

# Aon Health & Benefits – Model for Innovation

2016

<Proprietary & Confidential>

# Topics

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- **Innovation Overview**
- Charter & Process

## Rationale and Guiding Principles

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### **Aon does not lack health-related solutions. So why do we need a cross-LOB innovation model?**

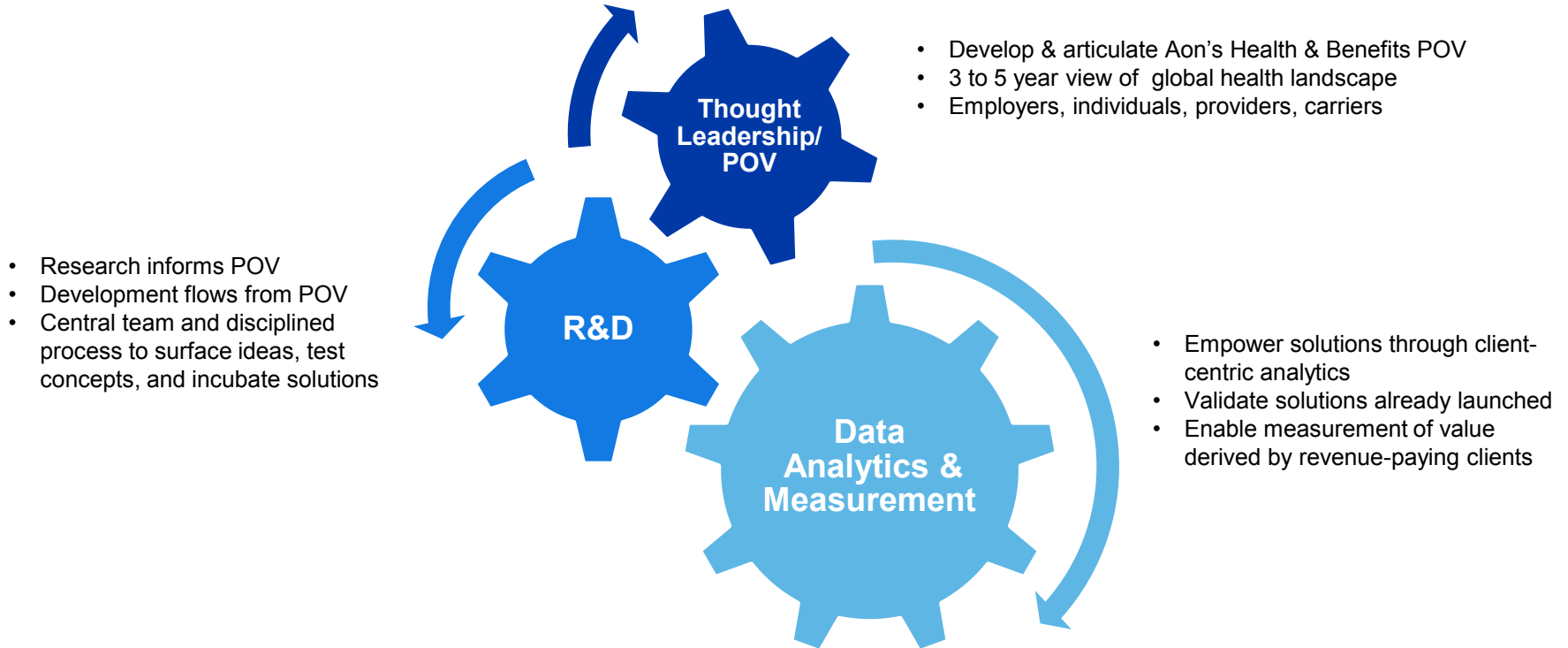
- Today, we are not optimized:
  - Lack consistency across LOBs in terms of thought leadership and Point of View
  - We let existing solutions drive our market view, rather than having a market-oriented R&D process inform our solution set
  - We develop “cool ideas” into solutions without a disciplined process to gather market information and without a rigorous measurement model to validate our thinking

### **The Aon Health & Benefits Innovation Group Guiding Principles:**

- We will leverage existing LOB talent and thought leadership into an annual, single, consistent point of view development process, driven by Innovation – *results in one point of view for all of Aon Health & Benefits*
- We will centralize idea prioritization and solution incubation – *results in reduced duplication and increases alignment between POV and solutions*
- We will collaborate with the Actuarial team for a data-driven measurement and validation model to prove that our solutions work – *results in increased commercial viability of our solutions*

# Innovation Definition

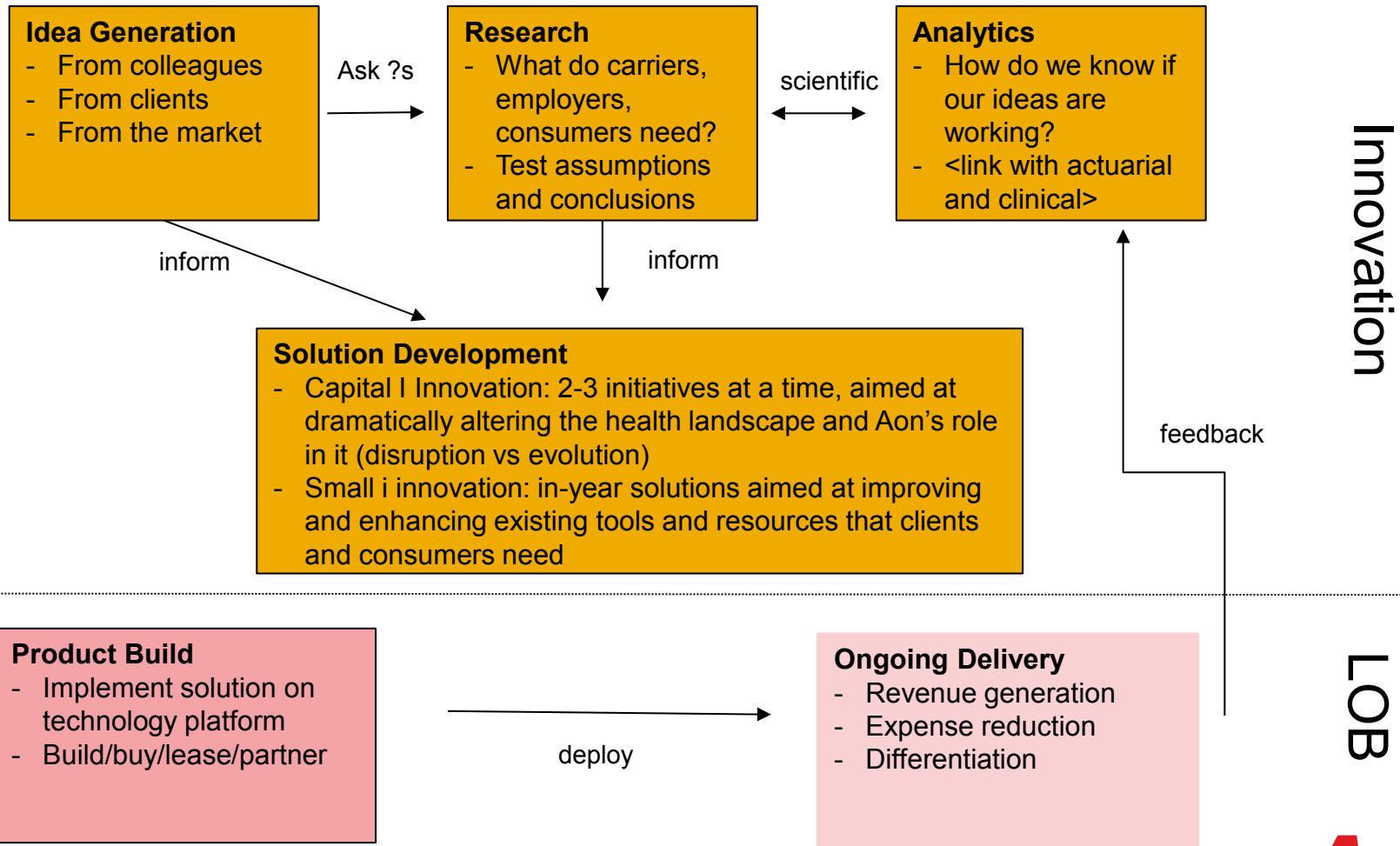
**Innovation:** a disciplined process for creating new solutions to address current and future market needs



## Additional Key Terms:

- **Ideation** is the formal process for surfacing and vetting new thinking about our solution set.
- **Incubation** is the development of a new solution model, including market testing internally and externally.

# The “Flow” of Innovation




# Topics

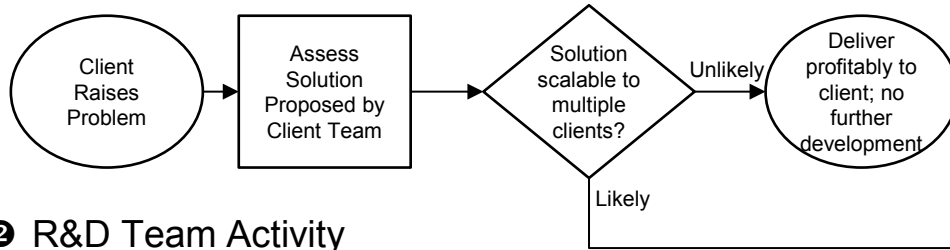
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- Innovation Overview
- **R&D Process**

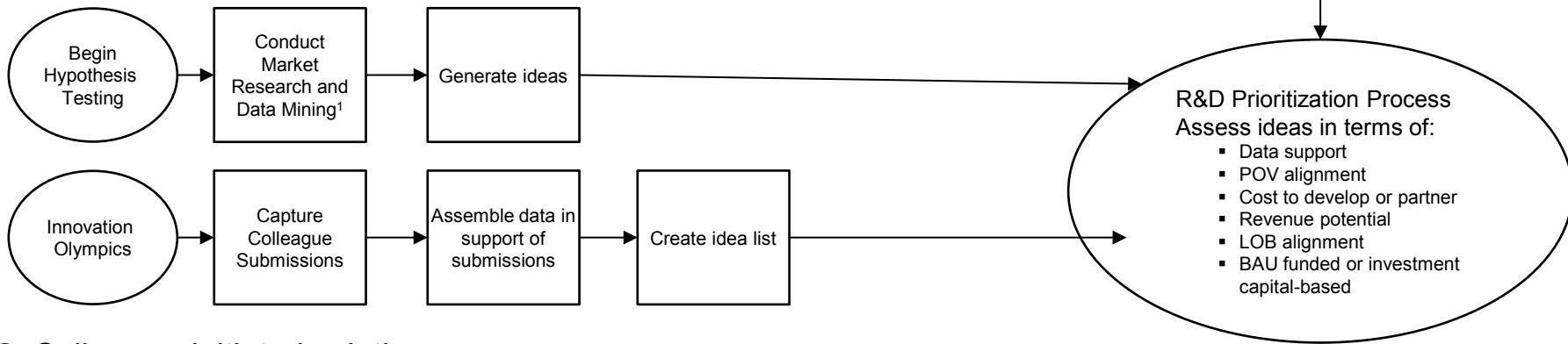
# R&D Process: Phase I – Idea Generation through Prioritization

## 1 Client-initiated Solution

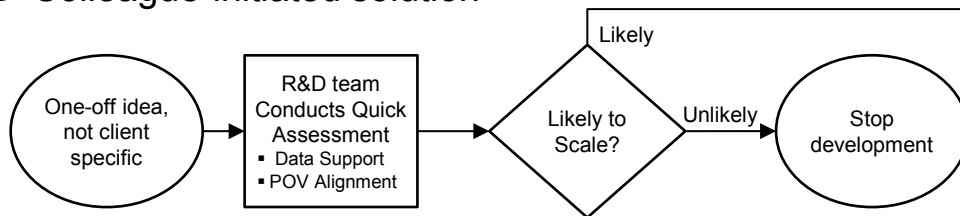
 = Process steps owned by Innovation team



## 2 R&D Team Activity



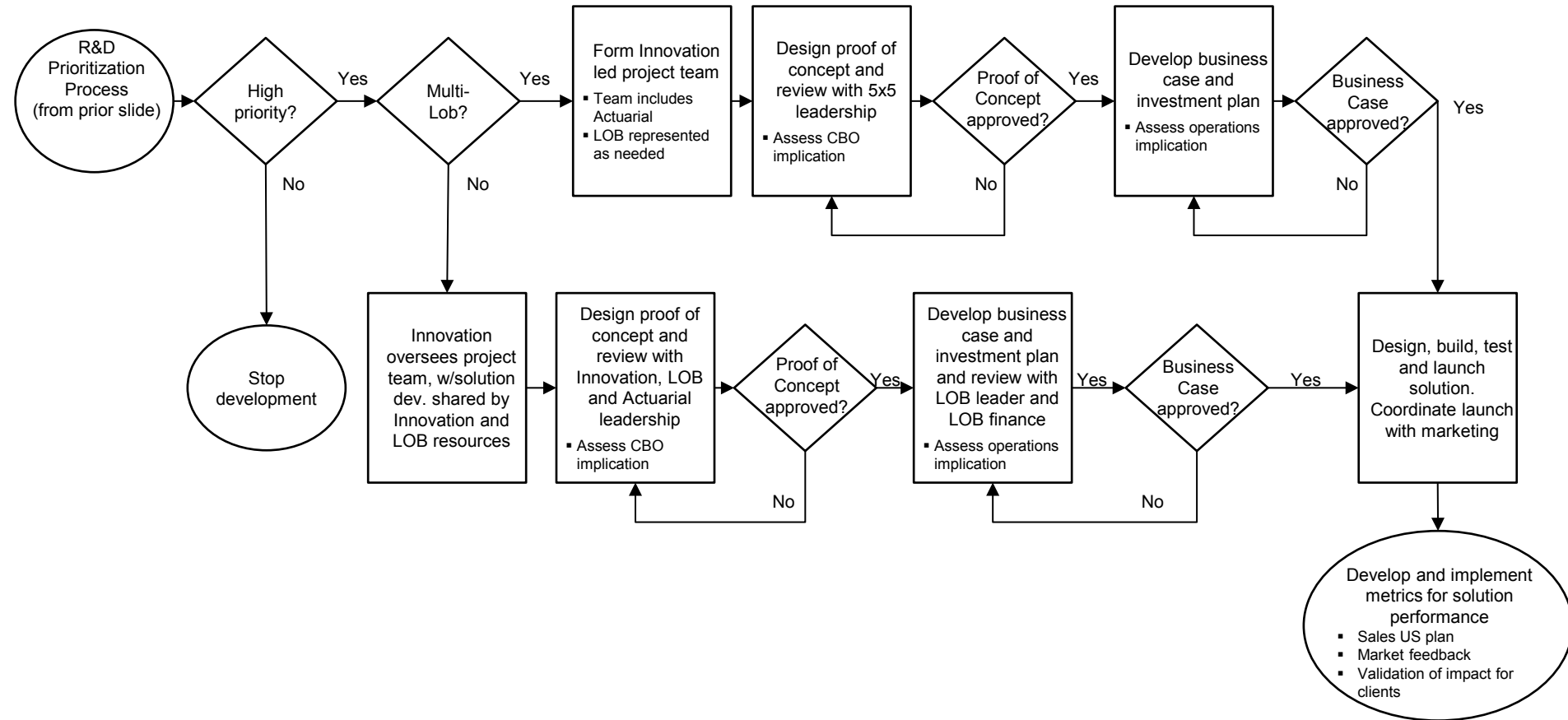
## 3 Colleague-initiated solution



*Prioritization Team includes Innovation leader, R&D team leaders, and cross-LOB product development advisory committee*

<sup>1</sup>In addition to supporting R&D process, market research will inform and refine thought leadership/POV.

# R&D Process: Phase 2 – Prioritization to Development & Measurement



*At “proof of concept” points above, Innovation makes recommendation for funding solution development; consider solution as one of the 4-5 “big bets” that merit capital investment, or fund solution through existing business unit P&L(s); critical question to be defined – what are the ground rules for pulling Innovation team members into specific product development discussions?*