

# Doing what it takes

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**THE CANADIAN CLUB OF MONTREAL**  
JANUARY 23, 2023  
FAIRMONT THE QUEEN ELIZABETH  
CHECK AGAINST DELIVERY

# Act 1

## INTRODUCTION

So happy to be here to kick off 2023.  
Some say that January is the month when ANYTHING IS POSSIBLE!

A month when so many of us make resolutions that, as a rule, don't amount to much.

A month when I could treat you to a litany of pretty defeatist macroeconomic forecasts for 2023 from most of the top economists.

Or maybe I could wax eloquent about Promutuel Insurance's strong 2022 results—a story now in its third consecutive year!

Promutuel Insurance is the organization I've been leading with pride and humility since 2019.

We're Quebec's fourth-largest damage insurer, with more than two thousand collaborators committed to an ambitious plan for profitable growth that's going to double our size—from \$1 billion to \$2 billion—by 2030. Not bad for an old mutualist organization that just celebrated its 170th anniversary last year!

Here are a few numbers to whet your appetite:

- Broke the billion-dollar barrier for premium volume in 2022
- Held our loss ratio to 53 percent (one of the best in the industry)
- Managed, despite major market volatility, to neutralize a hefty chunk of those negative effects on comprehensive income thanks to strong insurance performance
- And because the satisfaction of our insured members is priority #1, scored in the Top 3 insurers for market NPI, while our average employee engagement rate came in at 82 percent (which is above the industry average)

But today, I wanted to do things differently.

There are more than 250 people here today, all of us leaders in our respective fields. The decisions we make every day have a significant impact.

As I was preparing for this conversation, it occurred to me that our collective power of influence is just as significant.

And I got to wondering what would happen if, at the end of this talk, each of us here decided to do one meaningful thing more to change the course of history, to help drive the transformation that needs to happen, in our organizations and on a planetary scale. Start thinking about that now . . . We'll get back to it.

I also remembered how, as a little girl in beautiful Gaspé, I got involved in the environmental 4-H movement. It was there that I learned the meaning of the four Hs: head, heart, hands, and health. Those values have helped shaped my life for more than fifty years now. I also learned how my individual actions affect not just my environment, but that of others as well.

But somehow, I'm not sure how, that social and environmental conscience we were taught got lost over the years, pushed aside by other supposedly more important concerns . . . that was, until a certain Greta and her gang announced that playtime was over and that social and environmental awareness were EVERYBODY'S business.

It's become very obvious that things are changing fast, and not necessarily in a good way. That is, unless we decide to do what needs to be done, both individually and collectively.

I'll just set the stage for our deliberations with a few observations.

*Big things are happening to our planet, before our very eyes:*

- The geopolitical situation is highly strained between several major powers.
- The environment and extreme climate change are tracking worst-case scenarios on several continents.
- Heightened pandemic risks of all kinds threaten to take vulnerable populations hostage again at any time.

*Closer to home, Quebec and all of Canada are facing demographic challenges, although we also have unique strengths to keep us prospering economically.*

- Demographic issues have caught up with us.
- The job market is alarmingly out of whack, with the number of openings greatly exceeding the number of workers available to fill them.
- Our market economy is currently putting up numerous barriers to entry for young people—an overheated housing market, high interest rates, and runaway inflation we're struggling to control. It's no picnic for 25- to 35-year-olds trying to get off to a strong start in life. It's our responsibility to work with them to create the conditions that allow them to thrive.
- Having said all that, we're fortunate in having some key economic sectors that can sustain future growth and improve productivity both in Quebec and across Canada.

## Act 2

### FOUR FUNDAMENTAL, PARALLEL TRANSFORMATIONS THAT AFFECT OUR ENVIRONMENT

There's a whole new kind of storm coming our way. Having to face four transformations like the ones we're experiencing, head on and all at once, is entirely unprecedented. It is forcing us and our organizations to change course, adapt, and transition towards new approaches.

#### **The transformation of our climate**

Science has long shown that we're headed for an entirely predictable climate catastrophe—in the *short* term. That catastrophe is right THERE, staring us in the face. No longer is it something we can hide from in our organizations and imagine that somebody else will handle it. We have to act. And that's where our decision-making power and influence come into play.

It's worth noting that in the damage insurance industry, insurers and reinsurers alike are currently dealing with a frequency and severity of catastrophic events that is simply unprecedented, caused by the same changes in the global climate that threaten us all.

#### **The digital transformation**

Changes in consumer behaviour are forcing us to rapidly adopt new ways of producing and distributing our products; the former business models are obsolete and can no longer meet the new needs expressed by our clients and customers. And that's the digital transformation, which enables our clients and customers to do business however they want, with whomever they want, whenever they want.

#### **The supply-chain transformation**

The squeeze on the global supply chain, aggravated by the cost of replacing specific parts and products, has been exponential and pushes us to seek greater local control of the production and distribution of goods: think of the shortages of vaccines, medical equipment, chips, or containers we've experienced in the last three years and the resulting vulnerability of our organizations.

These changes in the supply chain make it imperative for us to become more self-sufficient locally. Developing a sustainable transportation infrastructure and our own clean energy will reduce our exposure to the risk of fossil-fuel price increases and shortages.

#### **The demographic transformation**

Demographic transformation made the headlines on a daily basis in 2022, in Canada, the United States, and Europe. And rightly so: in 2030 Quebec will have two active workers per retiree, down from 8:1 in 1970 and 4:1 in 2010. We'll need to strike a balance between mass admission of immigrant workers and reliance on the homegrown variety. And if that was an easy thing to do, I'm pretty sure we'd have figured it out already.

The challenges involved in attracting and retaining the human resources to meet that demand are gargantuan—1.7 million jobs to fill by 2030. The new hybrid forms of work are forcing us to question all the accepted rules in the worlds of work and real estate. Our productive capacity is being sorely tested. It affects all of us, and there are no easy answers. We're going to need some new approaches if we hope to solve this one.

## Act 3

# Doing what it takes to address those four major transformations.

You have to admit, having those four major transformations come down on our organizations all at once makes our job of prioritizing and deciding which initiatives to finance a little more complicated. Ultimately, it's all about doing what it takes, what will actually make a difference. Continuing to operate the way we did until just recently certainly isn't the solution. Like it or not, we have to do things differently.

I therefore very humbly submit to you a list of proposals for addressing these issues. Some of them are already out in the world, and we need to get behind them more forcefully, while others are waiting in the wings and call for our consideration.

The ultimate objective with these initiatives is to use our voices and truly influence the course of history by doing what it takes to make a difference.

### **For me, doing what it takes to confront the transformation of the climate means:**

Making sure Quebec champions the energy transition, sustainable development, and comprehensive ESG-factor integration; the quality and quantity of our resources, especially water and electricity, must be zealously protected and put at the service of an intelligent, well-thought-out economy.

Committing each of our organizations to making responsible investment, production, and management choices to significantly reduce our own GHG emissions while also creating the necessary incentives to trigger a mass movement to recycle everything we consume and rethink our approach to consumption. We have a long way to go before we're recycling everything, and a broader conversation is also needed on moving away from our current linear economic model and towards a circular economy.

Using our collective voice to promote understanding of the climate issues we're facing and exercising our influence to encourage the communities where we operate to take action, taking a grassroots approach in which the power of each individual action is recognized (something 4-H has been doing since 1942!); such efforts being in addition to the broad targets set by public authorities. There's no question that our organizations need to be model citizens if we expect to be taken seriously by the stakeholders we're addressing, including our employees. Otherwise it will all ring hollow.

### **For me, doing what it takes to confront the digital transformation means:**

Financially supporting organizations that decide to speed up their own digital transformation to better serve their clients. By doing so, they'll be better positioned to tackle the human resource issues faced by their organizations and industries.

Accelerating the transformation of our processes to automate and optimize what we can in each of our organizations; doing so will allow us to do more and do it better while overcoming the workforce challenges we all face.

### **For me, doing what it takes to confront the supply-chain transformation means:**

Identifying the great risks to our self-sufficiency in the event of war, pandemic, or natural catastrophe and investing rapidly and massively in the infrastructure required to produce and distribute the goods and supplies necessary for our survival.

Identifying in each of our organizations the parts of the supply chain that put us at risk and do whatever is necessary to improve the resilience of our organizations and increase our control over the supply chain.

Maximize responsible sourcing and the purchase of eco-designed and -produced goods with a high degree of reparability as a way to build strong local communities and resilient businesses.

### **For me, doing what it takes to confront the transformation of the workforce and people's relationship to their work means :**

Making it our duty not to aggravate the problem of an overheated job market and to set up foundational in-house programs to accelerate worker qualification in sectors where production capacity is at risk.

Committing to making work meaningful again and making employees feel they belong, reinventing the workplace and working world, and adopting whatever approaches are necessary to attract talented people and earn their loyalty, by going far beyond short-term financial incentives.

Making much more room for the next generation in all our corporate operational and governance structures, and I mean as of right now. We need their help to reimagine tomorrow's working world. Our generation has had its say. They're often the ones who can show us the way.

## Act 4

Harmonium has a famous song that goes: "We brought them into the world / Maybe we should listen to them."

If you weren't already convinced, I hope my suggestions have brought home the scope of the changes we're facing. As members of the business community, each and every one of us has a role to play.

We need to put our heads together for the common good. We need to invest in people and help build stronger, more resilient businesses and communities.

We need to bring young people to the table as we work to find solutions. We need to fully embrace the four major transformations I mentioned to help society navigate the next revolution, which is taking shape right before our eyes.

I personally love change. It's the unifying theme in my story. I thrive on constructive change that has a real impact, opens up our horizons, and makes the world a better place.

I wake up every morning ready and willing to pursue change at Promutuel Insurance to keep all 2,000 of our collaborators engaged, make sure our insured members are satisfied, continue growing profitably, stay competitive, and ensure our business model continues to make sense.

Our willingness to adapt and do what it takes to keep our insured members satisfied is the very reason we're still thriving after 170 years. Our mutualist values are also key. We are committed to running a successful organization that is rooted in the values of mutual aid, solidarity, and cooperation. Yes, you can be competitive and put people first! Yes, reinvesting surplus profits in our communities is part of our business model!

Above and beyond our work at our respective companies, I firmly believe that we have a responsibility to contribute to something bigger than ourselves and our organizations.

Being members of society means we have an INDIVIDUAL and COLLECTIVE duty to give back. Just look at the four fundamental transformations we're facing—they all extend far beyond us and our organizations. They strike at the very foundations of our society and the common good.

That's where Harmonium comes in: "We brought them into the world / Maybe we should listen to them." The youngest workers are the ones who will inherit the fallout from our current issues. Over the past few weeks, I've thought long and hard about how future generations will approach the complex issues we're all facing.

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Here's what I came up with:

On our obsession with GROWTH, which keeps our companies alive and improves productivity, it occurred to me that Generations Y and Z would like us to consider REDUCTION too:

- Reduction of the mental burden in many sectors
- Reduction in absenteeism and developing solutions to address it
- Reduction of social, economic, and racial inequality
- Reduction of GHG emissions
- Reduction of our environmental footprint

On the obsession with PROFIT that drives our economy, puts people to work, and funds public services, it occurred to me that Generations Y and Z would also like us to think about DEFICITS:

- In building maintenance
- In investments in our health and education systems
- In funding for repairs and maintenance to public infrastructure, particularly transportation infrastructure
- In credibility on social issues like poverty, wealth inequality, the environment, and sustainable development
- In the minimum downpayment needed for a first home, even though the federal government's new FHSA program seems to be a first step in the right direction

On our stubborn insistence on TALKING about GHG reduction targets, which only serves to clear our conscience and postpone the need to deliver actual results, I'm sure Generations Y, Z, and Alpha wish we'd stop talking and start TAKING ACTION by:



- Sustainably managing resources starting now and rethinking the growth paradigm to figure out how to DO BETTER WITH LESS, while accounting for future needs to build the necessary capacity for sustainable energy, transportation, and agriculture.
- Taking individual responsibility on this issue and changing our behaviour, habits, and consumer choices to finally start making an actual difference.

On the collective challenge regarding TALENT MANAGEMENT that will affect current members of the labour market (Baby Boomers and Generations X and Y) and future generations especially (Generations Z, Alpha, and Beta), it occurred to me that they would probably expect us to help them join our ranks by making a moral pact to:

- Not hire children ages 12–14 to fill vacant positions so they can focus on school and growing up
- Support government workforce requalification programs by providing paid internships
- Put employable people currently on government programs back to work
- Promote diversity on all fronts to broaden the pool of candidates available to fill vacancies and create a workforce that truly reflects the society in which we live
- Protect our French language
- Pass on meaningful companies to future generations so that they can reach their full potential

Remember: "We brought them into the world / Maybe we should listen to them."

## Act 5

Give young people the opportunity to make a real difference now!

### Make way for youth

What if Generations Y, Z, and Alpha are right? What if we're not seeing things from the right perspective and our solutions are outdated?

I'm asking US:

Can we really allow ourselves to shape the society in which future generations will live, or worse, make choices that will affect their ability to confidently enter into adulthood, without even asking their opinion?

Maybe the time has come to give young people a voice so they can help us find innovative solutions. So they can find new ways to tackle the challenges they will inevitably inherit, without saddling them with our biases. What if we just went nuts and gave them the opportunity to organize a Youth Summit to find a new way forward that lives up to their dreams and ambitions!

Of all the causes dear to my heart, helping young people has always been a foundational goal.

As chair of the board at Forces Avenir, I had the opportunity to meet young people with a fierce commitment to environmental and humanitarian causes who are ready to take real action in their communities and look far beyond their own personal interests.

As a philanthropist, businesswoman, mother of three young adults (two of whom are here with us today), and an active citizen, I admire the courage and boldness of our young people—their desire to shape their destinies and question our decisions, which are often top down and made with little regard for the impact they will have in twenty, thirty, or fifty years.

Young people today are amazing. Responsible. Curious. Enterprising and innovative. They're inspiring. They're also concerned about the future we're leaving for them. They're willing to roll up their sleeves without compromising their values. They want us to put our money where our mouths are. They are CHALLENGING and INSPIRATIONAL!

### Make way for the next generation

We also have to take care of the next generation within our organizations. Young people don't have the same relationship to work as we do or as previous generations did. We have to invest in them and actually do things to prove that they will have opportunities to grow at our companies.

Incidentally, I'm delighted to be involved with HEC Montréal's Ascension Program, which is designed to prepare the next generation of executives.

Our shared challenge is getting talented young people interested in management and leadership. The problem is that fewer and fewer young people want to work their butts off to climb the ladder to the very top like we have. They want to do things differently, and they're probably right that there's more than one way to the top. The recent announcement by Jacinda Ardern, New Zealand's 42-year-old prime minister, that she is stepping down is a stark reminder that even the most talented people are choosing a different path when the personal cost is too high.

It's challenging and inspiring!

When you really listen, you quickly realize that their energy, thirst for knowledge, ambition, and desire to find another path to success are compelling drivers. If you're paying any attention at all, you'll be confident that the future is in good hands.

The time has come to pull up a chair for young people on boards and accelerate their progression so they can start sitting on executive committees much more quickly.

If we're going to leave a lesser society than the one our parents left us, could we at least give them a seat at the table right away? They'll be able to challenge us and keep us up to speed and on our toes. We need that enthusiasm and candour, that breath of fresh air.

It's time to bet on youth! The tables have turned. We're the ones who need them now.

## Final act

### Influence is a powerful force for change

I started this talk with a reminder that our daily decisions have a significant impact. I also said that our collective influence was just as formidable. Influence is potent and its effects are immediate.

Today I'm challenging all of us to use our influence and take at least one concrete action to make a difference and invest in something bigger than yourself.

I proposed some things you can do to address climate change and the digital, demographic, and supply chain transformations we face.

I also shared some lyrics—"We brought them into the world / Maybe we should listen to them"—and told you why it's time to change our mindset.

*I invited all of us to really listen to young people and their thought process, worldview, and perspectives on our decisions by counterbalancing GROWTH with REDUCTION, PROFIT with DEFICIT, and TALK with ACTION, and by making a MORAL PACT to address the issue of TALENT MANAGEMENT.*

I also talked about why we have to give young people a bigger voice in the boardroom, since that's often where the real policy and investment decisions are made. After all, they're the ones who will have to live with our decisions, many of which are made on their behalf.

I've tried to provide some inspiration to help you answer these questions:

- In 2023, what will you do to make a difference?
- How will you listen to the new generations we have brought into the world?
- How will you make space for young people?

Keep in mind that young people are smart and will know which employers are truly committed to building responsible companies in the short, medium, and long terms; which ones create a stimulating work environment where they can reach their goals and full potential; and which ones uphold concrete and measurable commitments to sustainable development.

THANK YOU for sharing this time with me.

I hope 2023 is filled with real action that makes a difference!

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The video recording of Geneviève Fortier's talk is available on The Canadian Club of Montreal's website.

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