

## **Experiencing a successful transition of the merger of State Farm Canada and Desjardins - Property and Casualty Insurance**

### ***Context***

In January 2014, the Senior Vice-President of Property and Casualty Insurance at Desjardins announced that Desjardins would acquire the Canadian operations of State Farm, one of the most important leaders of the North America's insurance industry. This acquisition made Desjardins the largest property and casualty insurance provider in Ontario, and one of the top three in Canada. The strategic, financial, and operational alliance had a major impact on both organizations' operations, affecting the entire State Farm distribution system (the network of exclusive agents) across Canada. Brio Conseils' mandate was over a three-year period and consisted in supporting the client during this transition time, from the due diligence phase until the complete merger of Desjardins operations into the daily reality of State Farm employees and its agent network. The merger affected all functions of both organizations, including processes, culture, structures, clients, and products. All this was affecting a great number of people over a short period of time and rising many complex issues.

### ***Approach***

Brio worked at various levels to cover all aspects of this major transformation. Brio's team of consultants were integrated into all project teams affected by the transformation program to optimize the structure and alignment of various business solutions. Brio assisted in defining the change management strategy, the communication plan and positioning, as well as prioritized actions to be implemented in the initial phase of the announcement and the transfer of State Farm employees to Desjardins. Next, an in-depth impact analysis was carried out and enabled the design of the change management plan and its implementation to ensure the complete reconciliation of both entities' operations: workflow, systems and technology and the alignment of organizational structure according to best practices and the philosophy of Desjardins Property and Casualty Insurance. One of the approach's keys to success was that the managers were properly prepared to play their role in change management, which ensured understanding, engagement and the integration of the

changes into the way of doing things. Another key to success was working in partnership with the client to design and carry out all activities, which boosted confidence and participation, and ensured adoption, ultimately facilitating the transition.

## **Results**

Desjardins was able to maintain the equity throughout the transition period for its clients, agents' network and employees within operations. Its success partly owes to both partners recognizing the importance of planning the transition upfront and investing in change management to prepare its people to live the transformation on both sides: the acquirer and the acquiree. The managers were at the forefront of conducting the change, playing a support role that encouraged its smooth adoption by State Farm employees and agents. The retention rate of the State Farm agents and employees, including managers, testifies to the success of this change management initiative.

## **Testimony**

*Our integration project introduced changes to over 1 million customers and nearly 2000 plus employees and associates. Change Management was at the heart of this endeavor and Brio Conseils supported us in this huge undertaking. Professional, dedicated and driven to produce the best quality of results, they proved to be key contributors to the success of our project. They have strong change management expertise with the ability to adapt to the needs of the different stakeholders. Brio understood the culture and values of our organization and effectively incorporated this in their strategies thereby tailoring their solutions to the specific needs of our organization. This served to distinguish them from their competition. Their flexibility to work with our team across multiple locations spanning three provinces in a bilingual environment was instrumental in creating pace and agility for our project. On a personal note, it has been a true pleasure to work closely with Sylvie and her team. Sylvie cares for those she works with and her passion is reflected in the quality of her work. I look forward to the continued partnership with our Brio team.*

Benaaz Irani, Vice-President, Development of Insurance Solutions, Desjardins General Insurance Group