

## Northwestern Mutual Maximizes Talent Retention, Productivity with Innovative Competency Models from The Vaya Group

### NORTHWESTERN MUTUAL COMPANY SUMMARY

- Established in 1872
- The nation's largest direct provider of individual life insurance
- Ranked 116 on Fortune 500
- Headquartered in Milwaukee, WI

### CHALLENGE

- Align the talent strategy with the business strategy
- Keep up with the new competitive opportunities and the changing marketplace

### SOLUTION

- Created the company's first modern competency model for managing partners
- Assessed employees to identify high-potential candidates for development

### BENEFITS

- Retention rate of 75% for managing partners
- 80% of managing partners are at or above their performance targets

At [Northwestern Mutual](#)—the nation's largest provider of individual life insurance—succession planning is never pushed to the backburner. For 155 years, the company has developed its leaders organically and maintained an unparalleled record of financial strength despite the Civil War, the Crash of 1929, two world wars and numerous recessions. In March 2012—on the eve of the company's 155<sup>th</sup> anniversary—Northwestern Mutual was named one of the “World's Most Admired” life insurance companies by executives, directors and analysts in *FORTUNE*<sup>®</sup> magazine's annual survey.

However, Northwestern Mutual's journey was not always a simple one. After the Glass-Steagall Act was repealed in the late '90s—allowing banks, insurance companies and mutual fund companies to freely enter each other's market—Northwestern Mutual's business grew from a life insurance company to a full-fledged financial services company. Faced with new competitive opportunities, senior executives realized that Northwestern Mutual's leadership development process needed to change to keep up with the changing marketplace.

“Our distribution force consists of about 80 managing partners exclusively contracted to Northwestern Mutual who oversee about 6,500 financial representatives nationwide,” said Lyle Maryniak, Leadership Development Consultant at Northwestern Mutual. “Because of this, we dedicate a lot of time and energy to grooming a pool of high potential individuals *early* for positions as managing partners—sometimes as far as 10 or 15 years out.”

### Building the Talent Management Roadmap

To help ensure that Northwestern Mutual's talent strategies fit their business strategies, Maryniak, a 33-year veteran at Northwestern Mutual, turned to [The Vaya Group](#)—a talent management consultancy that specializes in talent assessment and leadership development—for help. In 1996, the main objective was to enhance the talent development program for Northwestern Mutual's Career Analysis Procedure (CAP); a rigorous two-day assessment event designed to identify high-potential financial representatives and present them with customized career development plans.

“At this time, our managing partners were more like sales managers,” reflected Maryniak. “While this worked well for us, it was clear that as the marketplace became more complex, these individuals needed to be less individual-oriented and more team-oriented—focusing more on leading and developing teams to drive results.”

To help Northwestern Mutual better identify high-potential candidates for development, consultants from The Vaya Group assessed a number of incumbents and created the company’s first modern competency model for managing partners. Designed to help the development team assess individuals’ current skill level and business acumen during the CAP, the model lists the traits, characteristics and behaviors that top-quartile candidates demonstrate and others do not. The Vaya Group then created similar competency models for additional contracted leadership positions in the field force, including managing directors and college unit directors, and helped assess top performers for each of these roles.

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**LYLE MARYNIAK**  
Northwestern Mutual

“By creating models we could use to assess high-potential financial representatives, The Vaya Group helped us create a target matrix for leadership candidates,” said Maryniak. “It also helped enhance our curriculum for the next step in the development process, which is participants’ entry into either the Emerging Leaders Program (ELP) or the Leadership Development Program (LDP).”

### Changing Course, Staying Competitive

As Northwestern Mutual began evolving into a financial security organization, Maryniak approached The Vaya Group in 2003 and again in 2009 about updating the company’s competency models to reflect the new business climate.

“When we expanded the business to include investment products and trust services, our expectations for leaders changed,” said Maryniak. “Because we ventured into the financial security arena, responsibilities such as running the complex organization and supervising investments became more critical.”

By 2010, The Vaya Group had enhanced Northwestern Mutual’s competency models to favor strategists—successful, visionary individuals who no longer just develop teams, but also grow and develop leaders.

“The Vaya Group has given our development programs science and rigor,” said Maryniak. “They have helped us assess, diagnose and build programs for every level of field leadership at Northwestern Mutual.”

Along the way, The Vaya Group also helped Northwestern Mutual build customized 360° instruments for the company's approximately 80 managing partners and 240 managing directors leading its sales force. Multi-rater instruments provide these leaders with valuable feedback about leadership behaviors to allow each person to set clear goals for self-improvement moving forward.

### **Measuring Success**

According to Maryniak, the work they've conducted with The Vaya Group to create more formal, sophisticated leadership programs at Northwestern Mutual has paid off. The retention rate for managing partners appointed since 1997 is about 75 percent—extremely high for an industry that sees a lot of turnover.<sup>1</sup> In addition, Maryniak points out that among that group, 80 percent are at or above their performance targets.

"It's great to have people with expertise," said Maryniak. "But it's far better to have people with expertise, like The Vaya Group, who truly understand what we do and why we're doing it. Their partnership with us has brought Northwestern Mutual more science to the art of talent management, sustainability and success."

### **For More Information**

For more information about The Vaya Group, visit [www.vayapath.com](http://www.vayapath.com)

The Vaya Group is a boutique talent management consultancy that applies science and precision to the art of talent assessment and development. Founded in 1997 by Dr. Paul Eccher and Dave Ross, The Vaya Group works closely with clients to understand their business operations, deliver sage advice and provide tailored, quality solutions that improve productivity and profitability. Driven by their passion for helping business leaders and organizations achieve the behavioral, cultural and leadership changes necessary for talent sustainability, The Vaya Group's team of close-knit consultants operate as an extension of their clients' business. In August 2011, The Vaya Group was nominated to *Inc.* magazine's annual list of the 500 | 5000 Fastest Growing Private Companies in America.

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<sup>1</sup> U.S. Department of Labor - [http://www.doleta.gov/brg/indprof/Financial\\_profile.cfm](http://www.doleta.gov/brg/indprof/Financial_profile.cfm)



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