



Allstate[®]
You're in good hands.

PUSHING THE INNOVATION PEDAL

in a conservative industry

Rev 2 2019

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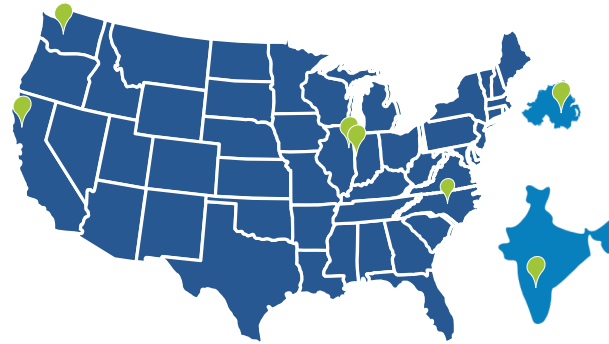
Data Science at Allstate



- Founded in 1931
- Serving approximately 16 million households
- Approximately 58,000 professionals made up of employees, agency owners and staff
- Our slogan: "You're In Good Hands With Allstate®."

Data, Discover and Decision Science (D3)

- Centralized data and analytics function comprised of 300+ professionals
- We strive to embed data and analytics into every facet of Allstate
- **Each day**, Allstate uses analytic models to create **millions** of targeted digital media impressions, process **tens of thousands** of claims, produce **tens of thousands** of quotes, and predict **thousands** of decision making actions across the corporation.



We have experts across **seven locations**:
Bangalore - Belfast - Charlotte - Chicago Northbrook - Seattle - Silicon Valley





Innovation to us is leveraging data and analytics to transform how our company does business

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While the Pace of Change is Rapid, Large and Conservative Companies Don't Change Very Quickly

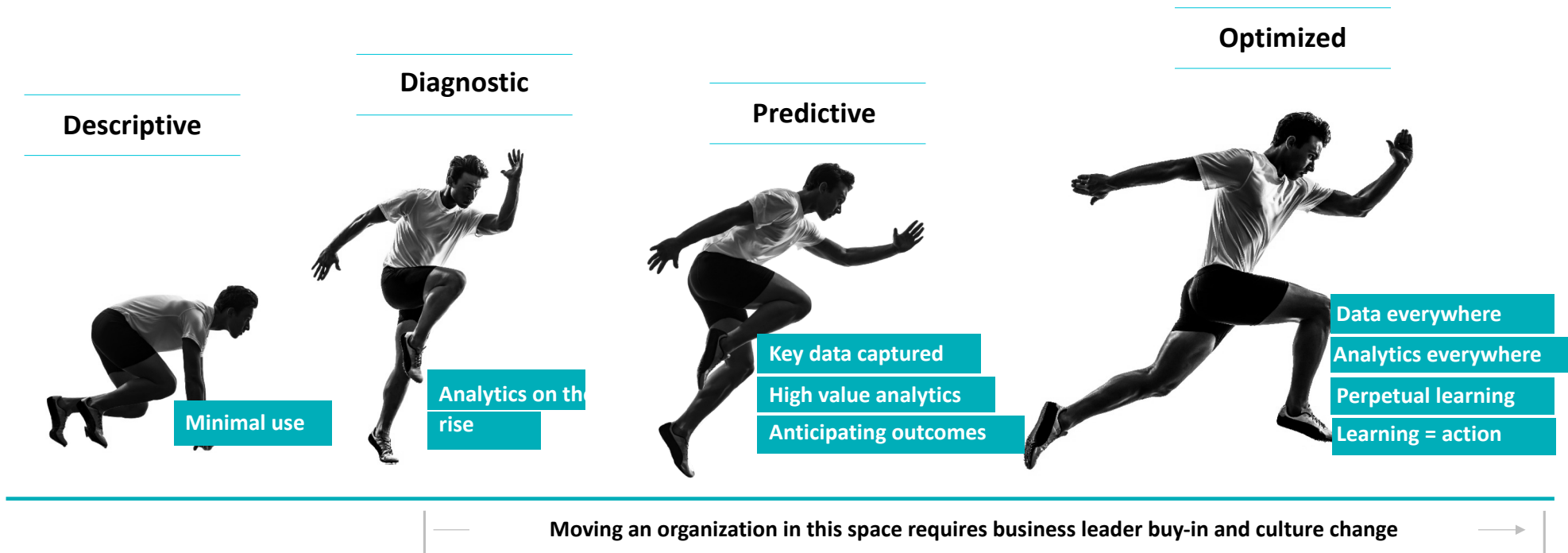
It's costly. On average, the cost of launching a new product is around \$15 million.

It's risky, and there's not a great enough sense of urgency to outweigh those risks.

It takes time to time to innovate, corporate teams are incentivized to meet near-term goals.

It forces leaders to abandon long-held beliefs, change the status quo and their culture

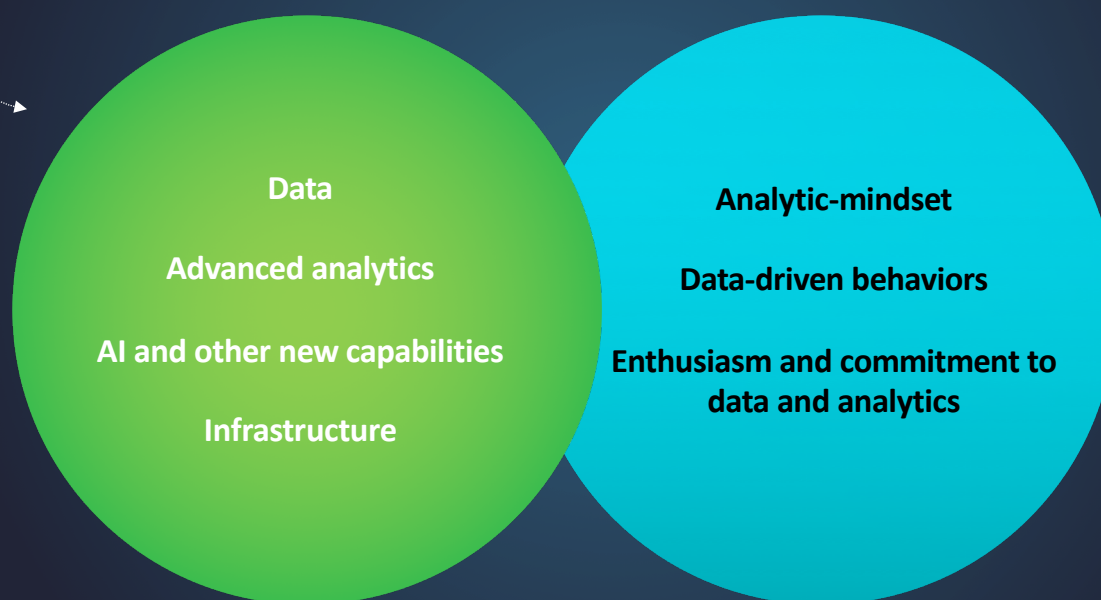
Pushing a Company Along the Analytics Maturity Curve Takes Time and Attention



How to Do it? Focus Equally on What You Can Control and What You Can Influence

WHAT YOU CAN CONTROL

WHAT YOU MUST INFLUENCE



What You Can Control: Building a Foundation of Data and Analytics Capabilities

THE DATA

CAPTURE ALL DATA

ORGANIZE AND INTEGRATE
WITH MDMs

ENSURE ITS MANAGED AND
GOVERNED

THE ANALYTICS

BUILD A DIVERSE SET OF
ANALYTIC TOOLS

INVEST IN AI

ESTABLISH ROBUST TEST AND
LEARN CAPABILITIES

THE INFRASTRUCTURE

BUILD DELIVERY PLATFORMS

EMBED SELF-LEARNING

INTEGRATE WITH FRONT-END
SYSTEMS



Strong data foundation – everything is captured, everything is stored



Predictive and prescriptive analytic modeling



Infrastructure to deliver insights



In-house data and analytic talent



What You Must Influence: The Resistance to Change



“This is different from how we’ve always done it”

“This insight can’t be right, it goes against what we’ve always known to be true”

“I’m the leader of my team, I know what’s best for my business unit”

“I don’t need you to focus on this larger problem, I just need data to back up this decision.”



8 Strategies to Push Innovation and Drive a Culture of Analytics



Allstate Insurance Company

<Publ9 Information

STRATEGY 1:

Develop business and soft skills. Speak the language of the business.

A man in a dark suit is seen from the back, gesturing with his right hand while speaking to a blurred audience in a conference room. A teal text box is overlaid on the right side of the image.

**EX: INVEST IN TRAINING AND SUPPORT STAFF THAT CAN HELP TEAMS
TRANSLATE THE TECHNICAL INTO SIMPLE AND COMPELLING STORIES.**

STRATEGY 2:

Make the business strategy the analytics strategy.



Ex: CO-CREATE VISION, PLANS AND ROADMAPS TO
ENSURE BUSINESS ADOPTION AND SUPPORT

STRATEGY 3:

Make sure your team has a seat at the table. Integrate them into the business.



Ex: ALIGN ANALYTIC TEAMS WITH THE BUSINESS, AND APPOINT LEADERS TO BE A PART OF SENIOR LEADERSHIP DISCUSSIONS

STRATEGY 4:

Institutionalize analytics by going after operational processes.

EX: FIND OPPORTUNITIES TO INTEGRATE ANALYTICS INTO PROCESSES – MAKING ANALYTICS NO LONGER OPTIONAL BUT JUST HOW YOU DO BUSINESS

STRATEGY 5:

Measure business value.



**EX: QUANTIFY THE VALUE AND TIE SPECIFIC ANALYTICS
INITIATIVES TO BUSINESS OUTCOMES AND RESULTS**

STRATEGY 6:

Build products not models.

EX: UNDERSTAND WHAT BUSINESS AREAS WILL NEED BEYOND JUST THE ANALYTICS – HELP SUPPORT THE FULL IMPLEMENTATION.



STRATEGY 7:

Train in small groups and build advocates for analytics.



STRATEGY 8:

Educate leadership and make them feel on the leading edge of this space.



**EX: BRING IN DATA AND ANALYTIC THOUGHT LEADERS TO WORK
WITH AND ENGAGE BUSINESS LEADERS ON EMERGING TRENDS**

The Importance of a Purpose-Driven Data and Analytics Team - Allstate Case Study



An Engaged Data and Analytics Team Will Accelerate Progress Toward Company-wide Culture Change

Key Actions:

- Rebranded the department – good for the team, powerful presence with enterprise
- Expanded hiring beyond data scientists (communicators, project managers, etc.)
- Developed department credo
- Continually investing in ongoing development
- Honoring a unique culture
- Ensuring work has purpose and is of high value

