

# Creating a Culture of Innovation



## Organization Profile

**Name:** American Enterprise Ventures  
(A subsidiary of American Enterprise Group)

**Industry:** Health and Life Insurance

**Description:** American Enterprise Group (AEG) is a mutual hold company that provides products and services in the health and life insurance space. AEG's focus is to create solutions that help customers secure their financial futures. To keep up with the rapid pace of technological advancement in the insurance space, Balanced Growth worked with AEG on a strategic innovation journey resulting in the formation of American Enterprise Ventures.

**Website:** [www.AmericanEnterprise.com/aeventures](http://www.AmericanEnterprise.com/aeventures)

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## Problem

AEG did not have an environment where new ideas, new technologies, and new methods could easily be inserted into the existing business operating model. The organization did a good job of meeting current business needs, but was less adaptive to the trends that were rising in the insurance space as insurance and technology were coming together to change the way business is transacted. The transformation required not just a change in the culture, but an outside-in approach to how things could be done, essentially going against the traditional ways the insurance industry has always operated.

## Vision

To address these issues, AEG developed a vision to “establish a platform that creates diversification in ideas and opportunity to deliver value to AEG,” per Dave Keith, President of AEG Insurance Solutions.

“Innovation lives on the edges; it is based on an idea or a collection of ideas and is brought forth by those who seek to be different.”

“Working with Balanced Growth has improved our cadence on how we think about things. It helps us to step back and look at things and challenge ourselves on how we approach work activities. It has elevated our thinking. Before, our thought process was inward focused, sequential and linear. Now, we ask ourselves more difficult questions about our business and business models.”



**Dave Keith**

President  
AEG Insurance Solutions

## Engagement Objectives

The Balanced Growth team was engaged to lead an effort to help AEG explore how technology and innovation could become part of its core fabric. The primary goal was to develop a framework and structure to enable technology innovation and keep it at the forefront of the company. Key objectives included:

- Discuss learnings from technology accelerators and incubators
- Develop a plan that established structure, governance, and board oversight
- Design a model to focus on investments, pilots, and ideas



## The Innovation Journey

The process to achieve the engagement objectives was one where each progressive step forward led to the next as the strategic need for innovation became increasingly clear. The following describes the journey that BG and AEG took together that ultimately led to the creation of American Enterprise Ventures.



### 1. Strategic Innovation Sessions

Balanced Growth led multiple strategic innovation sessions with the AEG's leadership team to devise new concepts that could create value for AEG's business model. The result was multiple new business ideas and the conviction in the importance of pursuing the creation of value through innovation.

### 2. Exploration

To build upon the emerging innovation mindset, the BG team reviewed the InsureTech and FinTech movements worldwide and how leaders were capitalizing through strategies such as corporate venture capital programs, innovation accelerators, and strategic partnerships. The team also developed direct connectivity and relationships with innovation ecosystems including leading universities and similar entities across the country with an emphasis on the rapidly emerging capabilities in the Midwest in places like Chicago and St. Louis.



# Creating a Culture of Innovation



## 3. Strategic Planning

Based on the results of the exploration, AEG concluded that it was a business imperative to devise a strategic response to capitalize on the innovation movement. BG and AEG worked together to create a business plan to align with the company's capital deployment philosophy while creating value for AEG's business lines and its customers. The Business Plan was reviewed and approved by the AEG Board of Directors.

"Innovation is the unrelenting drive to break the status quo and develop a 'NEW' where few have dared to go.

Balanced Growth helped AEG see beyond our current boundaries. BG helped AEG bridge the gap of legacy insurance and innovative start-ups."



**Julie Pearce**

Assistant Vice President,  
American Enterprise Ventures

## 4. Formation of American Enterprise Ventures

After approval, a subsidiary legal entity was formed called American Enterprise Ventures (AEV). BG and AEG worked together to devise the mission, structure, investment guidelines, and processes to bring AEV to market. The charter for AEV emerged to use innovation to generate customer value through three pillars: capital investment, pilots, and incubation/new business ideas. BG provided interim leadership for AEG during this formative period until AEV hired its own leadership and staff.

## 5. American Enterprise Ventures Today

AEV's mission is transforming customer interactions through innovative solutions. AEV's investment strategy focuses on early-stage startups in the insurance, finance, and healthcare industries. With initial investments of up to \$1 million, American Enterprise Ventures' funds are typically made in seed to Series A round startups.

AEV has made multiple, successful investments to date and is leveraging these investments to create value for AEG and its customers.



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## Results and Outlook

Examples of investments and projects from American Enterprise Ventures to date include:

- End-to-end management and engagement of customers and prospective customers to empower the divisions of AEG to better showcase products and sales pipelines in an easy-to-access and user-friendly format.
- Technology solutions to help patients, families, and caregivers navigate care transitions from the hospital and post-acute care settings with a personalized experience.
- Telematic, life-saving light bulb that is part of an aging-in-place kit that empowers family and professional caregivers to accomplish more with less.

These innovations are designed to help AEG's businesses and customers while creating investment returns for AE Ventures.



"Balanced Growth suggested that we have knowledge and expertise in strategy, investments, and technology. This holistic strategy makes AE Ventures unique. It has also helped AEV make huge strides by accelerating our strategic goals, key initiatives, best practices, and guiding principles. We selected innovation partners, created playbooks and roadmaps, and most importantly communicated our journey through speaking engagements, fireside chats, and videos. We also had the opportunity to collaborate with industry leaders at the Balanced Growth Executive Roundtable."



**Julie Larson**

Chief Technology and Innovation Officer  
American Enterprise Ventures

To find out more, contact: [innovate@balancedgrowth.com](mailto:innovate@balancedgrowth.com)

