A book of Insights for Northwestern Mutual

Financial Futures

Content

The insurance industry, which was previously stable and predictable, is no longer that way. Customers expect products that are specifically designed for them, it is difficult to grow without trading profitability, climate change is having an irrevocable influence on certain risk profiles, and distribution needs have become increasingly complex. Despite the industry's disruptive changes, numerous companies have retained their competitive edge that rival players cannot achieve. Even yet, there is potential for the industry leaders to using competitive strategies in digitization, big data integration, distribution channels, tailored product offerings, and successful partnerships to increase their competitive advantage.
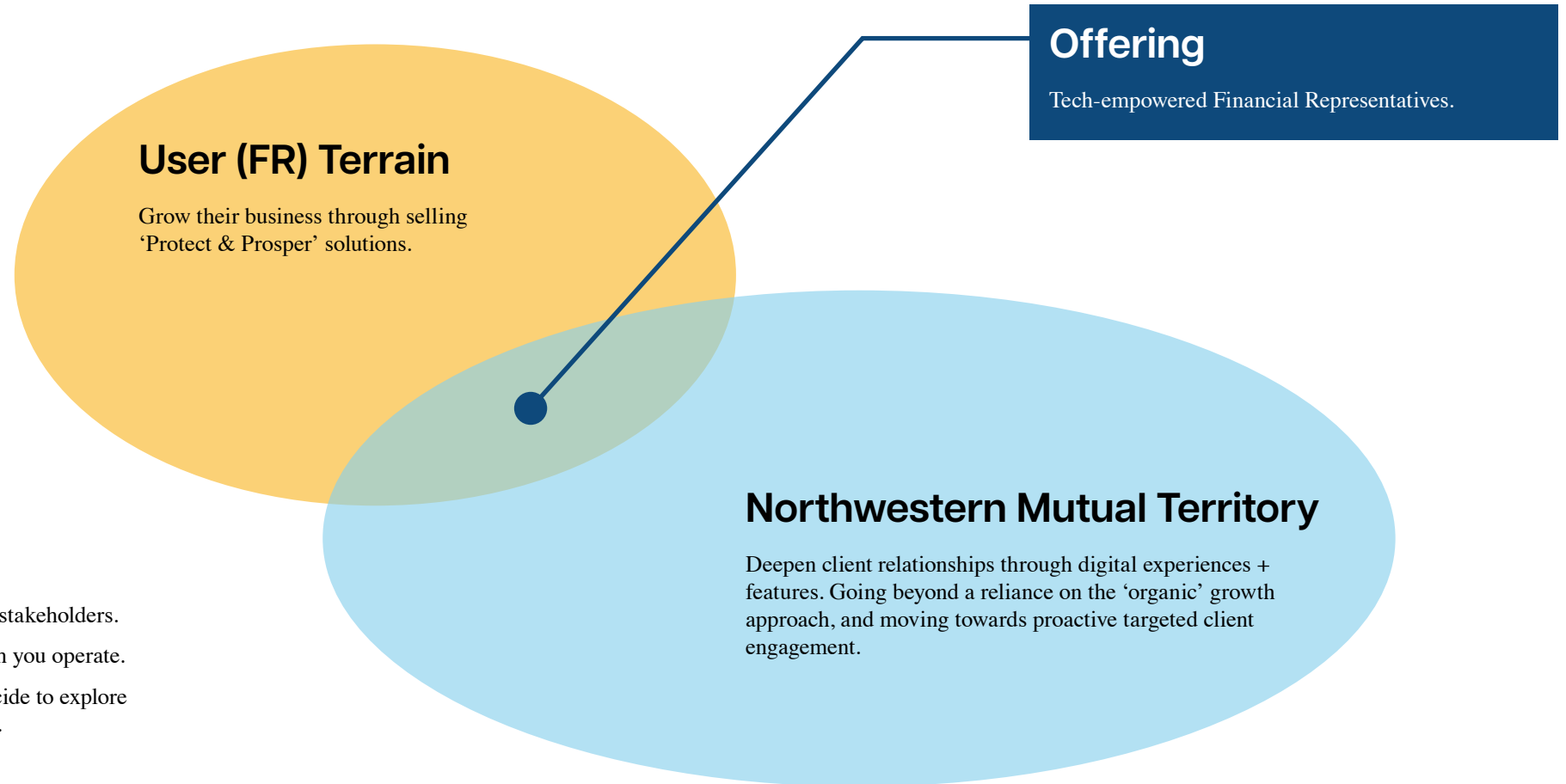
Overview

Our point of view on Northwestern Mutual's aspirations as an organization, what its users are potentially looking for and what we can offer in that intersection.

Terrains & Territories

Technology can enhance Client-FR relationship

Our assumption is that modern technology would contribute to the NM's business by finding ways to enhance FRs capabilities, versus replacing them.

Offering

Tech-empowered Financial Representatives.

User (FR) Terrain

Grow their business through selling 'Protect & Prosper' solutions.

Northwestern Mutual Territory

Deepen client relationships through digital experiences + features. Going beyond a reliance on the 'organic' growth approach, and moving towards proactive targeted client engagement.

Terrains are the aspirations and problems of your stakeholders.

Territories are the businesses and regions in which you operate.

Offerings are areas for value creation you may decide to explore in response to an overlap of terrains and territories.

Identifying the cause and its effect can help analyse and predict what the future will look like and strategize based on these predictions. These can help surface opportunities and threats, both internal and external to the organization.

Causal Logics

Casual Logics

INSURANCE PRODUCTS

- Delayed value
- Product is intangible
- Limited product set
- Network is exclusive

FINANCIAL REPRESENTATIVES

- FRs have direct contact with clients, but NM does not
- Most FRs drop out before 5years
- Strong sales culture
- Commission only

CLIENTS

- Clients are motivated by fear not fun
- Clients are affluent

10 case studies curated for Northwestern Mutual, offering inspirations for innovations at organizational and product levels.

CaseStudy

Reduce barriers to entry for young people to invest with affordable plans and education

CHARLES SCHWAB

INDUSTRY

Finance

ABOUT THE COMPANY

The Charles Schwab Corporation is an American multinational financial services company. It offers banking, commercial banking, investing and related services including consulting, and wealth management advisory services to both retail and institutional clients.

WHY DID WE CHOOSE IT

Products
- ■ Complexity
- ☐ Limited product set
- ■ Intangibility
- ■ Delayed Value
- ■ Sold, not bought

Relationship with clients
- ■ FRs have direct contact with clients, NW does not
- ■ Network is exclusive
- ■ Long relationships between FRs and clients

FRs' work culture
- ☐ Strong sales culture
- ☐ Commission only
- ☐ Most FRs drop out before 5 years

Client segments/behavior
- ■ Clients motivated by fear not fun
- ■ Clients are affluent

HOW ARE THEY WINNING

Affordability
Trades are tagged with a $4.95 commission and there's a quality list of ETFs that trade commission-free. Many of those commission-free ETFs are Schwab's own funds, which carry tiny expense ratios between 0.03% and 0.05%.No account minimums.

Education material
They offer unique educational resources like infographics, webinars and podcasts to make learning fun for young customers.

Leveraging digital
With their app, you can place trades, deposit funds and research your investments from your smartphone. The app also syncs with Apple Watch to give on-the-go customers even more options. It also provides a chat functionality with advisors.

HOW IS IT RELATED TO THE INSURANCE INDUSTRY

How might we make insurance more affordable?
For many, insurance is luxury. More affordable product will lower the barrier to entry for young customers.

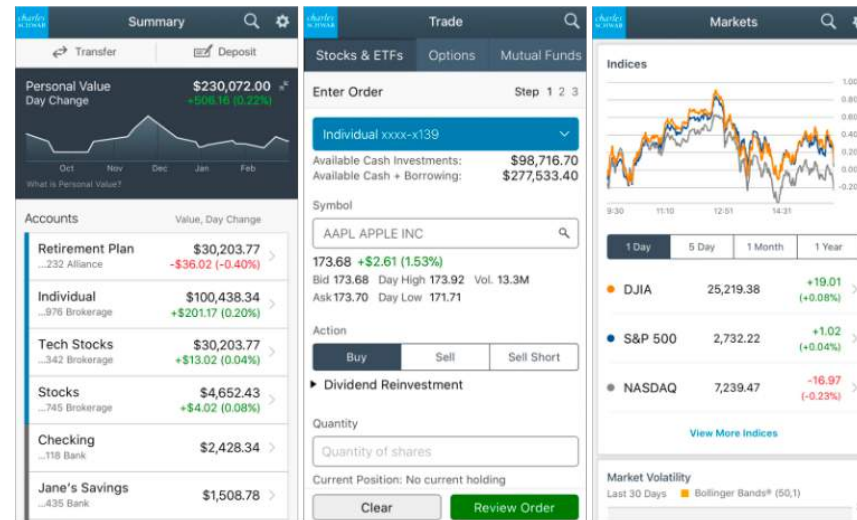**How might we educate customers about the importance of insurance?**
It is sometimes difficult for customers to understand why they have to get the insurance. Just like Charles Schwab, offering podcasts, webinars might be helpful for them.

How might we leverage technology to offer a more user-friendly experience for customers?
Communication between customers and FRs has been in-person and analogue. Some customers may prefer easy online communication.

Reduce barriers to entry for young people to invest with affordable plans and education

CHARLES SCHWAB

Data-driven personalization and easy-return policy help you find best outfits

AMAZON PRIME

INDUSTRY

Retail

ABOUT THE COMPANY

Amazon Prime is a paid subscription service from Amazon which is available in various countries and gives users access to additional services including same, one- or two-day delivery of goods and streaming music, video, e-books, gaming and grocery shopping services.

WHY DID WE CHOOSE IT

Products
- ☐ Complexity
- ☐ Limited product set
- ☐ Intangibility
- ☐ Delayed Value
- ☐ Sold, not bought

Relationship with clients
- ☑ FRs have direct contact with clients, NW does not
- ☑ Network is exclusive
- ☑ Long relationships between FRs and clients

FRs' work culture
- ☐ Strong sales culture
- ☐ Commission only
- ☐ Most FRs drop out before 5 years

Client segments/behavior
- ☐ Clients motivated by fear not fun
- ☑ Clients are affluent

HOW ARE THEY WINNING

Leverage digital + personalization
Quick and easy profile creation will help Amazon better understand about customers. Customers will pick their favourite brands, and styles. Then customers choose colors, materials, patterns they avoid. After deciding their body shape, they will help Amazon out by listing preferences such as dress length and heel heights. Stylists at Amazon pick out pieces and customers can decide 8 favourites to send home. If customers don't like any of it, they can give stylists feedback.

Easy return
Once the box arrives, the customer has up to 7 days to decide whether they purchase pieces after trying them on. Customers can easily return them at the Whole Foods, UPS or the Amazon Go store for free.

HOW IS IT RELATED TO THE INSURANCE INDUSTRY

How might we leverage technology to quickly and easily recommend personalized products?
Currently, customers cannot know the amount of premise unless they go through the lengthy review process which sometimes takes a few weeks to complete. It would be helpful if customers can answer some questions and it automatically suggests personalized plans.

How might we provide easy cancellation and modification?
Like Amazon Prime Wardrobe, it would be helpful for customers to be able to easily communicate with FRs online and easily review, cancel or make modifications to their insurance plan.

11

Data-driven personalization and easy-return policy help you find best outfits

AMAZON PRIME

Using cloud technology to support the growth of digital Real-estate

REALTOR.COM + AWS

INDUSTRY

Real Estate

ABOUT THE COMPANY

Realtor.com® is a trusted resource for home buyers, sellers, and dreamers, offering a comprehensive database of for-sale properties as well as the information, tools, and professional expertise to help people move confidently through every step of their home journey.

WHY DID WE CHOOSE IT

Products
- ☐ Complexity
- ☐ Limited product set
- ☐ Intangibility
- ☐ Delayed Value
- ☐ Sold, not bought

Relationship with clients
- ☐ FRs have direct contact with clients, NW does not
- ☐ Network is exclusive
- ☐ Long relationships between FRs and clients

FRs' work culture
- ☑ Strong sales culture
- ☑ Commission only
- ☑ Most FRs drop out before 5 years

Client segments/behavior
- ☐ Clients motivated by fear not fun
- ☑ Clients are affluent

HOW ARE THEY WINNING

Digitizing Real-Estate
Realtor.com pioneered the world of digital real estate 20 years ago and today helps make all things home simple, efficient, and enjoyable.

Gold-Standard
Affiliated with the National Association of Realtors and linked to over 580 regional Multiple Listing Services, Realtor.com listings are the closest to the gold standard, the MLS, which is updated regularly by realtors.

HOW IS IT RELATED TO THE INSURANCE INDUSTRY

How might we use big data to guide customers in choosing the right plan?
Similar to Realtor.com, having a database of different insurance providers and plan can help customers make a better-informed decision.

How might we digitize insurance applications?
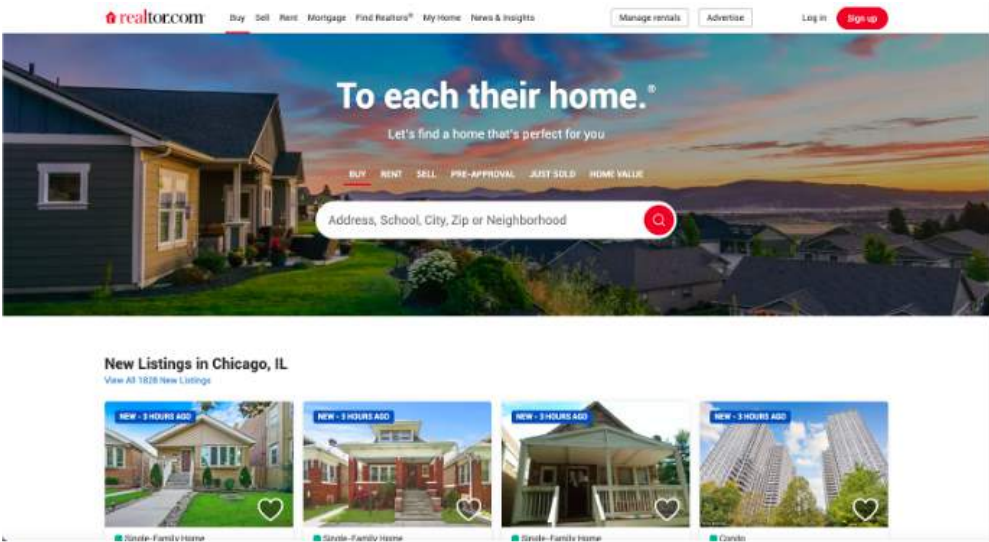With a powerful digital platform, customers should be able to receive pre-screening and apply for insurance online.

How might we assess if the products are a good fit for customers?
By creating a product-fit matrix, customers would be able to decide on a plan that works best for them.

Using cloud technology to support the growth of digital Real-estate

REALTOR.COM + AWS

Try on you new self using facial recognition technology

NETRIX +

VIVE AESTHETICS

INDUSTRY

Beauty

ABOUT THE COMPANY

Vive Aesthetics is a center of excellence in the diagnosis and treatment of skin conditions, surgical procedures that apply best treatment practices, and digital technology.

WHY DID WE CHOOSE IT

Products
- ■ Complexity
- ☐ Limited product set
- ☐ Intangibility
- ☐ Delayed Value
- ■ Sold, not bought

Relationship with clients
- ☐ FRs have direct contact with clients, NW does not
- ☐ Network is exclusive
- ☐ Long relationships between FRs and clients

FRs' work culture
- ☐ Strong sales culture
- ☐ Commission only
- ☐ Most FRs drop out before 5 years

Client segments/behavior
- ■ Clients motivated by fear not fun
- ■ Clients are affluent

HOW ARE THEY WINNING

Using Facial Recognition to portray the end results of a beauty treatment
Clients can snap a photo using their phone or laptop and see an augmented version of their new self. Clients can then share their before and after results, and book an online consultation with a doctor.

Multi-functional website
Clients can receive online consultation from highly qualified doctors, book a live consultation in one of the Vive clinics around the world, see the desired result before the procedure, buy cosmetology products, and read about surgical and cosmetic procedures.
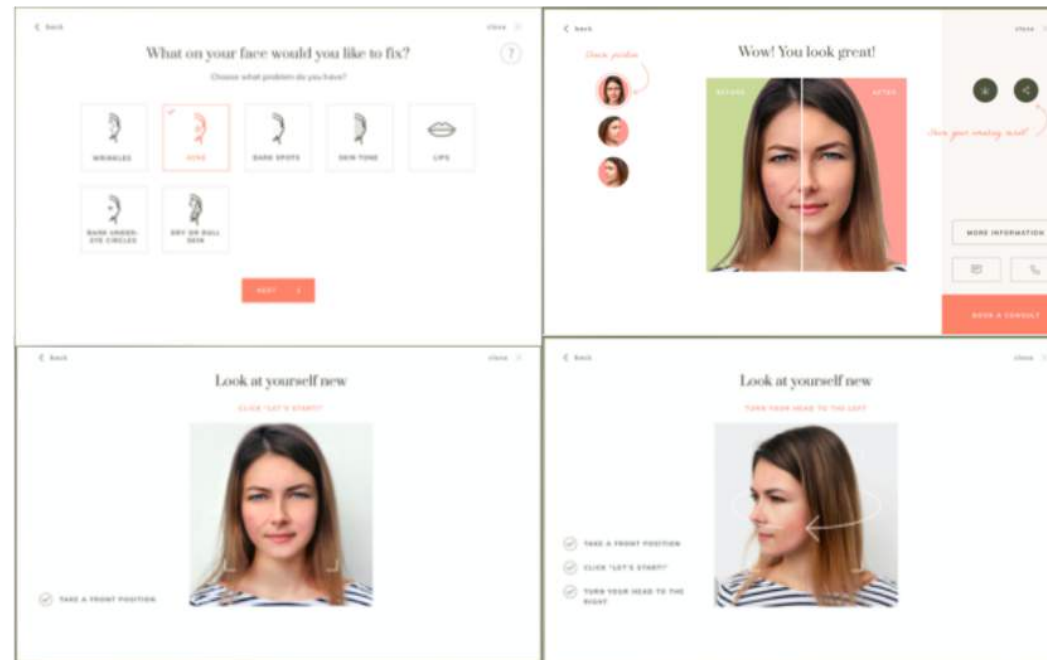
HOW IS IT RELATED TO THE INSURANCE INDUSTRY

How might we leverage AR to help customers understand insurance benefits?
The insurance industry can create an augmented version of a client's life to compare the impacts their decisions can have on their life in the long-term.

Try on you new self using facial recognition technology

NETRIX ✚

VIVE AESTHETICS

JP Morgan opens a Bank Lounge in the Metaverse

JP MORGAN + DECENTRALAND

INDUSTRY

Finance

ABOUT THE COMPANY

J.P. Morgan is a global leader in financial services, offering solutions to the world's most important corporations, governments and institutions in more than 100 countries. JP Morgan announced the opening of a "lounge" in Decentraland. Upon entering the lounge, visitors are greeted by employee avatars. They are interested in the virtual real estate market, including credits, mortgages and rental agreements.

WHY DID WE CHOOSE IT

Products
- ■ Complexity
- ☐ Limited product set
- ■ Intangibility
- ■ Delayed Value
- ■ Sold, not bought

Relationship with clients
- ■ FRs have direct contact with clients, NW does not
- ■ Network is exclusive
- ■ Long relationships between FRs and clients

FRs' work culture
- ☐ Strong sales culture
- ☐ Commission only
- ☐ Most FRs drop out before 5 years

Client segments/behavior
- ■ Clients motivated by fear not fun
- ■ Clients are affluent

HOW ARE THEY WINNING

Improved customer experience
They announced the opening of a "lounge" in Decentraland. Upon entering the lounge, visitors are greeted by avatars. Customers will no longer have to wait for hours in the lounge if virtual branches are implemented in Metaverse.

Creating touchpoints for new customers
It is expected that it opens up new opportunities for JP Morgan to attract new customers, especially the younger generation. If this assumption is true, salespeople will no longer have to physically go look for new customers, which will boost their productivity.

New offerings
As they explore new opportunities in virtual real estate market, they'll need new offerings to appeal those needs.

HOW IS IT RELATED TO THE INSURANCE INDUSTRY

How might we improve the customer experience by leveraging technology?
In-person communication have drawbacks such as customers having to go to the place and wait. There might be other opportunities where you can make it faster and easier by replacing the in--person transaction with online.

How might we create more diverse touchpoints for new customers?
Current touchpoints that NW offers (website / FRs) are not necessarily accessible for new customers. Just like J.P. Morgan, it's one idea to have a new touchpoint in the virtual world.

How might we offer new offerings that are attractive to new customers?
Crypto, virtual real estate market, insuring data, etc.

JP Morgan opens a Bank Lounge in the Metaverse

JP MORGAN +
DECENTRALAND

NFL partners with Roblox as a first step of entering the Metaverse

NFL +

ROBLOX

INDUSTRY

Sports

ABOUT THE COMPANY

The NFL announced an official partnership with Roblox to engage the next generation of NFL football fans in the metaverse with an experience called NFL Tycoon. NFL Tycoon aims to teach the game and business side of football while providing a platform for emerging social connectivity.

WHY DID WE CHOOSE IT

Products
- ■ Complexity
- ☐ Limited product set
- ■ Intangibility
- ☐ Delayed Value
- ☐ Sold, not bought

Relationship with clients
- ☐ FRs have direct contact with clients, NW does not
- ☐ Network is exclusive
- ☐ Long relationships between FRs and clients

FRs' work culture
- ☐ Strong sales culture
- ☐ Commission only
- ☐ Most FRs drop out before 5 years

Client segments/behavior
- ☐ Clients motivated by fear not fun
- ☐ Clients are affluent

HOW ARE THEY WINNING

Virtual events
The league sees an opportunity to build out a seamless extension of its real-life game experiences. NFL Tycoon could become the league's virtual hangout destination with activations tied to real-life events.

Partnership with other companies
Through early tests and their partnership with Roblox, the NFL is learning and developing strategies for partnerships, designs, and prospective categories to execute our objectives of delivering innovation and fan engagement.

The Roblox-powered gamification experience has attracted more than 2.5 million unique users since its launch, with over half under the age of 18.

HOW IS IT RELATED TO THE INSURANCE INDUSTRY

How might we gamify the insurance experience?
The insurance industry can partner with collaborative gaming companies such as Roblox and Minecraft to host events or create games.

How might we improve awareness of life-insurance?
The insurance industry could extend the lifespan of their events and services through the wide-ranging social connectivity of Web3.

NFL partners with Roblox as a first step of entering the Metaverse

NFL ✚

ROBLOX

MetLife introduces the Sentiment Analysis AI/CRM to their call centers

METLIFE ➕

COGITO

INDUSTRY

Insurance

ABOUT THE COMPANY

MetLife is a global providers of insurance, annuities, and employee benefit programs. It was founded on March 24, 1868. At MetLife, where Cogito has been rolled out to 10 U. S. call centers over the past year. Cogito, the AI system, listens to the tone, pitch, word frequency and hundreds of other factors in customer service conversations, and provides advice for call center staff on how they should talk.

WHY DID WE CHOOSE IT

Products
- ◼ Complexity
- ◼ Limited product set
- ◼ Intangibility
- ◼ Delayed Value
- ◼ Sold, not bought

Relationship with clients
- ◼ FRs have direct contact with clients, NW does not
- ◼ Network is exclusive
- ◼ Long relationships between FRs and clients

FRs' work culture
- ◼ Strong sales culture
- ☐ Commission only
- ☐ Most FRs drop out before 5 years

Client segments/behavior
- ◼ Clients motivated by fear not fun
- ◼ Clients are affluent

HOW ARE THEY WINNING

AI giving customer-facing employees advice, boosting productivity & improved customer service
Since Cogito, the AI system, is listening to the conversation on the phone and provide real-time advice to the staff with, many state that the Cogito helps them shorten the time on the phone. Managers at MetLife say that the program improved first call resolution metrics by 3.5% and customer satisfaction by 13%, and helped agents to have more "human" conversations.

Transparency of employees' progress
Cogito also gives managers vastly expanded insight into their employees. In this way, managers can recognize how each employee is learning from Cogito and how that affects customer satisfaction.

HOW IS IT RELATED TO THE INSURANCE INDUSTRY

How might we leverage technology to help FRs or NW employees do their jobs better?
Is there any opportunity to enhance human jobs(FRs/NW employees) with the use of technology? Just like Cogito, NW can consider using technology to educate FRs or the NW employees to improve the productivity and the quality of customer service.

How might we measure the success of FRs/NW employees and how to monitor employees more effectively?
Just like Cogito, it might improve the NW's workflow if technology can monitor the KPI and track which employees are making progress and which needs improvement.

MetLife introduces the Sentiment Analysis AI/CRM to their call centers

METLIFE +

COGITO
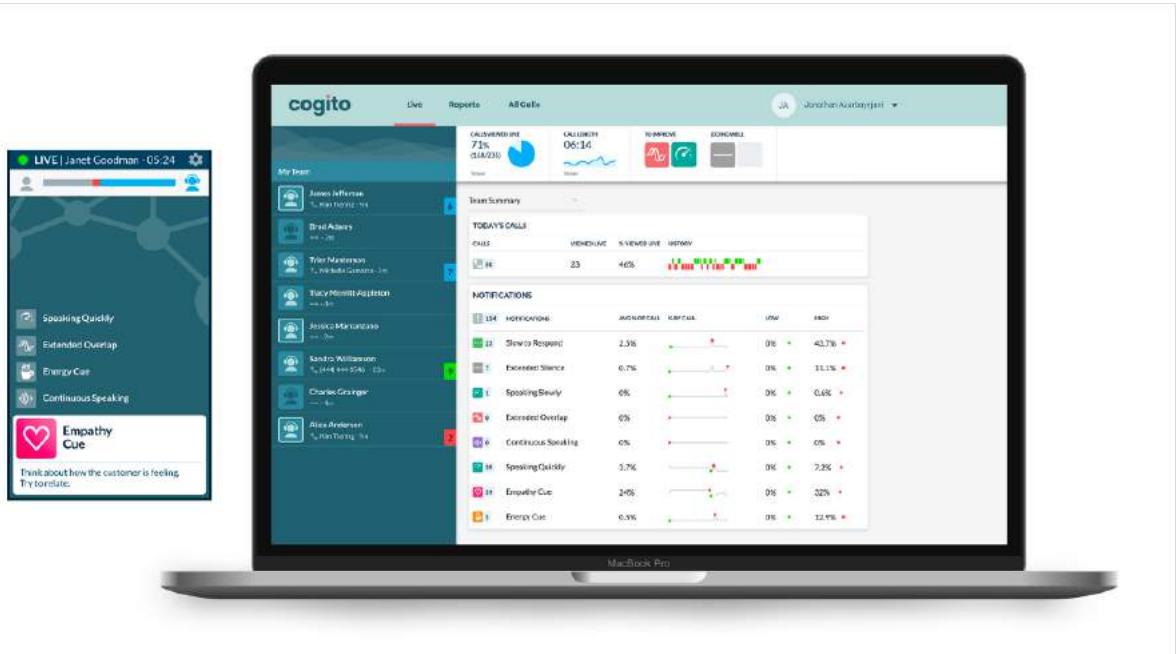
Top global pulp and paper company uses Aiscension to identify cartel risks

DLA PIPER ✚

REVEAL BRAINSPACE

INDUSTRY

Law

ABOUT THE COMPANY

Aiscension, launched by DLA Piper law firm, is a cartel risk-management service that uses AI to help detect risks in businesses.

WHY DID WE CHOOSE IT

Products
- ■ Complexity
- ■ Limited product set
- ■ Intangibility
- ☐ Delayed Value
- ☐ Sold, not bought

Relationship with clients
- ☐ FRs have direct contact with clients, NW does not
- ☐ Network is exclusive
- ☐ Long relationships between FRs and clients

FRs' work culture
- ☐ Strong sales culture
- ■ Commission only
- ☐ Most FRs drop out before 5 years

Client segments/behavior
- ■ Clients motivated by fear not fun
- ☐ Clients are affluent

HOW ARE THEY WINNING

Automating tasks using AI
Aiscension audited almost half a million communications and documents from company employees using neural-net AI. The AI had been trained on real evidence and behaviours from a wealth of previous cartel investigations and cases.

This took less than 1% of the time a standard technology assisted review would have taken.* The audit identified problematic emails which were then reviewed by DLA Piper lawyers.

Aiscension's processing time was 30.5 hours rather than the ~3,180 to 7,952 hours a legal team would need.

HOW IS IT RELATED TO THE INSURANCE INDUSTRY

How might we leverage AI to automate tasks?
The insurance industry could train AIs to file claims, make financial suggestions, or predict certain outcomes. Once the AI generated results, it can be reviewed by the Financial Representatives.

VISA offers bite-sized learning contents to their employees

VISA +
GETABSTRACT

INDUSTRY

Finance

ABOUT THE COMPANY

Founded in 1958, Visa is an American multinational financial services operator based in Foster City, California. VISA's priority was to offer Digital First learning tools that are accessible to all the employees. getAbstract, founded in 1999, is a Swiss and US-based corporation that summarizes books, videos, articles. The contents are created by journalists and the platform offers personalized list of content.

WHY DID WE CHOOSE IT

Products
- ■ Complexity
- □ Limited product set
- ■ Intangibility
- □ Delayed Value
- □ Sold, not bought

Relationship with clients
- □ FRs have direct contact with clients, NW does not
- ■ Network is exclusive
- □ Long relationships between FRs and clients

FRs' work culture
- □ Strong sales culture
- □ Commission only
- □ Most FRs drop out before 5 years

Client segments/behavior
- □ Clients motivated by fear not fun
- ■ Clients are affluent

HOW ARE THEY WINNING

Offering 3rd party platform where employees can access personalized list of summary of various domains, less time & money investment, better learning experience for employees
With getAbstract, the VISA employees can access summary of books, videos, and articles curated by journalist. The platform offers a personalized list of contents.

According to the VISA employee, it used to take 6 months to create formal educational contents. Needless to say, it also costs a lot of money. getAbstract's resource library enabled VISA to provide learners with a quick overview of the issues at hand in a matter-of-fact way.

Since getAbstract is designed to provide users 15min summary of books and journals,, VISA employees can spend way less time learning than attending training and conferences.

HOW IS IT RELATED TO THE INSURANCE INDUSTRY

How might we offer FRs or customers learning materials about each policy that are easy and quick to review?
Many customers struggle with the complexity of each policy. They often feel overwhelmed by the amount of information and they are incapable of comparing each policy. Some FRs might face the same issues. Just like quick and easy summary that getAbstract offers, the NW can consider offering the learning materials that enable customers / FRs better understand each policy with less time.

VISA offers bite-sized learning contents to their employees

VISA ✚ GETABSTRACT
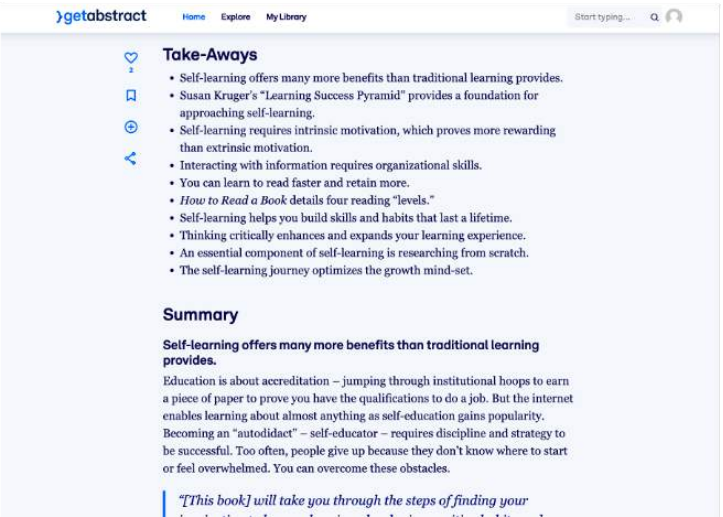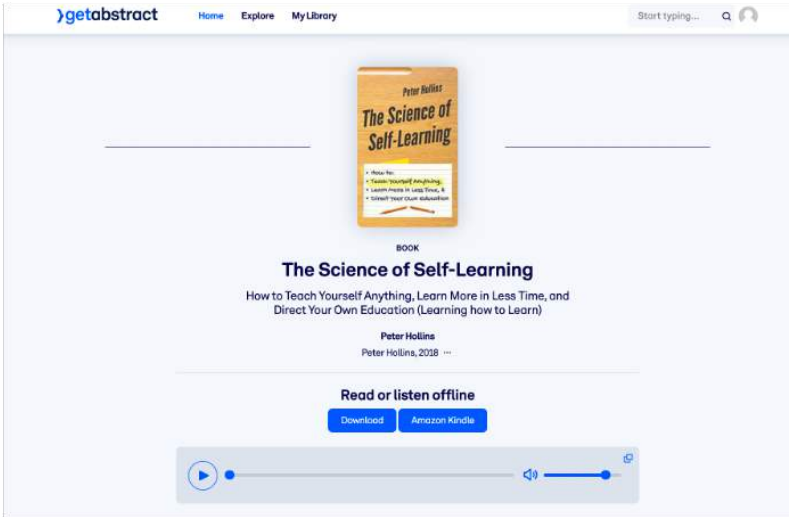
Deloitte uses AI to speed up financial reporting

DELOITTE

INDUSTRY

Professional services

ABOUT THE COMPANY

Deloitte is an international professional services network offering industry-leading audit, consulting, tax, and advisory services.

WHY DID WE CHOOSE IT

Products
- ■ Complexity
- ■ Limited product set
- ■ Intangibility
- ☐ Delayed Value
- ☐ Sold, not bought

Relationship with clients
- ☐ FRs have direct contact with clients, NW does not
- ☐ Network is exclusive
- ☐ Long relationships between FRs and clients

FRs' work culture
- ☐ Strong sales culture
- ☐ Commission only
- ☐ Most FRs drop out before 5 years

Client segments/behavior
- ☐ Clients motivated by fear not fun
- ☐ Clients are affluent

HOW ARE THEY WINNING

Translating data into visual formats
Deloitte uses a cloud-based Natural Language Generation (NLG) system that could securely and automatically translate the high-volume branch performance data into plain-language expressions of key metrics, then deliver it in useful visual formats.

Reduced work-time
With cloud-based tools at their disposal and more free time thanks to automation, the control group members began asking for more detail and more analysis, which enriched the reports they created.

Overall, the 15-member team now spends 94 percent less time compiling the monthly reports, while errors have been reduced and employee experience improved.

HOW IS IT RELATED TO THE INSURANCE INDUSTRY

How might we encourage data-driven decision making?
The insurance industry could also apply NGL to turn data into plain-language expressions. This would greatly reduce the time taken to make sense of data.

How might we reduce errors?
By investing in employee training such as holding seasonal workshops, employees could have an improved understanding of how AI assist automation, be able to catch errors more quickly, and work more efficiently.

26

Discontinuities are a combination of trends, events, inventions, and forces that substantively change the structure of societies, businesses, and environments. Major changes in society, culture, and technology can radically transform people's behavior, values, and problems. Recognizing those trends can be an advantage to being ahead of the game. Here are some discontinuities that could inform Northwestern Mutual's future innovation efforts.

Disconti[nui]

FROM

Long-term rewards

TO

Instant gratification

| WIDELY KNOWN | EMERGING | WEAK SIGNAL |

IMPLICATIONS

Millennials and Gen Z'ers are the dominant market now, they outnumber Boomers and Gen Xers. Compared to previous generations, Millennials and Gen Z'ers are far more digitally inclined, and these technologies have driven a desire for instant gratification.

In order to connect with the dominant generations, NM will need to consider strategies for delivering more immediate rewards.

TAKE AWAY QUESTIONS

- How might NM leverage digital technology to provide instant gratification?
- How will the desire for instant gratification affect how NM relates to its clients?
- How might NM leverage the desire for instant gratification to support financial planning?

FROM

Maximizing investments

TO

Deeper human connections

WIDELY KNOWN	EMERGING	WEAK SIGNAL

IMPLICATIONS

People are motivated by more than just financial gain.

Millennials and Gen Z are more purpose driven and value deep human connection over purely financial gain. In order for NM to sell to this new generation of customers, NM will need to shift its focus from purely financially motivated sales to consider relational motivations.

TAKE AWAY QUESTIONS

- How will NM help FRs to better connect with the values and motivations of their clients?
- What new capabilities do FRs need to create deeper human connections with their clients?

FROM # Work from home

TO # Work from anywhere

WIDELY KNOWN	EMERGING	WEAK SIGNAL

IMPLICATIONS

The shift to more remote forms of work have lead to a shift in lifestyles and values.

The shift to remote work has opened doors for individuals to work from anywhere and explore more nomadic lifestyles. The nomadic lifestyle also brings with it a new set of values (e.g. freedom, novel experiences, risk-taking, flexibility, adventure, etc.) - values that may impact how Millennials and Gen Z'ers view and value insurance, and how FRs build and maintain relationships with clients.

TAKE AWAY QUESTIONS

- How might NM help FRs build and maintain deep client relationships remotely/online through digital channels?
- How might NM provide services that align with the new values of digital nomads?

FROM # Insuring things

TO # Insuring data

| WIDELY KNOWN | EMERGING | WEAK SIGNAL |

IMPLICATIONS

Data has become a commodity in itself and, currently, people's greatest asset.

Technologies like Web3, 5G, blockchain, and the Internet of Things make it easier for people to generate more data. Companies have more and more data on people. Large data sets exacerbate the likelihood of a breach. That's why personal information, online and offline behavior, and digital assets are becoming one of the things people hold most dear and want to keep safe.

Also, these same technologies allow hackers to be more organized and use more sophisticated tools, so the threat is getting bigger.

TAKE AWAY QUESTIONS

- How will NM support its clients to protect these valuable new assets?
- How does this affect the relationship between FR and customers?
- What services can NM provide so its customers feel their data is safe?

31

FROM

Hospital treatment

TO

Telehealth at home

WIDELY KNOWN	EMERGING	WEAK SIGNAL

IMPLICATIONS

The pandemic accelerated the integration of digital technologies into healthcare services.

Access to health has become easier, faster and more convenient. Technologies like 5G, AR and Web 3.0 are supporting this transition.

Individuals are able to be more proactive about their health and pursue the necessary supports to build, monitor and maintain healthy lifestyles.

TAKE AWAY QUESTIONS

- How might NM leverage telehealth technologies to screen and support clients through their journey with NM?

- How might telehealth change the relationship clients have with their life insurance?

- How can telehealth complement financial planning?

FROM # Physical assets

TO # Digital legacy

| WIDELY KNOWN | EMERGING | **WEAK SIGNAL** |

IMPLICATIONS

New technologies are giving more and more importance to virtual assets. The metaverse, blockchain technology, cryptocurrencies and NFTs are redefining what it means to have assets and digital presence. This opens the possibility for people to monetize their virtual assets and also make digital investments.

Another way of looking at this is that this set of digital assets, not just digital property but also personal information that has been recorded over the course of a person's lifetime, can be used to maintain a digital legacy after death. This legacy can be inherited to loved ones so that they can use it to their advantage, be it by monetizing digital assets, re-envisioning beautiful moments of their life together, etc.

EXAMPLES

- VR documentary "Meeting you": A Korean team recreated the digital version of a 7yo girl who died and presented it to her mother.

- Hologram of a loved one who passed away: Kanye West gave Kim Kardashian a hologram of her late father for her 40th birthday.

TAKE AWAY QUESTIONS

- How could NM help customers define and plan their digital legacy?

FROM

Seasonal vacation

TO

Climate migration

| WIDELY KNOWN | EMERGING | **WEAK SIGNAL** |

IMPLICATIONS

Climate change is slowly influencing how people travel and where they choose to live. More and more individuals are choosing to live in warmer Southern climates. In the future, as climate conditions become more extreme, individuals will begin to choose to remain permanently in warmer climates as opposed to seasonal vacations. The move to warmer climates will inevitably lead to a lifestyle shift that may impact how individuals view and value insurance.

TAKE AWAY QUESTIONS

- How will climate change influence how people plan financially for their future?

- How might NM deliver value to Americans transitioning to warmer climates (including in foreign countries)?

Most great innovations challenged the existing orthodoxies of an industry. To break the rules, you often need to know the rules. Here are some ideas about orthodoxies that the Northwestern Mutual may have.

Orthodoxies

Orthodoxies

These are beliefs (often unwritten) about what makes you successful that if left unchecked blind you to new opportunities.

FINANCIAL SERVICES INDUSTRY

- Policies are sold not bought
- The financial industry is dominated by a sales culture
- Insurance is a luxury product
- Products are complicated and difficult to understand - for both providers and clients
- People are hesitant to sell to, and be sold to by, friends and family

SPECIFIC TO NORTHWESTERN MUTUAL

- Clients choose NM primarily for their financial strength
- NMs key competitive advantage is their exclusive network of FRs
- Clients need FRs in order to purchase products and services from NM
- Clients need to talk to FRs in order to explore and understand their options
- NM is an 'American' company
- It is very difficult for FRs to make it past 5 years
- Clients are young (25~35 yr), rich and healthy
- Medical health is reviewed only once when determining insurance premiums

Gaining maximum understanding of user needs is crucial for focusing design work on behaviors and preferences, not just demographics. It helps find unexploited and under-served areas in the market and provides a broader, and user-centered frame for design-led innovation.

Life Journey of Financial Representatives

UserView

DISCOVERY	TRIAL	MASTERY	MAINTENANCE

FRs are discovered and get involved with NM

STAGE DESCRIPTION

On-ramp into NM:

1. Start office from scratch
2. Possible to have Financial Services office

Inherit the office (from family or non-family)

FRs are not employees. Analogy (car dealership)

USER NEEDS

- Exclusive distribution, the product is one of the best products out there. There is confidence. They are confident they are selling high quality product.

| DISCOVERY | **TRIAL** | MASTERY | MAINTENANCE |

Starting out as an FR

STAGE DESCRIPTION

FRs collect the information from the clients, when clients go through underwriting. FRs transfer medical information and financial information to NM.

Clients can talk directly to NM but NM always try to direct them back to FRs.

Orphan accounts, active policies but not actively managed by FRs (mostly whole life policies)

"Planning and Package" processes allows to have long and strength relationship with clients.

USER NEEDS

- TIME – tension: need to sell whole-life products. But to keep clients need sell wealth management (which takes time).
- Need single seamless way to get specific info needed, when they need it, and how they need it.

WHAT IS PROVIDED

- Advisor desktop: Designed for mature practices, routing tasks
- Client360 – ALL data should be coming from single source
- Pervasive problem of multiple platforms
- Updating demographic data, managing payment information
- 20 different systems, may or may not sync up
- Erodes the advisor experience

RESULTING GAPS

- Talk to experience advisor practice management area
- Prospecting and referrals
- 10 calls/contacts > 3 appointments > 1 sell
- How to help FRs connect easily with clients

DISCOVERY	TRIAL	**MASTERY**	MAINTENANCE

Becoming an expert

STAGE DESCRIPTION

Young office. Only paid by commission. You need money to build your office, best way whole life policies.

To maintain long-lasting relationship, FRs need to sell other products — disability, college planning. These consume time and involves getting to know client's life goals.

Tensions faced by new offices: Keep client long-term by selling them wealth management services. The doorway ends with Whole-life and FRs need to build around it.

USER NEEDS

- Field Experience: Experience from and, for the field (FRs)
- Supporting FRs experience

WHAT IS PROVIDED

- Advisor desktop: Separated systems, and pockets of information
- Tool for service clients but is not very efficient
- Miss alignments and miss organization of the system
- Technical death
- Creating digital accessible platform that allows FRs get information they need in the context of when they need it
- EFX – field experience group/team focused on FR experience

RESULTING GAPS

Year hurdle:

1. Selling: complexity of the product (=complex to explain), challenge to meet targets.
2. Underwriting: drop-out (price) or rejection
3. NM systems

DISCOVERY	TRIAL	MASTERY	**MAINTENANCE**

Survive beyond 5 years

STAGE DESCRIPTION

A lot of FRs don't pass the 5th year mark. It has to do with the complexity of the product. Make a lot of calls, accepting a lot of No's before getting one Yes. It's hard.

Underwriting requires medical tests, clients may be rejected here. Based on their health condition, policies can be expensive, causing them to dropout.

FRs need to make sure their clients get through underwriting: Potential client waiting for NM's response, if they would be insured or not. Moment of wait and judgment of clients.

USER NEEDS

- Building long-term relationships with clients and client organizations.

WHAT IS PROVIDED

- Planning SW to create financial plan for clients, tools to track sales, predict commissions
- Advisor Desktop
- Client 360 is an information architecture - all of the data come from the signal source
- How 360 is delivered: Service Desktop
- Don't make me look stupid, relationships over paperwork
- Administration task

RESULTING GAPS

- Not one platform—NM fragmented SW tools & apps landscape.
- Advisor Desktop - many apps, clumsy, clunky, info/data from different sources, misalignment asynchronous info, etc.

The authors of this document are students of the Masters of Design program at IIT Institute of Design, Chicago at the time of document creation.

The authors were guided by IIT Institute of Design's faculty, Jeremy Alexis as Course Instructor of Innovation Methods.

Authors

TEAM NEW YORK

Authors

INSTITUTE OF DESIGN

ADELYN SOETYONO

LinkedIn

With combined skills in design thinking and multimedia production, I specialize in designing delightful interactions to enhance user experience.

ARRENIUS KARUNAKARAN

LinkedIn

As a transdisciplinary creative, I build original strategies for organizational innovation by employing business, systems, and behavioral tools, and communicate for actionable outcomes using human-centered design approaches.

BRAYAN PABÓN

LinkedIn

Collaborative and creative designer, passionate about service design and business innovations. Systems thinking and human-centered design are my tools to solve problems strategically, with creativity and a clear business vision.

NAOMI ITO

LinkedIn

Compassionate and curious designer with a passion for bringing together the worlds of business and design to define and drive innovative business solutions that keep people at the center.

RAN KONAKA

LinkedIn

I help companies across industries define and solve complex problems by relentlessly moving between thinking and making to design thoughtful experiences and new possibilities for the future.

This document is created as part of Team NEW YORK's
final deliverable of IDX-584 Innovation Methods Fall 2022 in
collaboration with Northwestern Mutual as academic client.

INSTITUTE OF DESIGN

End