION

What has worked best at your organization to spread an innovation mindset beyond the core team?

LESSON LEARNED Innovation cannot exist in a silo.

CAPABILITY FOCUS Culture of Innovation

STEP 3

Outside Perspective

1 Looking Beyond Andover's Walls

Once we had established what innovation meant at Andover, we needed to make sure we weren't solving problems in a vacuum.

2 Insurtech VC Partnership

We partnered with an insurtech-focused VC fund to scout potential solutions — rather than trying to build everything in-house.

3 Peer Networking

Began connecting with innovation leaders at other organizations to share our story and learn their approaches. This community became a genuine source of insight.

DISCUSSION

How does your team bring outside perspective in?

LESSON LEARNED We cannot (and should not) do it all ourselves.

CAPABILITY FOCUS Venture Capital / Solution Scouting

STEP 4

Organizational Infrastructure

1 The Problem

Successful initiatives — but inconsistent execution. Finite resources weren't always on the most important work.

2 Annual Planning & Organizational Roadmap

We created a multi-year roadmap prioritized across all areas of the company, with locked resource allocations for the highest-priority initiatives.

3 Innovation Roadmap Followed

With a clear organizational roadmap in place, we could develop our own innovation roadmap with confidence — aligned to what actually mattered.

DISCUSSION

How have you found success executing innovation initiatives at your organization?

LESSON LEARNED Don't overlook the opportunity to build organizational capabilities.

CAPABILITY FOCUS Human-Centered Design · Culture of Innovation · Strategic Foresight

STEP 5

Strategic Foresight

1 Foresight-Led Planning Workshops

Innovation began leading planning sessions where we helped business units scan the horizon and plan backward — identifying what should be prioritized 3 – 5 years out

2 A Formalized Foresight Role

We established a dedicated strategic foresight function within the team to continuously scan for trends, bring insights back, and drive prioritization.

3 Planning as a Continuous Practice

Strategy development shifted from an annual exercise to a constant, embedded capability — always on, not once a year.

DISCUSSION

How does your organization connect strategic research to actual planning decisions - not just presentations?

LESSON LEARNED You have to earn access to the horizon.

CAPABILITY FOCUS Strategic Foresight

LOOKING BACK

We thought we'd build new businesses.
What we actually built were new capabilities for the business we already had.

ORGANIZATIONAL CAPABILITIES WE BUILT FOR ANDOVER

UX Design

Human-centered product and experience design

Ethnographic Research

Deep qualitative research with real users

Annual Planning

Multi-year organizational roadmap and resource alignment

Strategic Foresight

Continuous horizon scanning and trend integration

Process Redesign

Reimagining how the core business works

AI Task Force

Coordinated approach to AI evaluation and adoption

KEY TAKEAWAYS

1. Start with the problems that matter to the business — credibility is earned, not assumed.
2. Define innovation simply. "Something different that creates value" beats a complex framework.
3. Build one capability at a time. Trying to build everything at once builds nothing well.
4. Don't silo the work. Involve the business in every step — they become your advocates.
5. Innovation teams can build organizational capabilities, not just new products. Don't miss that opportunity.
6. Patience is a strategy. Some capabilities (like foresight) have to be earned — not launched.

Let's keep the conversation going | amorse@andovercos.com