

Achieving Business & IT Alignment

Through Business Capabilities & Governance

September 21, 2010

Thrivent Financial for Lutherans

- Not-for-profit, Fortune 500 financial services membership organization
- Largest fraternal benefit society in U.S.
- Help approximately 2.6 million members achieve financial security and give back to their communities
- Offer a broad range of financial products and services
- More than \$67 billion in assets under management
- Ranked 342 on Fortune 500 list based on 2009 revenue of \$6.514 billion

Agenda

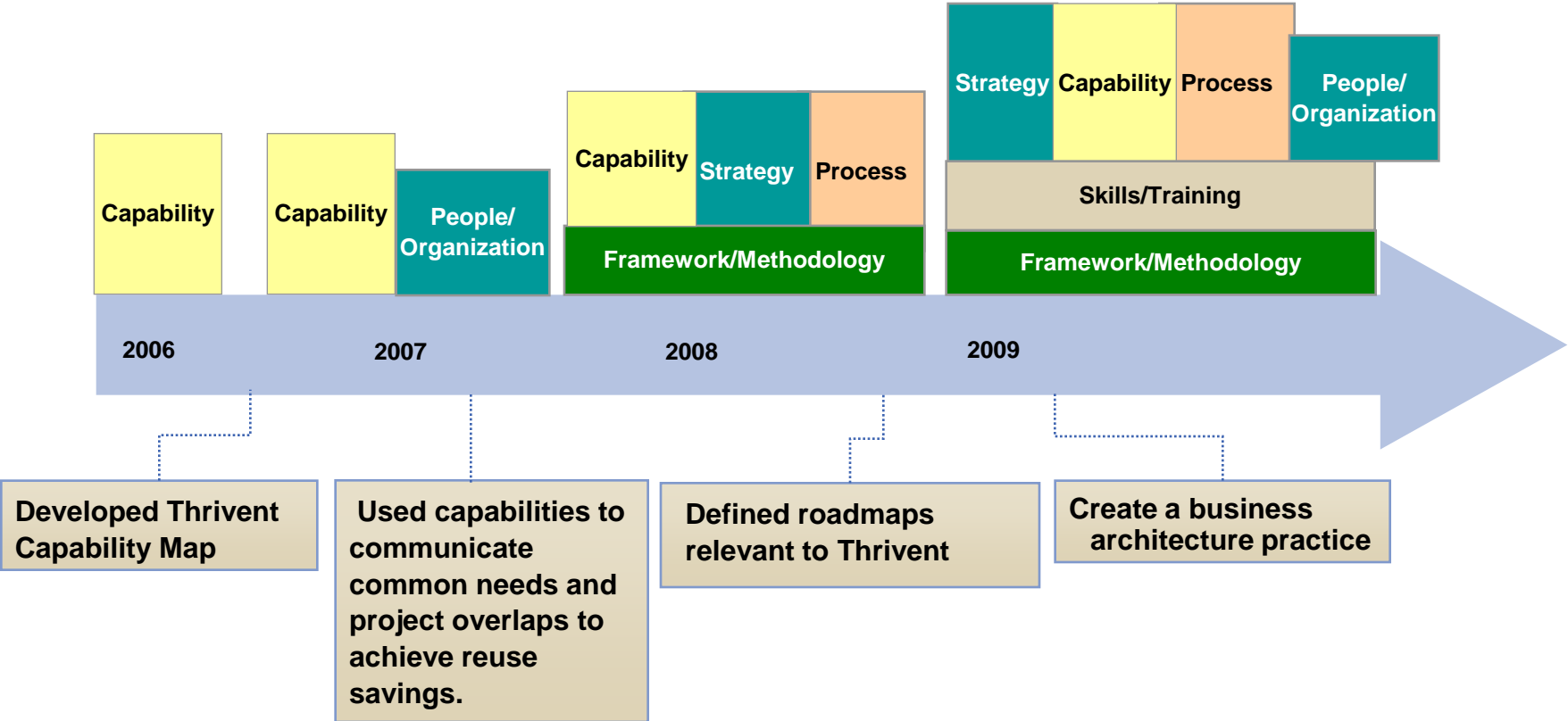
- Creating Alignment with Business Capabilities
- Case Study
- Optimizing Investments: Governance

Agenda

- **Creating Alignment with Business Capabilities**
- Case Study
- Optimizing Investments: Governance

Creating Alignment with Business Capabilities

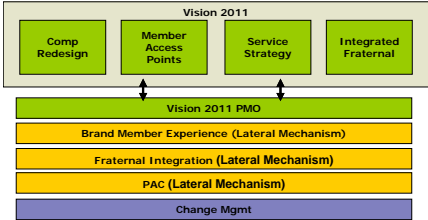
Evolution not Revolution



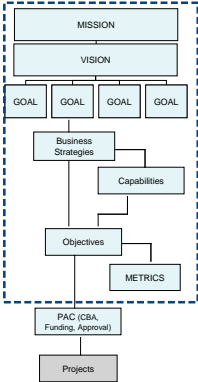
Creating Alignment with Business Capabilities

Business Capability Planning

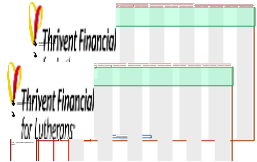
Strategies



Strategy Maps



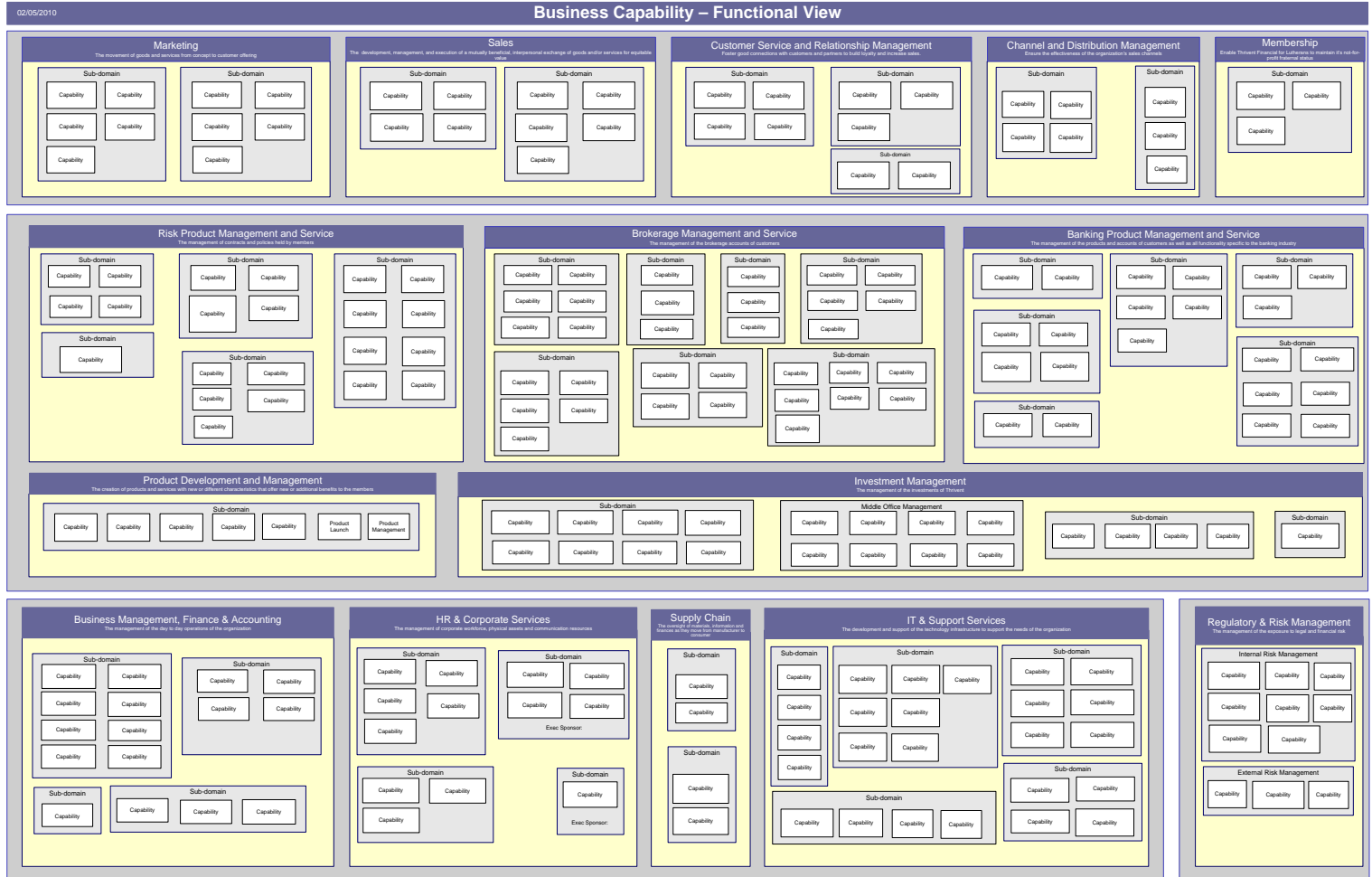
Roadmaps



Business capabilities provide common language and a framework for identifying Integration across a portfolio of initiatives. Business capabilities provide a framework to assess a capabilities performance and the desired future state.

Creating Alignment with Business Capabilities

Business Capability Map

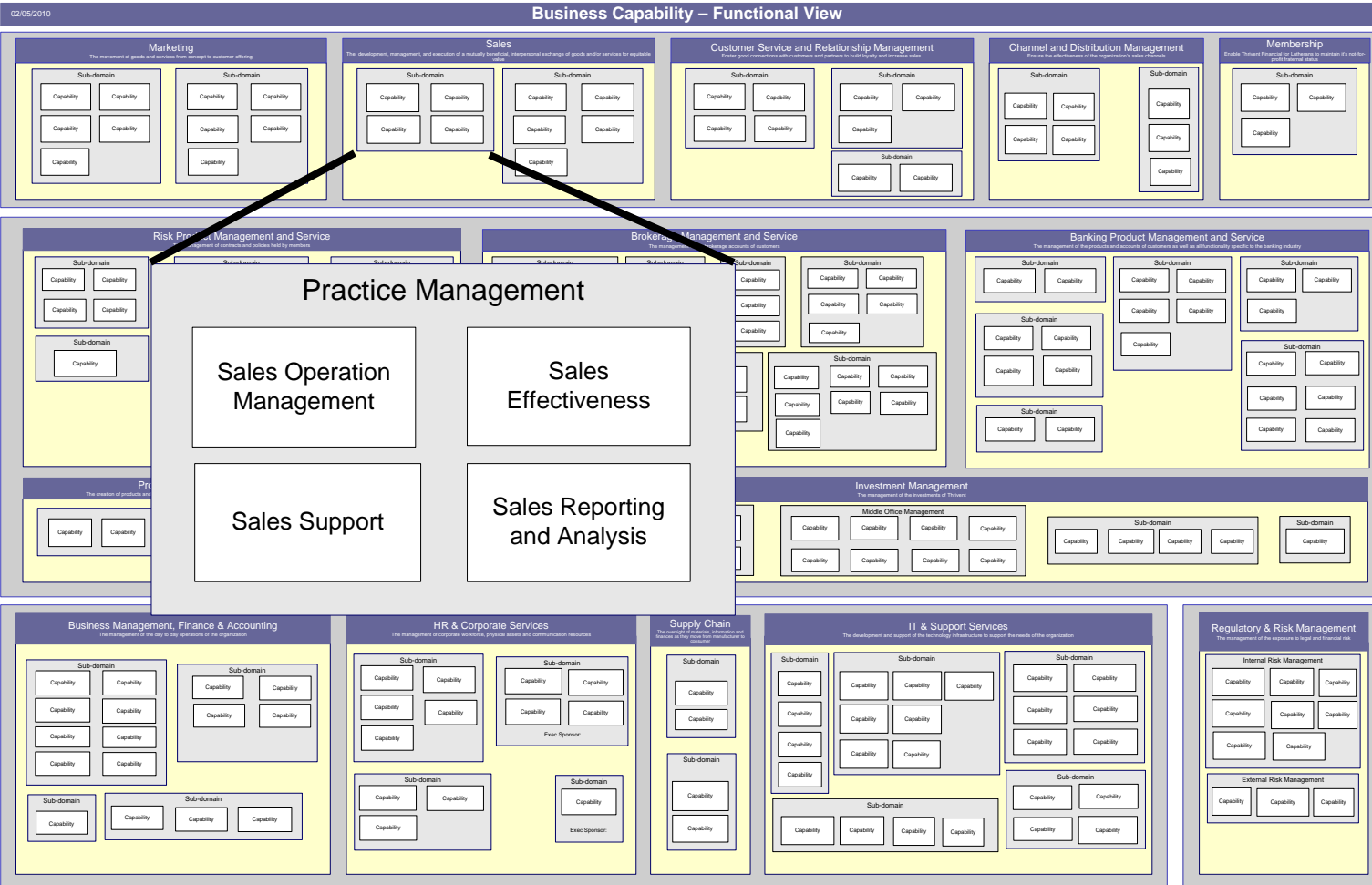


Thrivent's Level One Capabilities

Executive ownership is assigned to each functional area.

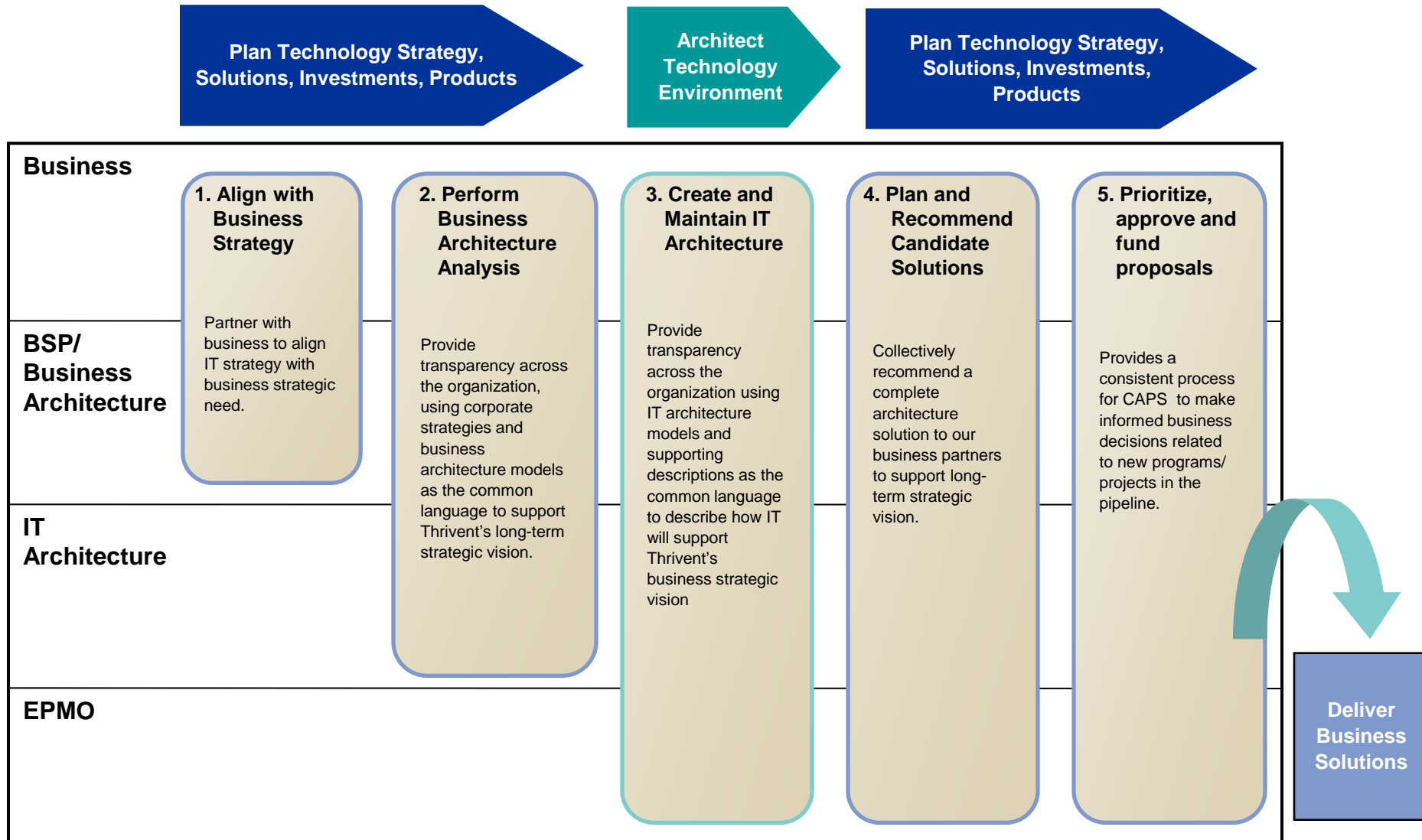
Creating Alignment with Business Capabilities

Business Capability Map



Creating Alignment with Business Capabilities

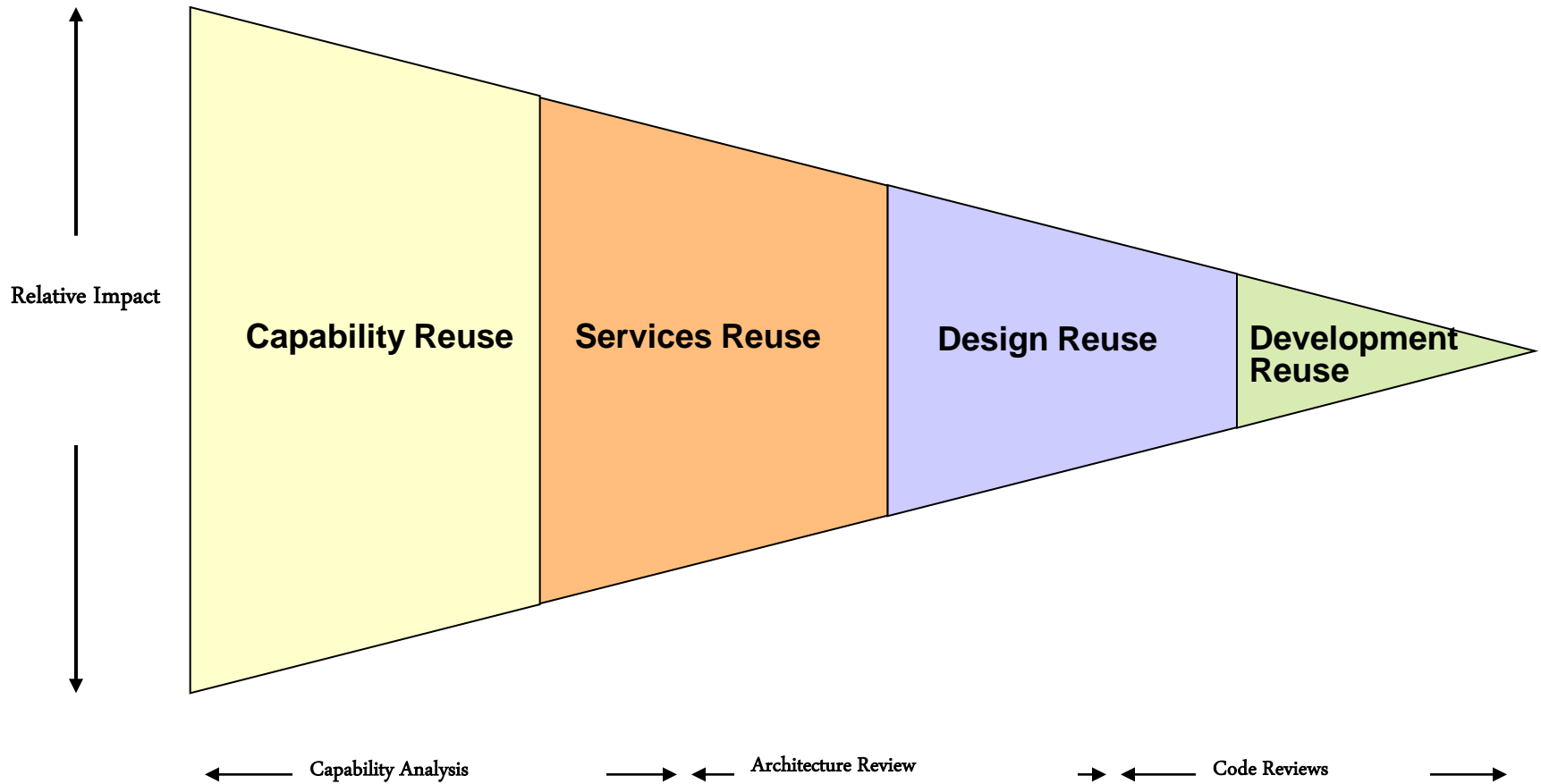
Business/IT Alignment Model



Version 1.0 7/17/2009

Creating Alignment with Business Capabilities

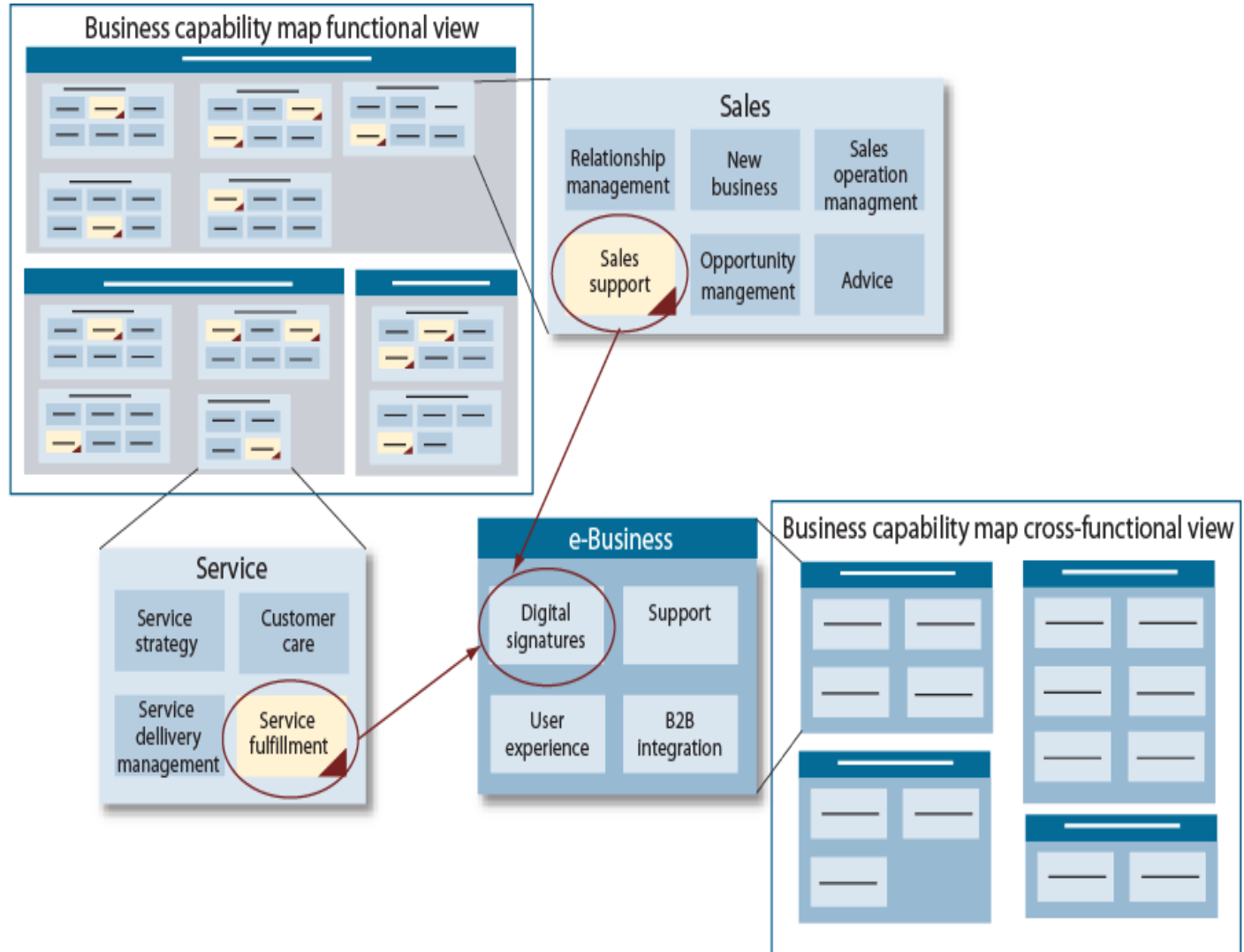
Measuring Results: Reuse



Creating Alignment with Business Capabilities

Measuring Results: Reuse

Capability reuse is achieved by looking across strategies and programs to optimize investments



Source: Thivent Financial For Lutherans and Forrester Research, Inc.

Agenda

- Creating Alignment with Business Capabilities
- **Case Study**
- Optimizing Investments: Governance

Case Study

Chapter Alignment 2010/2011

Objective: Align Thrivent’s lodge system to deliver a consistently valuable member experience and strengthen our common bond by deepening relationships with existing members and attracting new members.

▪ 2010 Implementation	▪ 2010 Exploration for 2011 & Future Implementation
<ul style="list-style-type: none"> ▪ Strategy: Align chapter funding with growth and membership value ▪ Tactic: Model for CAIC (chapter funding) 	<ul style="list-style-type: none"> ▪ Lodge Framework <ul style="list-style-type: none"> ▪ Learn from the best chapters and external organizations ▪ Research, design and test flexible platform for multiple options ▪ Support Thrivent Communities pilots ▪ Test congregational, on-campus, and other affinity chapters ▪ Determine chapter purpose and value proposition to members
<ul style="list-style-type: none"> ▪ Strategy: Align goals, rewards, and recognition with growth and membership experience ▪ Tactic: Consistent, nation-wide Chapters of Excellence program established: NPS, membership growth, soc/ed events, societal impact 	<ul style="list-style-type: none"> ▪ Member and Volunteer experience <ul style="list-style-type: none"> ▪ Learn what is desired from the chapter system by asking to our chapter leaders, members, COIs, FRs, and prospective members ▪ Explore autonomy and engagement vs. top-down control (ex: hub and spoke) ▪ Research and test intentional member/volunteer escalation process (ex: volunteer engagement ladder) ▪ Determine chapter value proposition for volunteers ▪ Design and test lodge new leader roles and governance structure (ex: state/district lodge with local “clubs”)
<ul style="list-style-type: none"> ▪ Strategy: Simplify and streamline administrative processes ▪ Tactic: Continuous Improvement initiative launched in 12/09, focused on two chapter leader roles 	<ul style="list-style-type: none"> ▪ Funding, Incentives & Support <ul style="list-style-type: none"> ▪ Design funding model aligned with ▪ Align lodge goals, rewards and recognition with ▪ Design and test lodge support structure ▪ Examine online/offline engagement and support offerings (social media, toolkits, simple reporting)

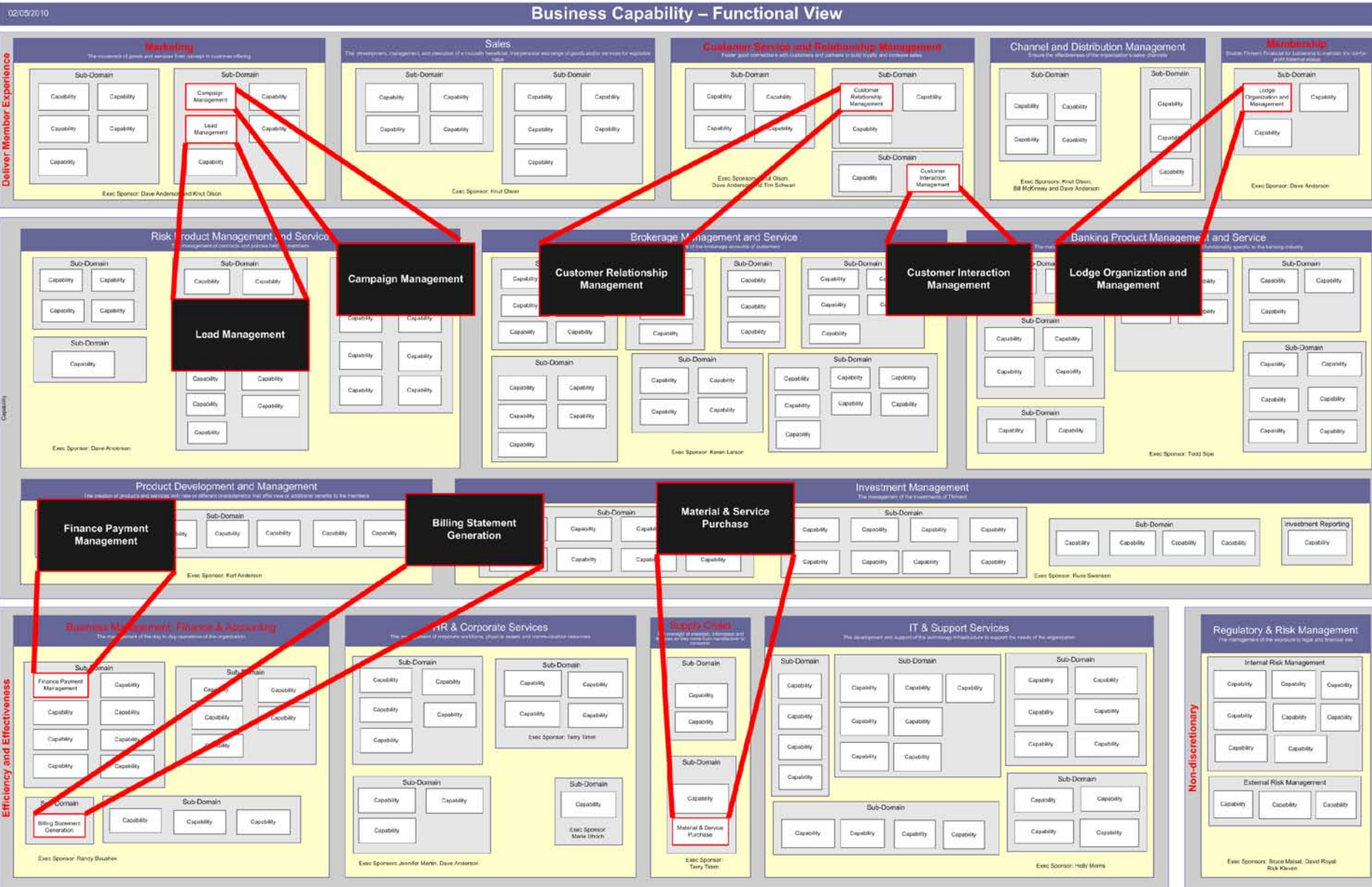
Case Study

Engagement Agreement

Business Architecture Engagement Scope

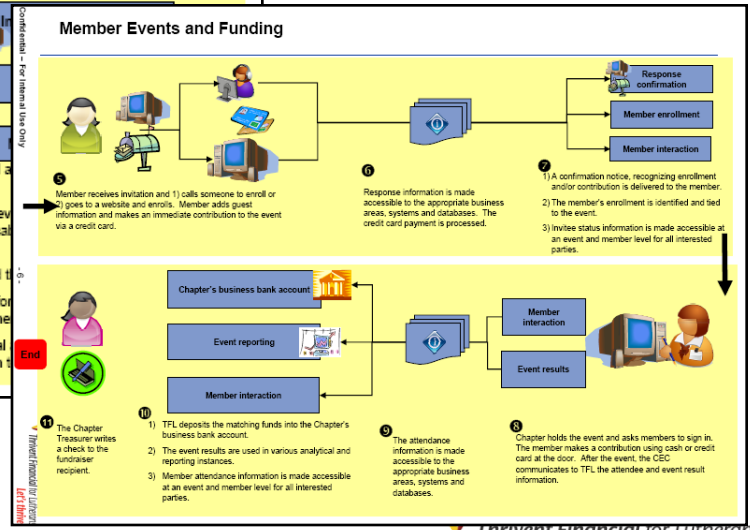
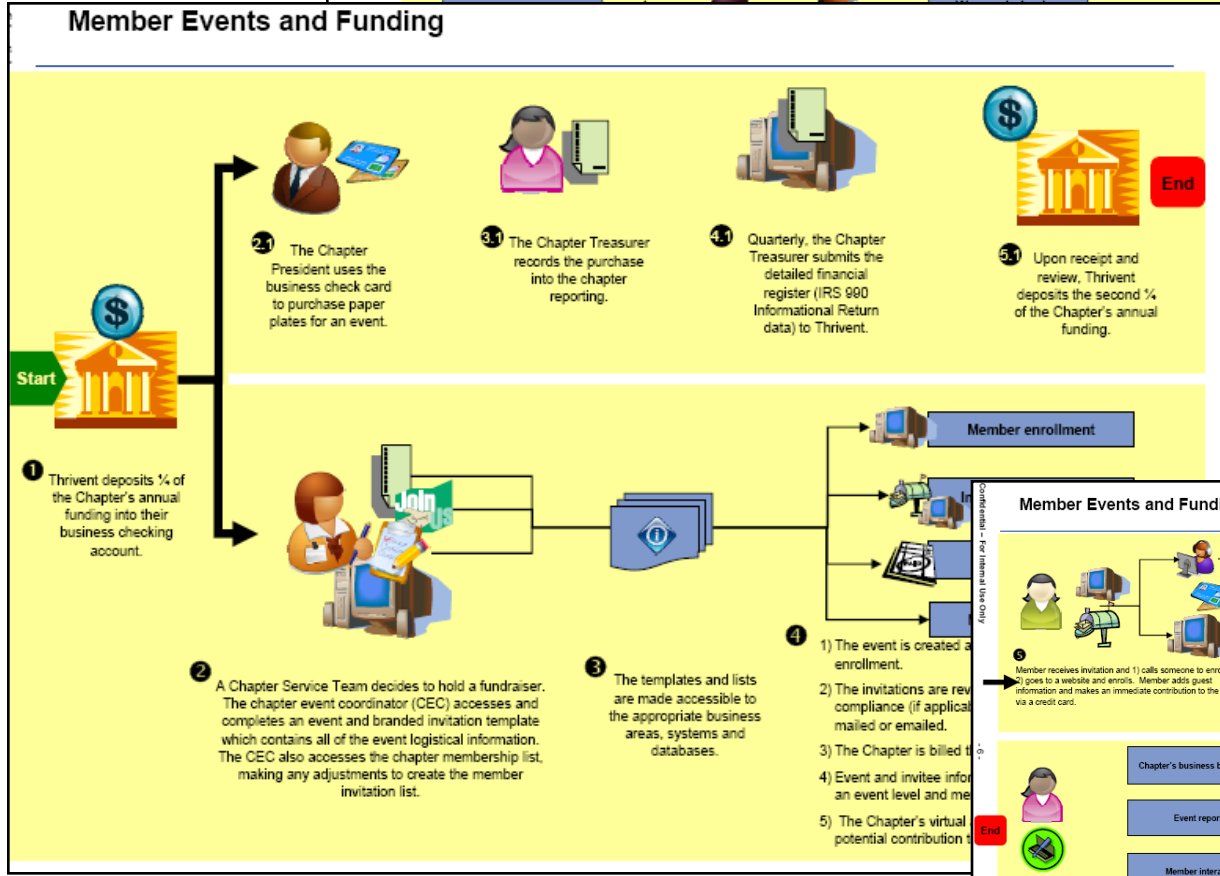
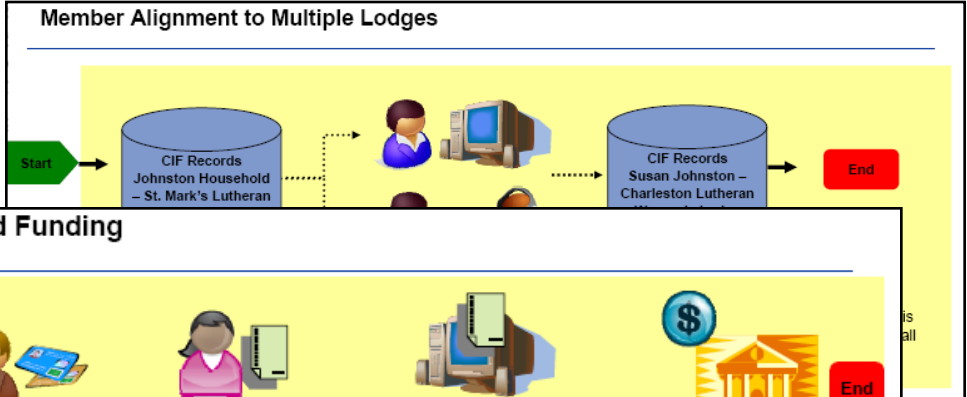
Business Architecture Engagement Scope					
Objective		BARC Deliverable	Est. Hrs	Due Date	Status
1	Present capabilities of Chapter Alignment to the organization	Capability Map - impacted capabilities	30	complete	100%
2	Identify functional needs for capability development	Functional Needs Statements / Capability Matrix	50	complete	100%
3	Prioritize and timeline capability development	Capability Roadmap	20	complete	100%
4	Size capability development	Capability Roadmap	10	complete	100%

Capability Impacts



Case Study

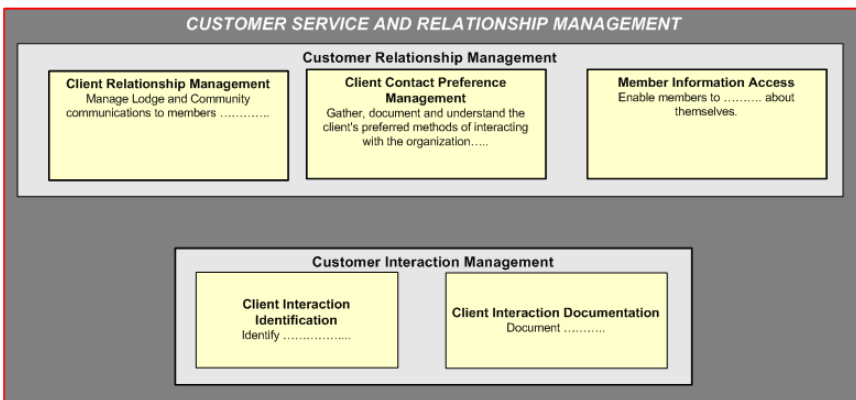
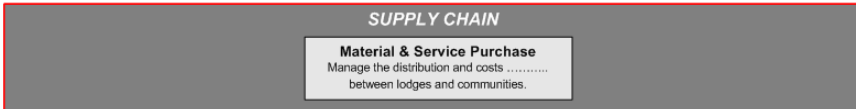
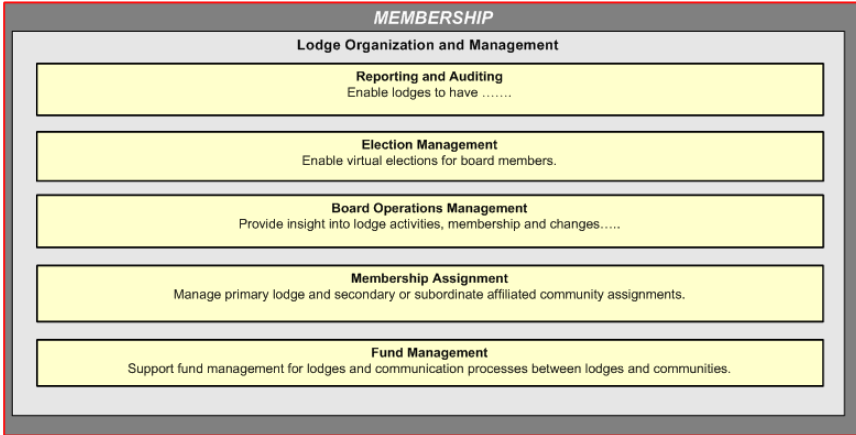
Use of Vignettes to Reflect Future State Processes



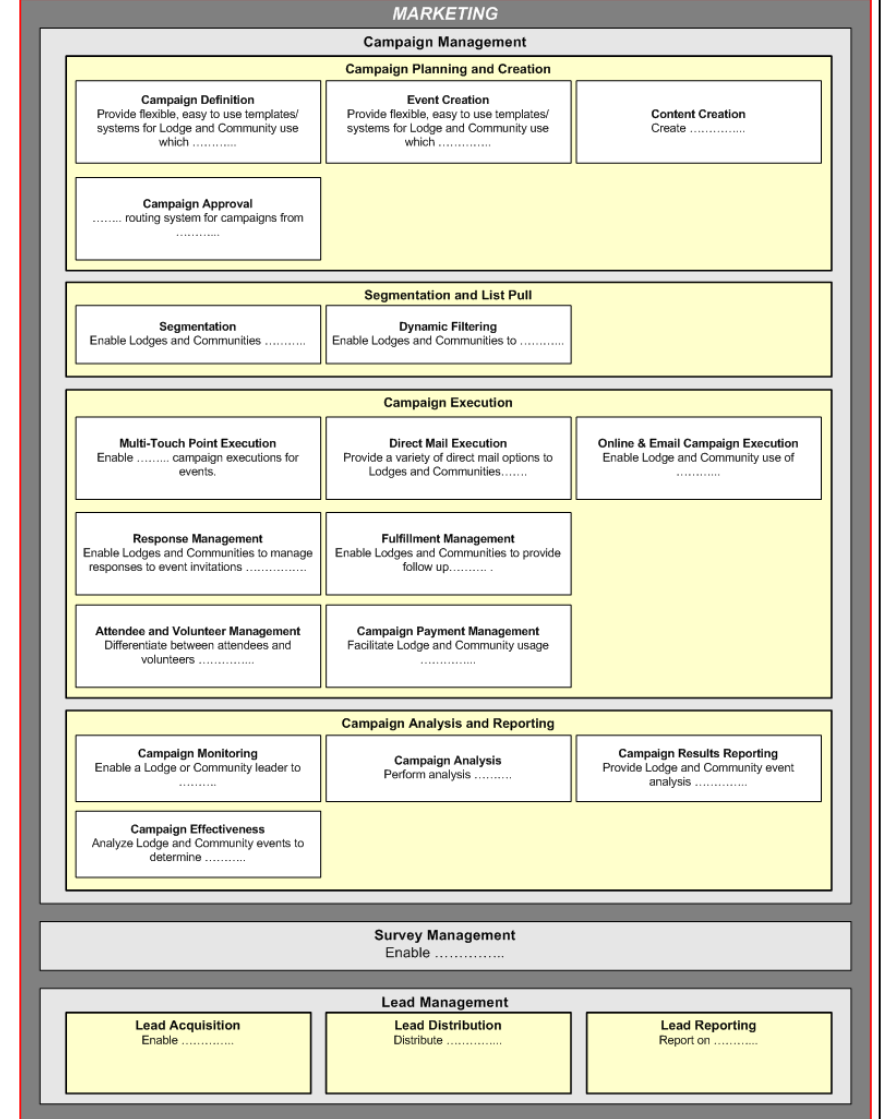
Case Study

Future Capabilities and Needs

Point of Arrival Functional Needs



Point of Arrival Functional Needs



Case Study

Enterprise Capability Identification

Enterprise Capability Development Chapter Alignment Cross Referenced

Membership				
Capability	CA	TC	EC	MA
Lodge Organization and Management				
Reporting and Auditing	○			
Election Management	○			
Board Operations	○			
Fund Management	○			
Membership Assignment	○			

Customer Service & Relationship Management				
Capability	CA	TC	EC	MA
Customer Relationship Management				
Client Relationship Management	○			
Client Contact Preference Management	○			
Member Information Access		•		
Customer Interaction Management	○		○	●
Customer Interaction Identification	○	○	○	●
Customer Interaction Documentation				

- Wants to mature this capability
- Intends an enterprise solution
- Will consume this capability without change



Enterprise Capability Development Chapter Alignment Cross Referenced

Marketing				
Capability	CA	TC	EC	MA
Survey Management	○	○		
Campaign Management				
Campaign Planning and Creation				
Campaign Definition	○	•	○	●
Event Creation	○			
Content Creation	○	○	•	
Campaign Approval	○		•	
Segmentation and List Pull				
Dynamic Filtering	○	○		●
Segmentation	○	•		●
Campaign Execution				
Campaign Payment Management	○	○		
Direct Mail Execution	○	•		●
Multi-touch Point Execution	○	○	○	●
Online & Email Campaign Execution	○	○	○	●
Response Management	○	•	○	●
Fulfillment Management	○	•		●
Attendee and Volunteer Management	○			
Campaign Analysis and Reporting				
Campaign Monitoring	○			
Campaign Analysis	○	○	○	●
Campaign Results Reporting	○	○	○	●
Campaign Effectiveness	○			
Lead Management				
Lead Acquisition	○			●
Lead Distribution	○			●
Lead Reporting	○			●

- Wants to mature this capability
- Intends an enterprise solution
- Will consume this capability without change



Capability Roadmap and Investment Plan

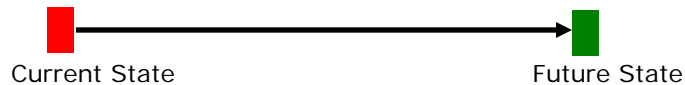
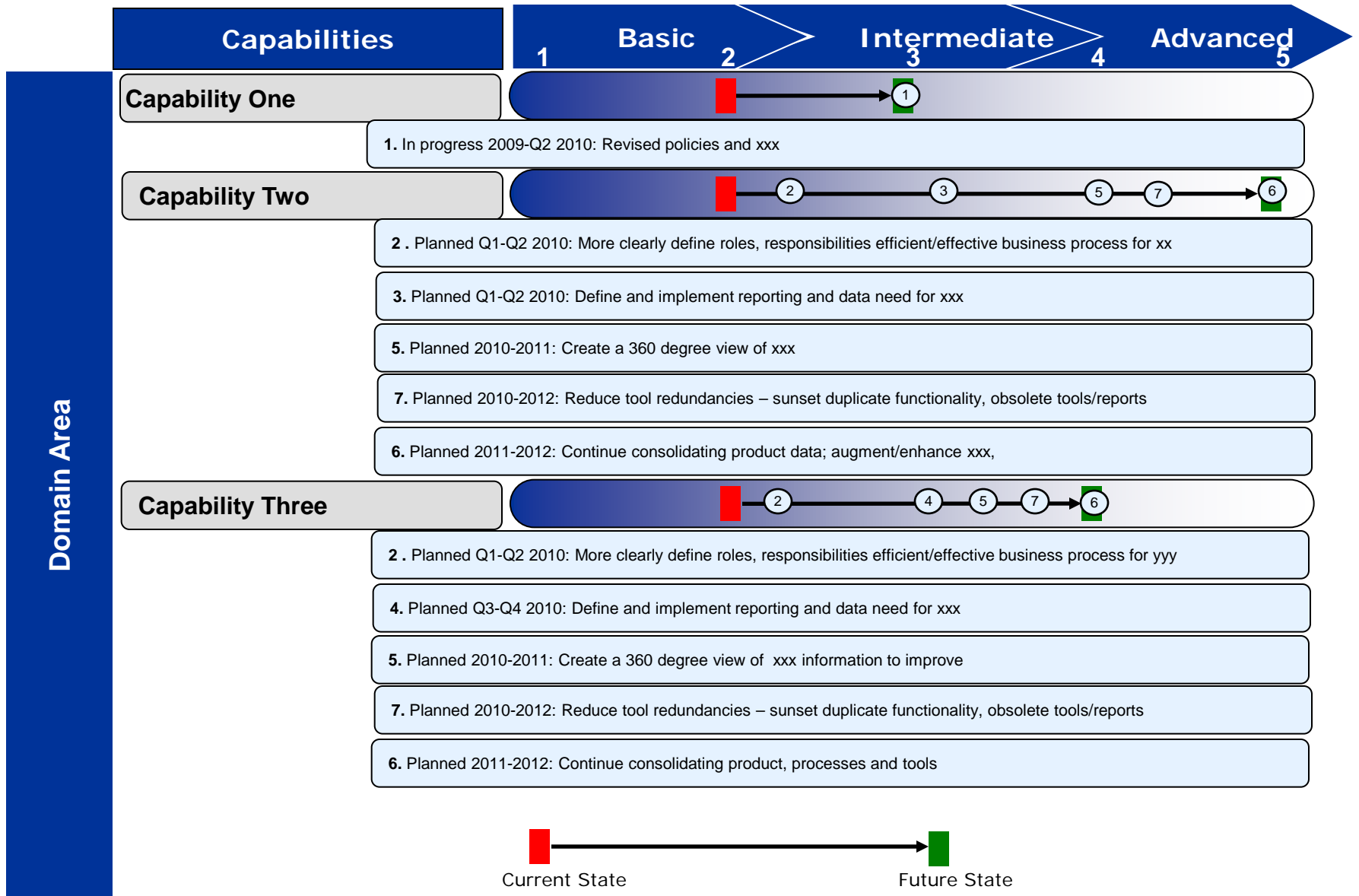
LEGEND

- Estimate**
 \$ = \$X - \$ X \$\$\$ = \$X - \$X
 \$\$ = \$X - \$X \$\$\$\$ = \$X - \$X
- (★) Required capability development
 - (1) Prioritized capability development
 - Expected capability development but not prioritized

Chapter Alignment Implementation Timeline	<ul style="list-style-type: none"> • Market Test – Affinity Communities • Pilot – Congregational Communities • Move In-line – Thrivent Communities 	<ul style="list-style-type: none"> • Pilot – Affinity Communities • Expand Pilot – Congregational Communities • Expand in-line Thrivent Communities 	<ul style="list-style-type: none"> • Test/pilot – State level lodge & local clubs • Move In-line – Affinity Communities • Move In-line – Congregational Communities • Expand In-line - Thrivent Communities 	<ul style="list-style-type: none"> • Move In-line - State level lodge & local clubs • Expand In-line – Affinity Communities • Expand In-line – Congregational Communities • Expand in-line Thrivent Communities 	Range Estimate by Capability
Enabled Capability Enabled Process	2010	2011	2012	2013	
Lodge Organization and Management Aligning members to multiple clubs and a lodge			(★) Structuring lodges and enabling members to select one or	(★) Members vote electronically for lodge board.	\$\$
Campaign Management, Customer Relationship Management, Customer Interaction Management Managing events and attendee tracking and communication		(1) Communities create an event (2) Thrivent is able to track (3) Member's and guests enroll for	(4) Event attendance (5) Thrivent measures (6) Communities survey members to determine event interest.....	•Clubs segment events. •Clubs invite members •Members use	\$\$
Lodge Organization and Management Managing lodge funds			(7) Lodges manage		\$
Lead Management Processing leads				•Clubs communicate	\$
Finance Payment Management, Billing Statement Generation, Material & Service Purchase Billing lodges for material and services				•Lodges	\$
Range Estimate by Year		\$\$	\$\$\$	\$\$	\$\$\$\$

Case Study

Maturing Capabilities: How we get there



Case Study

Three Engagement Models (so far)

Solution Framing

Scope: Specific Initiative or Strategy/Tactic

Goal: Business Case Optimization

Approach: Capability Analysis, Vignettes, Capability Prioritization, Initiative Roadmap



Divisional Planning

Scope: Capability Domain or Organizational Unit

Goal: Frame up domain/organizational plans and priorities

Approach: Gap/Opportunity Analysis, Divisional Strategy Mapping, Capability Roadmaps



Portfolio Planning

Scope: Corporate Strategic Councils and Portfolios

Goal: Multi-year Investment Roadmap

Approach: Strategy Mapping, Capability Analysis, Investment Roadmaps



Business Architecture Repository

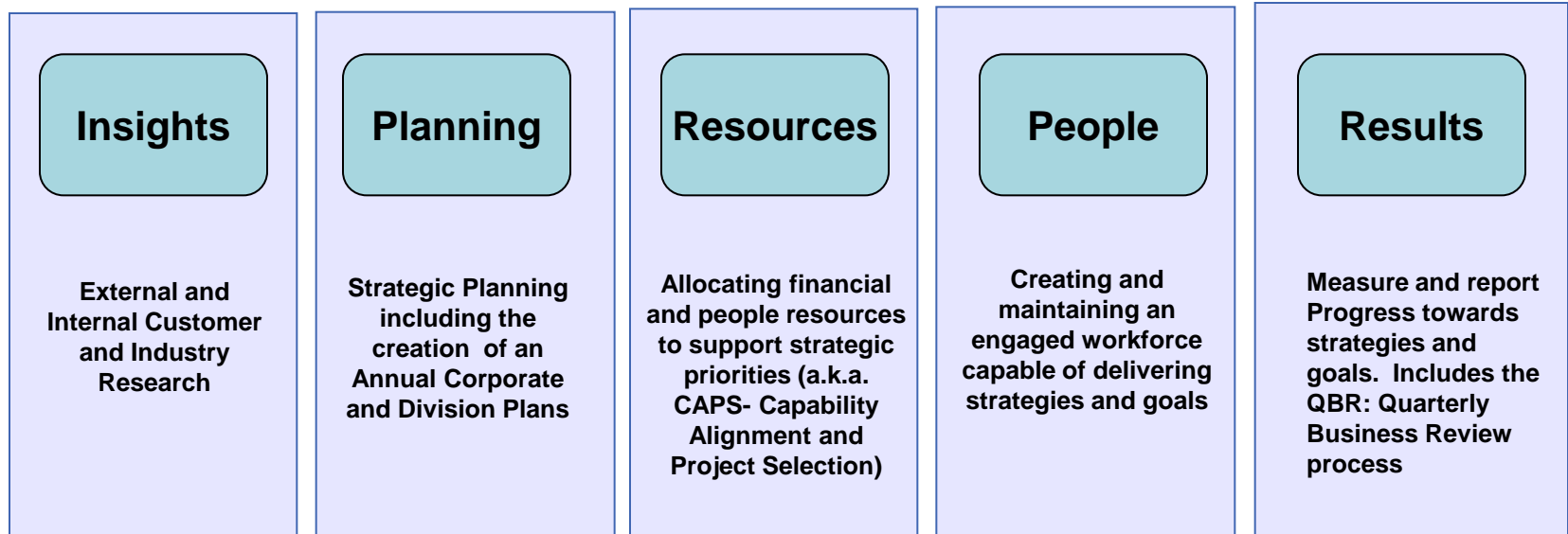
Agenda

- Creating Alignment with Business Capabilities
- Case Study
- **Optimizing Investments: Governance**

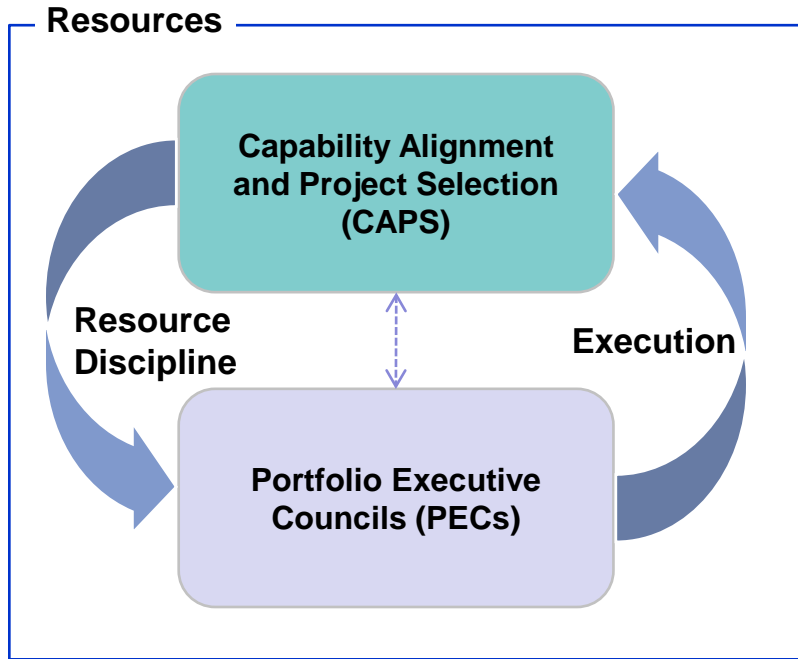
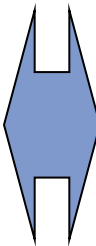
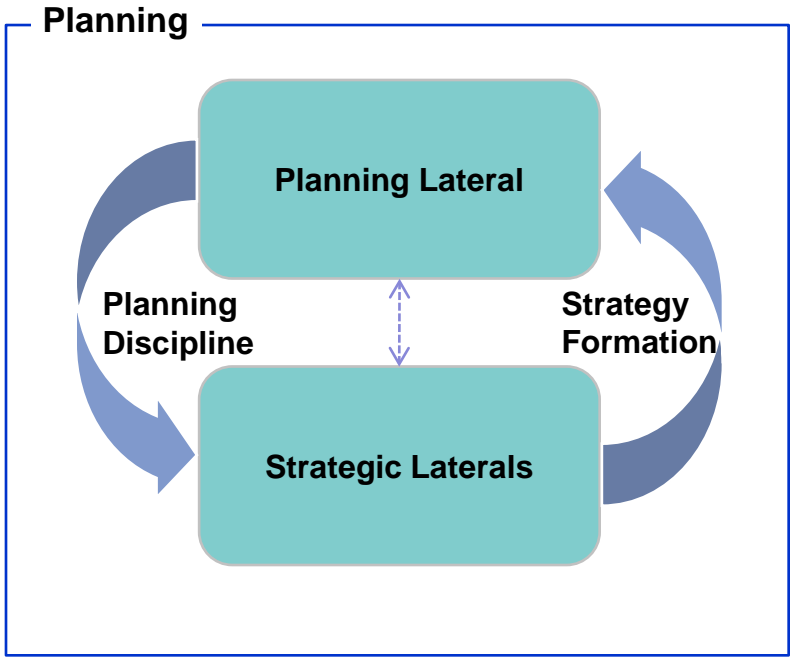
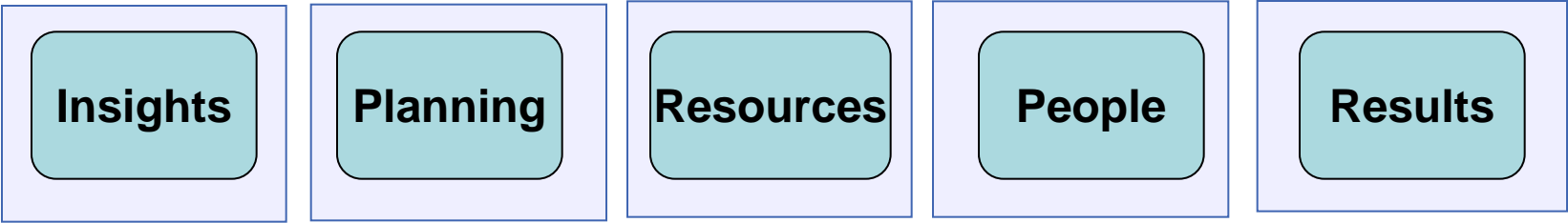
Planning and Resource Lateral Mechanisms

Definition: Aligning and linking structures (e.g. councils, task forces, committees, project teams, etc.) that require cross-divisional collaboration and discipline.

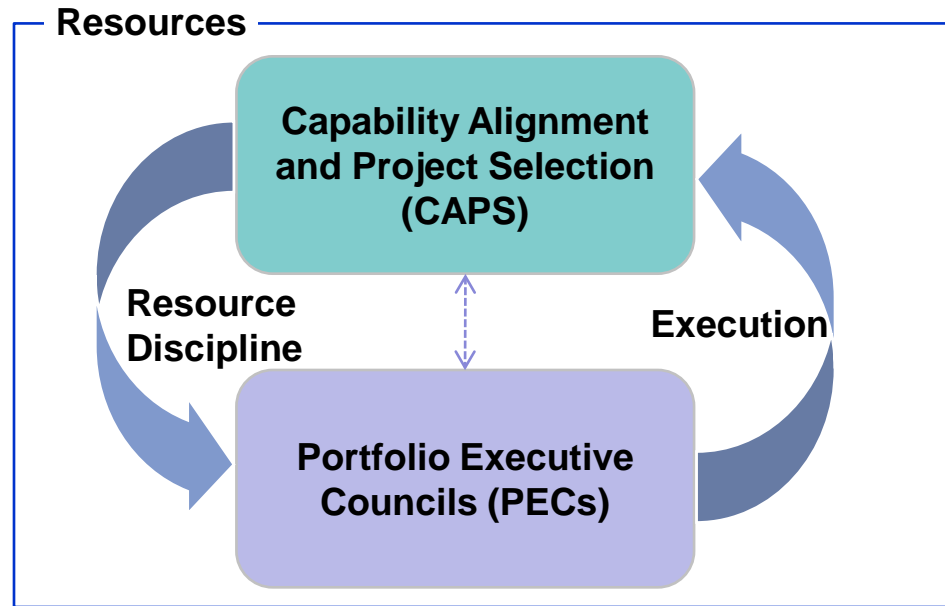
Purpose: These aligning and linking structures, when properly designed and executed, facilitate corporate-wide focus, better and faster decision-making and resource allocation excellence.



Planning and Resource Lateral Mechanisms



Planning and Resource Lateral Mechanisms



- **CAPS Focus is:** _____

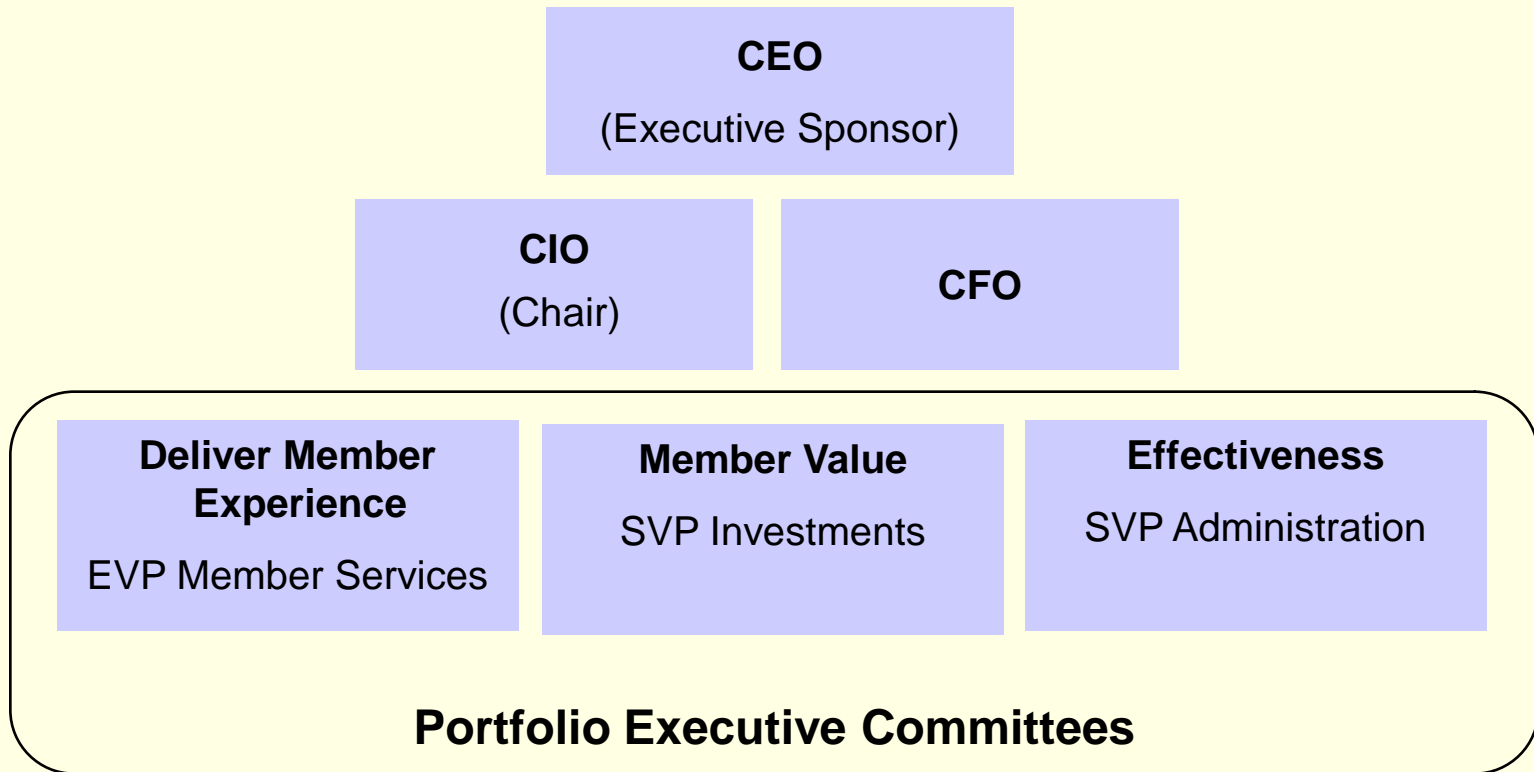
- on cross-organization capabilities
- to align resources to strategic needs and priorities
- for capability enablement, not project execution
- On the large investments (“big bets”)

- **PECs focus is:** _____

- on prioritization within portfolio
- on business case management
- on people resource alignment
- on program and project execution management

Planning and Resource Lateral Mechanisms

Resource Lateral – Capability Alignment and Project Selection (CAPS)



Thank You!

Tom Mertes

Director, IT Strategy and Planning

Thrivent Financial for Lutherans

Tom.Mertes@thrivent.com

Insurance products issued by Thrivent Financial for Lutherans, Appleton, WI. Not all products are available in all states. Securities and investment advisory services are offered through Thrivent Investment Management Inc., 625 Fourth Ave. S., Minneapolis, MN 55415, a wholly owned subsidiary of Thrivent Financial for Lutherans. Member [FINRA](#) and [SIPC](#).

Bank products and trust services are offered through Thrivent Financial Bank, (Member FDIC, Equal Housing Lender), a wholly owned subsidiary of Thrivent Financial for Lutherans. Insurance, securities, trust, and investment management accounts are not deposits, are not FDIC insured, are not insured by any federal government agency, are not guaranteed by Thrivent Financial Bank and may go down in value.