

Why and how we work

abacai

This document is meant to be the operating system
for how we run the company.

It won't explain our insurance products or tell you
about how to set up your laptop.

It will tell you what we are about,
and how we expect each other to behave.

We are here for **our customers**

Of course other stakeholders matter.

If we didn't have our people, the business would come to a crash landing.

If we didn't have our technology partners, nothing would work.

If we didn't have shareholders and capital providers, we wouldn't have the money to invest in our business.

But our raison d'être is our customers.

We are here to serve them.

They are the oxygen of the business.

Everyone says that, though... ...so what does it mean?

Our product proposition is fundamentally based on rewarding customer loyalty, rather than penalising it through higher prices. We are there for our customers with value and content even when things don't go wrong.

Although we are optimised to compete across all distribution channels, we are mobile first - our customers are digitally mature and increasingly mobile native, and our products reflect that.

Our value proposition increasingly will shift from reactive compensation for incurred risk to pre-emptive protection against potential risks. This happens for instance through improving driver behaviour or notifying them if their pipes might be about to burst.

We are genuinely focused on making the customers' experience of insurance the best it can be, through hyper-personalising it to that individual. It's about getting to know our customers, to know what they need from us and when, and exceeding their expectations when they do use us

This is reflected in our purpose.

To revolutionise insurance

To fulfil our purpose at scale...

We need to win market share and be able to expand into new products and geographies.

This means getting customers to choose to do business with us rather than the myriad of competitors out there.

We know that customers base their purchase decisions on four things.



Price

Ease of use

Brand

Functionality

If these factors are how the customers decide whether they give us their hard-earned cash, they also imply a great deal for how we work.

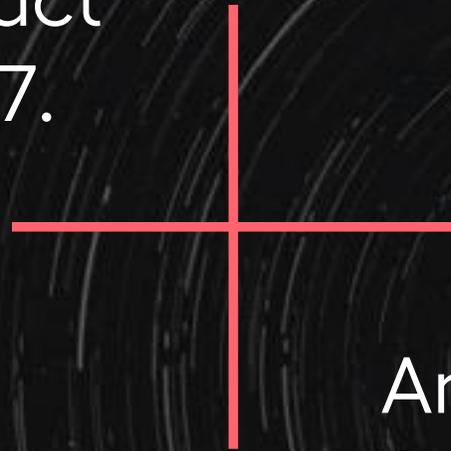
We need to be **efficient, digital, data-driven and innovative.**

But these qualities don't 'spontaneously erupt' in organisations. More often, companies are bureaucratic, siloed, jaded and slow.

That's not for us.
We want to do better.



The first known
insurance contract
dates from 1347.



And sometimes it
feels like not a lot
has changed since.

Lousy systems mean that the purchase or claims experience can be tortuous.

Convolutd jargon means that many customers don't know what they are buying.

Loyal customers are often punished by price hikes.

And just as some companies' attitudes to customers appear old-fashioned, some corporate cultures seem grounded in the past not the present.

Working 9 to 5
in the office
in a job for life
in order to secure
a decent pension.



Working flexibly,
in a job where challenging
and supportive colleagues
are the best perk,
to serve a purpose.

We want to keep the feeling of a small company,
and not become a faceless army.

We are small by design and outsource anything others can do better.

We're not big on
hierarchy
and we loathe
bureaucracy.

Someone once said:

“Love affairs with the status quo often continue long after the quo has lost its status.”

That’s not us.

We are dissatisfied
with the **status quo** 

That dissatisfaction with the status quo is right there in our name.

Abacai reflects a respect for the discipline, rigour and trustworthiness of the history of computation:

abacus

But just as important is our belief in the innovation, precision and insight of its future:

a.i.

More broadly, we aim not to be the world's best firefighters, but to be true arsonists.

We want to reinvent the insurance industry.

Cool objective, but we will have to be at the top of our game to pull it off.

**And we need to
set the pace of change
in the industry.**

We see culture as a crucial part of our competitive armoury in this fight.

Why? Well, it's pretty obvious.

Culture today determines performance tomorrow.

Think back to a business you were in with a lousy culture.

That business was almost certainly either in, or heading towards, a period of lousy performance.



What is culture?

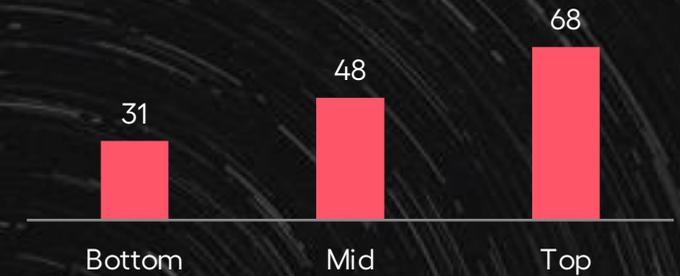
Culture is the ability of the organisation to align, execute and renew better and faster than competitors.

At Abacai we like data. So here's some.

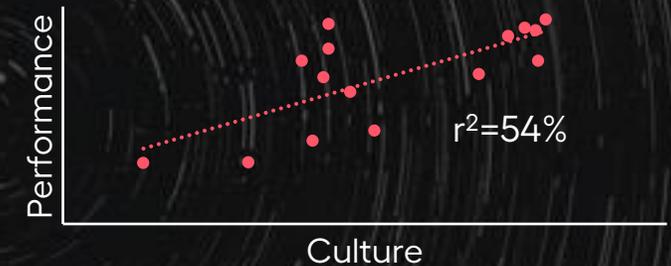
Three charts from books* written by our own Colin Price that show the relationship between culture and performance.

First for companies in general, then for business units within a big company and then for hospitals in the NHS.

Companies with top quartile organisational culture are more than twice as likely to have above median EBITDA margin



At an oil company, the culture explained more than 50% of the performance at 16 of their refineries



For the hospitals in a particular region of the NHS, we see the same – culture explains about half the relative performance



* [Beyond Performance](#), Colin Price and Scott Keller, 2011.
[Accelerating Performance](#), Colin Price and Sharon Toyne, 2016

So the message is clear:

A strong culture
determines about half
of the likelihood
of **high performance.**

Culture isn't the only game in town. Products matter, brands matter, regulators matter and competitive intensity surely matters.

But culture is a huge factor.

There is only a trade-off between performance and culture
in the very shortest of short terms.

Long-term success depends on both.

Caring about metrics,
accountability and profitability
is what gives us the credibility
to secure the capital we need to
deliver our purpose.

Our purpose and our culture
is what helps us attract,
excite and coordinate great
talent in order to deliver
performance and create value.

So we are not leaving it to chance.

We are putting big people into big jobs.

obsess about

But we also ~~work on~~ our culture,
just like we ~~work on~~ our tech,
or our pricing or our products.

obsess about

Great tech, prices, and products will
attract and retain customers.

Great culture
will attract and retain talent.

Both matter. And we've placed big bets on both.

At Abacai we want to be **different**



We are clear, therefore, about our values and the behaviours we want to see from all of us.

There are 4 values and 12 behaviours we think are critical to success.

These aren't optional.

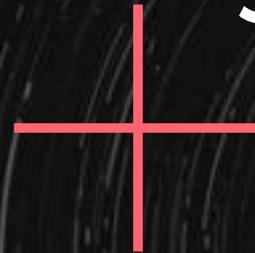
For you to do well and enjoy your time at Abacai you need to be both students and masters of these values and behaviours.

This takes work. From all of us. And sometimes means helping others to work on them – irrespective of hierarchy.

Our values

We do good things
for our customers

We use data to get
straight to the point



We go a little bit
slower to go a whole
lot faster

We balance high
challenge
with high support

We do good things for our customers

Note the emphasis on 'do'.

We must of course always speak about our customers with respect,
but what really matters is action.

Obsess about delivering tangible improvements
that make our customers' lives significantly
better by doing a lot of little things a little bit better.

We use data to get straight to the point

We are the ultimate data-driven organisation.
Facts trump hierarchy, power, and loud voices.
Facts cut through waffle.

Use data to create pacy conversations that solve problems fast.

We go a little bit slower to go a whole lot faster

We are in the business of putting a price on risk.
It is not something you make up on the fly.
Careful thought and thorough work is required.
But the rigour is to enable pace.
Both to delight our customers and confound our competitors.

We balance high challenge with high support

This is not a book club. We are taking on an industry on behalf of our customers.

We need to be able to robustly challenge ourselves
and each other to get to the right answer.

But the trick is to combine this with a highly supportive environment
where individuals never feel personally criticised.

For each of the four values

We do good things for our customers

We use data to get straight to the point

We go a little bit slower to go a whole lot faster

We balance high challenge with high support

You may want to ask yourself four questions

Does this come naturally to me?

What is there that could stop me doing this?

What could happen if I don't do this?

Who does this well that I can learn from?

Many companies have aspirational values but they don't always live up to them

A recent article* in the MIT Sloan Management Review found little correlation between nine common values publicly claimed by companies and workers' experience of those values. The strongest correlation was only about 22%, and for four of the nine values, publicly claiming the value was associated with poor performance on that dimension.

Organisation culture is a bit like a fish – it rots from the head down. So setting the tone at the top is particularly important.

* <https://sloanreview.mit.edu/article/when-it-comes-to-culture-does-your-company-walk-the-talk>

We want to live our values, not merely pay them lip service.

We take them so seriously that we ask new joiners to sign our charter, committing to the purpose, mission, values and behaviours.

To ground our values into practical reality we have identified 12 tangible behaviours, 3 for each value



We do good things for our customers

Responsive, Efficient, Ethical

We use data to get straight to the point

Data-driven, Straightforward, Direct

We go a little bit slower to go a whole lot faster

Constructive, Agile, Driven

We balance high challenge with high support

Diverse, Courageous, Accountable

We do good things for our customers

Responsive

Always imagine the customer is in the room.

We have customers at the front of our minds all of the time.

What this means

We are going to turn a boring, irritating and difficult purchase for our customers into a simple one by being quick, fair, open and digital.

Without our customers we have nothing.

We obsess more about our customers than our competitors.

What this doesn't mean

It's not the case that we never make mistakes with our customers. What's important is that we hold our hands up and learn. We act with pace when we spot a problem that impacts our customers, and fix it.

How we bring this to life

We measure customer satisfaction with the same intensity as financial performance.

We hire people who put service above ego.

Questions to ask yourself

How will what I am doing help our customers?

What can I do to learn more about our customers?

How can I save our customers time?

Efficient

Ask if this is the best use of every penny.

Every day work towards being a low cost insurer. We are relentless at focussing our efforts to achieve the most value-add outcomes.

What this means

Question every expenditure: would our customers see this as good value?

And it's not just efficiency in money.

Time matters too - we only work on things that add value.

What this doesn't mean

Shoddy work. The best way to save money is to build quality in from the start. It's far more efficient to get it right first time than to penny pinch our way to failure.

How we bring this to life

We drive budgets down to the lowest possible level and match them with required deliverables. If you 'own' your mini business you can 'own' the efficiency of it.

We start and end every meeting on time.

Questions to ask yourself

Would I spend my own money this way?

Am I cutting into fat or muscle?

Am I working on the most important thing?

We do good things for our customers

Ethical

Always do the right thing, even when no one is looking.

Shame on us if we have to rely on regulations to tell the difference between right and wrong. Do work you are proud of.

What this means

Caring about our customers means more than a 'tick box' exercise. We need to satisfy them by proactively meeting their needs.

Help customers find the right solution for them.

What this doesn't mean

We don't just comply, we delight and surprise.

This doesn't mean we outsource ethics to our Compliance colleagues. It's everyone's job.

How we bring this to life

We don't use pressurised selling tactics or rely on inertia. We 'know' our customers and offer them choices.

We measure and publish our customer satisfaction scores.

Questions to ask yourself

Do I know the law in my area?

Would I feel comfortable explaining my actions to my Mum?

Am I brave enough to raise my hand if I suspect something is amiss?

We use data to get straight to the point

Data-driven

Be led by the data, hold our opinions in check.

Data thrashes hierarchy. The most important person is the fact holder.

Data directs every decision we make.

What this means

The point is not for data to conform to your opinions, but for your opinions to be informed by the data. We are all plagued by biases, many of them unconscious. Data is our way of shining a light on those decision biases.

We aren't big on hierarchy – debates are won by data, not job title.

Data shouldn't be 'owned' by someone in the organisation. Unless it is protected, for example by NDAs or GDPR, our bias should be to share.

What this doesn't mean

Don't confuse facts with truth. We absolutely love data, obviously.

But data is a route to truth, not truth itself.

We also need to bring intuition, judgement and experience to bear. Data is always incomplete and we can fill in the gaps with our experience.

How we bring this to life

We have built the company with a unified data architecture. We put data science at the heart of the company. We use short decks which are heavy on data and light on narrative. Everyone reads decks before meetings so we can get straight to the point.

Questions to ask yourself

Can I prove my opinions with data?

What data would it take for me to change my mind?

What's the most important story I need to tell with the data?

We use data to get straight to the point

Straightforward

Get to simplicity on the other side of complexity.

We compete in a complex industry with too much jargon.
Our job is to produce beautiful simplicity.

What this means

Kill complexity and seek simplicity

Our desire for simplicity is greater than our desire for comfort. If you see something that is excessively complex, challenge it. Even if it's uncomfortable.

Simplicity isn't just for our products and services. It's relevant for everything we do. Use 'radical candour' to challenge anything that smells too complex.

What this doesn't mean

Remember complexity is the residual between sophistication and capability. You or I might find it complex to write a bestselling novel. JK Rowling finds it less complex, because she is more skilful at it.

So sometimes the answer to complexity is to increase your own capabilities

How we bring this to life

Flat structures, wide spans of control, absolute clarity on the direction and objectives

Count your priorities on the fingers of one hand

Questions to ask yourself

Could I explain this to a customer?

Am I sharing my expertise or hoarding it?

What do I understand today that I didn't last year?

We use data to get straight to the point

Direct

Speak boldly, bluntly, and briefly.

Our comms should be as crisp, clear and coherent as our thinking.

What this means

Our competitors are outside. With colleagues we don't need to filter. Say what's on your mind.

We have a lot to do in a short time. Let's save time by getting straight to the point.

Speak plainly, dump the jargon, be direct.

What this doesn't mean

Needlessly antagonising or being offensive. We need safety inside the organisation, and any paranoia to be directed externally. We need to speak our mind and bring our heart.

How we bring this to life

We use simple language – we use help, get and fix not assist, obtain and resolve.

We use direct language – 'we decided...' and not 'a decision was made'. And only "reach out" if you are one of the Four Tops.

Questions to ask yourself

Are my words trusted?

Do my actions match my rhetoric?

What about my intent?

We go a little bit slower to go a whole lot faster

Constructive

Display a 'yes and' not 'yes but' attitude.

Adopt a default setting of 'let's give it a try, measure and test, and see if it works'

What this means

Every one of us needs to be an innovator.

Study your space, understand the landscape, push your thinking, try things out.

What this doesn't mean

Flip-flopping around from one fad to another, or doing things one way just because they've always been done that way.

How we bring this to life

We plan in quarters not years to match our metabolic pace to that of the market.

We use scrums, squads, brainstorming and any other non-hierarchical methods we can possibly think of to stop bureaucracy stifling initiative.

Questions to ask yourself

Am I keeping up with the leaders in my field?

Have I inadvertently acted as a dead hand of bureaucracy?

Where can I help out a colleague?

We go a little bit slower to go a whole lot faster

Agile

If in doubt go faster, but test and learn.

Recognise and react to things quicker than our peers. Be agile in everything that you do. This is an organisation with a high metabolic rate.

What this means

The quick win the race. So we need to be quicker.

Sometimes speed will bring failures. Failure is the condiment that gives success its flavour. That's OK but let's not make them repeated failures.

And experiment. Don't wait for perfection before acting.

What this doesn't mean

It doesn't mean we leave everything to the last moment and are chaotic. Sometimes you do have to go slow to then go fast - you can't fatten a pig on market day. We have to be action-oriented and know when to go from planning the work to working the plan.

How we bring this to life

Move when you are 60% ready and learn as you go.

We take away the speed bumps. Few people want to move slowly. They get slowed down by review meetings, pre meeting meetings, big meetings, joint accountabilities. Our mantra of big people in big jobs helps us set the pace.

Questions to ask yourself

What is slowing me down and what can I do about it?

Who is waiting on me?

What can I start now and then course correct once I know more?

We go a little bit slower to go a whole lot faster

Driven

Be (politely) intolerant of bureaucracy and unnecessary weight.

Have a bias for action.

What this means

The big corporates spend a gazillion hours feeding the beast of their own making.

Let's out execute and outpace them. Our natural advantage is speed, simplicity and innovation.

What this doesn't mean

We won't make investments. Abacai is a growth play and we will dig deep to build the capabilities to win.

We're going to penny-pinch on compliance. We're nothing without our reputation, and have a responsibility to look after every single one of our customers.

How we bring this to life

We work in squads. Small teams with uber clear performance objectives create an ownership culture.

We work to a quarterly rhythm, not annual.

We are painfully transparent on our performance so everyone knows what needs to be done.

Questions to ask yourself

How do I chop 80% off the time it will take to bring this to life?

Can I hack this problem just to test things out?

What's getting in my way?
Have I been active enough in confronting it?

We balance high challenge with high support

Diverse

Surround yourself with people who think differently and treat them with respect.

Embrace the power of doubt. Be intolerant of intolerance.

What this means

Diversity of thought, and having multiple ways of looking at problems and multiple sources of insight on every opportunity.

We have to be masters in the art of arguing well. Passionate, even fierce debate, but always confronting the issues, never attacking the person.

We need to stick up for our own point of view; no-one else will. Be yourself – everyone else is taken.

What this doesn't mean

Quotas. Let's be clear: we have no interest in equality of outcome. Having 50% men in our HR function isn't a strategic objective. We value substance over symbols.

We are super interested in equality of opportunity . We want to draw on the best talent regardless of race, ethnicity, gender, sexuality, age, neurodiversity, or any other identification.

How we bring this to life

We welcome challenge – we don't have an open door policy, we have a no door policy.

We are respectful, not delicate.

We listen hard for intent.

We are inclusive, and make sure everyone can be heard.

We remind ourselves that we can't perfectly mirror our customers or society. We will use data to plug any gaps.

Questions to ask yourself

When did I last change my mind and why?

When did I last encourage someone to speak up?

When did I last thank someone for challenge?

We balance high challenge with high support

Courageous

We've got your back, so you push forward.

Have the courage to take calculated risks, to make bold moves and to challenge poor behaviours, knowing the support is there.

What this means

Greatness and comfort rarely coexist.

At Abacai we back ourselves, both individually, in our teams and as a company. We are not afraid of the unknown or change, quite the opposite, we pursue and thrive on it. Thinking small is a self-fulfilling prophecy.

The main thing is to keep the main thing the main thing.

What this doesn't mean

We are fearless in our pursuits, but we are not reckless.

Decisions are informed and made at speed, but they are not rash.

This doesn't mean you're alone. When times are tough, and that happens to all of us, the Abacai family gathers round and supports.

How we bring this to life

We remind ourselves regularly of what we are trying to achieve.

We hire the very best. People who give a damn. People who want to drive forward. And we empower them to bring their best selves to their work.

Stay ready for spontaneity, so we don't have to get ready.

Questions to ask yourself

Is fear holding me back?

Am I too comfortable, how can I push myself further?

Can I do anything more to make the outcome better for the customer?

We balance high challenge with high support

Accountable

Deliver on your commitments.

Collaboration is crucial, we only get there when we are all accountable.
We are big people in big jobs.

What this means

If you chase two rabbits, both will escape. It's critical that we are each very clear on our individual commitments. We are too small a business to be able to afford for things to slip through the cracks.

Name an elite sports person who hasn't had excellent coaching and I will name you a fibber. For us to deliver on our accountabilities we have to have a feedback rich environment.

What this doesn't mean

At Abacai we talk to each other not about each other. If you feel someone has let you down you raise it with them. Directly, bluntly, respectfully.

Hoarding knowledge. Don't confuse individual accountability with silo behaviour.

Blame. It's generally bad process rather than bad people that cause mistakes. We celebrate finding and improving these bad processes.

How we bring this to life

Small units help. What helps more is ultra clear targets.

Own up to bad news early, so that we can all work to fix it.

We don't have to agree on everything. But we do have to be able to disagree and commit. Disagree in the sense of making your views clear but nevertheless fully commit to the way ahead if that's the decision.

Questions to ask yourself

Am I clear on my commitments?

Have I asked for help if I am struggling?

What bad news am I hiding?

As a reminder...

Our purpose

To revolutionise insurance

Our values

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We balance high challenge with high support

Our behaviours

Responsive
Efficient
Ethical

Data-driven
Straightforward
Direct

Constructive
Agile
Driven

Diverse
Courageous
Accountable



Got feedback?

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