Chapter IX

Case Study of the St. Paul Companies’ Virtual Office for the Risk Control Division

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EXECUTIVE SUMMARY

The St. Paul Companies has successfully implemented a virtual office (VO) working environment for its construction risk control and commercial risk control employees over the past six years. The program goals of operating more cost-effectively, increasing contact of the risk control specialists with their customers, and reducing office space costs for The St. Paul Companies have been met. There are many good practices that have been developed over the six years of offering the program, and more refinements and changes planned. As the communications and computer technologies advance, facilitation of working from remote sites improves. While it is easier for employees to work from remote sites, maintaining the boundaries between work and personal lives is more challenging. Improving the VO employees’ and corporate employees’ understanding of the others’ working conditions is necessary to improve relationships and the acceptance of change. The concept of VO work is well established within the organization, and the demand for it is growing.
BACKGROUND

Founded in 1853, The St. Paul Companies is Minnesota’s oldest business corporation. It ranks 171 on the Fortune 500 list of the largest companies in the US. The multi-line, worldwide insurance company consists of several separate entities, and is growing continuously through mergers and acquisitions. The St. Paul Fire and Marine Insurance Company is the US-based property-liability insurance underwriting operation, with the St. Paul International Underwriting encompassing the rest of the world operations. F & G Life is the US life insurance underwriting and annuity operation, and the asset management business is accomplished through a majority ownership of the John Nuveen Company (St. Paul Companies, 2000). For 1999, the operating earnings of the firm increased to $636.3 million. The CEO credited the improvements to the intense restructuring efforts to transform the general property-casualty insurer into a global commercial and specialty insurer, as well as price increases and refusing unprofitable business (DePass, 2000).

The organization is committed to supporting the quality of life for all employees and sponsors a variety of programs. A director of employee work/life quality and balance is responsible for monitoring employee needs and developing recommendations for addressing those needs. The organization was cited by Working Mother magazine as one of the 85 best companies to work for as well as by Fortune magazine as 66th of the top 100 firms to work for. On-site day care is provided (and has been visited by the First Lady of the United States), as well as programs to improve health. Offering telecommuting and VO working modes is another aspect of the organization’s commitment to creating a productive and supportive environment.

SETTING THE STAGE

The architecturally significant corporate headquarters building in downtown St. Paul was built in 1991 and occupies several city blocks near the Landmark Center and the Ordway Theater. The space is finite, and in 1994, managers were asked to seek other venues for housing employees because of the growing number of employees. Teleworking options for employees to work at home one, two or three days a week were offered and in 1999, 4000 employees were using this model. One thousand virtual office employees are now working out of their homes full time. Any employee can propose working in a part-time telecommuting or full-time virtual office mode to his/her manager and human resources, based on the type of work performed and its requirements.
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