

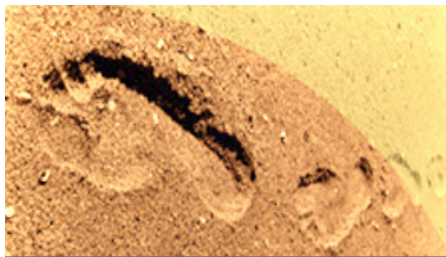


# Building The Brand



*Mark Tucker, Managing Director*

Learning from the strategic corporate mind set which he had absorbed from time spent with Prudential's new CEO, Mr. Tucker set about a strategic thinking process which was designed to bring about significant and rapid change. "What we didn't want to do was hire someone to come and tell us how to run our business. That was not what we needed. We have talented people, some who have been here in the region for as long as 20 years and have a good understanding of our business. We didn't need someone else to come in and tell us how to do it," Mr. Tucker says.



"What we did need was a process by which we could think strategically and which would develop a commonality, a cohesion across the countries." The task was not merely one of corporate restructure but of a huge shift in corporate loyalties and cultures, particularly within the competitive insurance industry environment.

"What we were faced with were a number of local businesses each focusing on their own country needs. There was no conformity, no commonality of language, no shared set of values."

"Everyone was doing strategy in their own way and there was no cross-fertilisation, no synergy," says Mr Tucker. Adopting the 'top-down' approach of his global CEO, Mr Tucker decided to bring together the regional Prudential team of directors and the key executives from Hong Kong, Singapore and Malaysia. The Strategic Thinking Group was called in to help. In total, almost 50 people were involved in the development of the strategy in a process which started in 1994.

"Each country manager contributed to the formulation of the vision and the strategy and is now working towards common goals. Now, each country operation knows the boundaries or parameters within which it should move forward," Mr Tucker says. The foundations have now been laid for the ongoing review and implementation of the plan. In its first full year of operation under the new strategic plan, Prudential Corporation Asia expanded into four new countries, doubled profits, increased annual premium sales by 40 per cent and brought in gross revenue premiums of £249 million.

Mr Tucker says while the strategic thinking process was an important catalyst for these achievements, the calibre of those in the Prudential family across the region has been a significant factor in the company's success.

"We have some excellent people around the region who dictate the culture and the working environment in each operation." "We wanted to get them to think regionally in all that they do and the process helped bring that about," Mr Tucker says.



In addition to strengthening individual country operations, the process also looked at regional expansion opportunities; critical if the region were to meet the goals of head office.

"By looking at the business environment and identifying the characteristics of the markets we wanted to enter rather than the countries themselves, we were able to use the process to meet our expansion objectives." Last year, Prudential opened representative offices in Beijing, Shanghai, Guangzhou and Hanoi. While Vietnam may seem to be an odd bedfellow with the China market, a closer examination of the environment - a history of insurance, education, the mortality rate, a strong Chinese business community and savings ratios - reveals a common characteristic across all new markets.

Mr Tucker says it is the consistency and rationale behind the decision-making process which ensures a strategic approach to opportunities. "Things got done in the past and certainly we got reasonable business but we needed this strategic thinking process in order to make the quantum leap required to meet our long-term objectives," he says.

"The process has been, and is, an important part of our success." Involving up to 50 people over several months was a significant commitment to make in executive time - particularly during such high growth periods. "But the time spent was invaluable," says Mr Tucker. "By involving people early on in the process, they bring a high level of commitment and energy." "This ensures that the strategic thinking process taps into a reservoir of knowledge, commitment and creativity - and ensures its success," he says. "Sharing the decision-making also ensures the ongoing success of your program for change." "Life insurance is a long-term business. We have been around for 150 years and we expect to be around for many, many more."