



| Kapnick

CULTURE  
PLAYBOOK



# THE POWER OF CULTURE AT KAPNICK



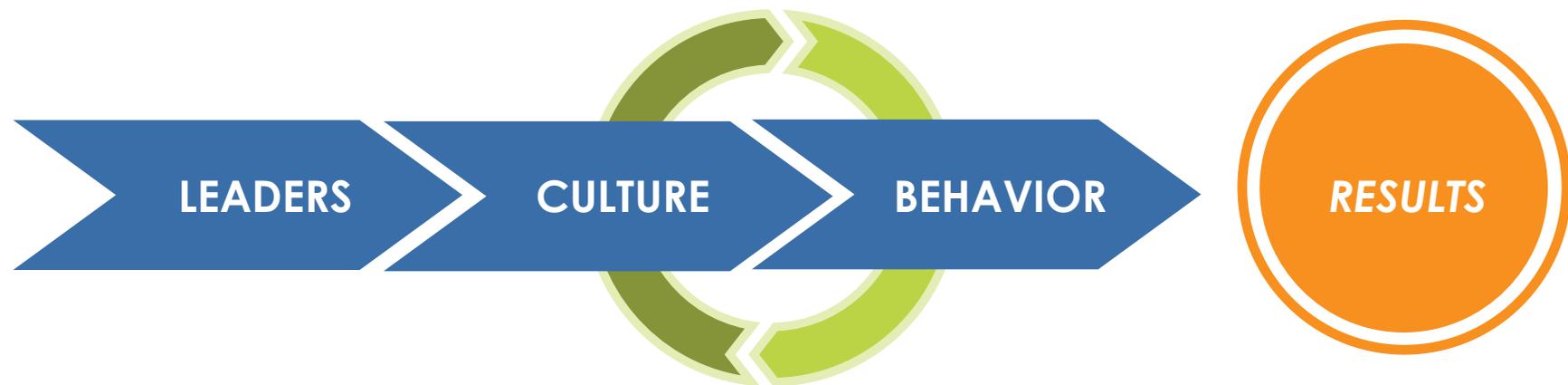
At Kapnick, we are motivated by our passion for helping people and businesses manage their risks, recover from unexpected life events, and achieve their dreams. That motivation is the foundation of our culture and the heart of our firm.

Building and sustaining our culture requires intentional effort from everyone in the organization.

The **Kapnick Culture Playbook** is part of that effort.



# THE PERFORMANCE PATHWAY™



*Leaders create the culture that drives the behavior that produces results.*



Great results are initiated and sustained by great leadership. Not just leaders at the top, but leaders throughout the organization. Leadership is the determining factor in the pathway to performance. Leaders create the culture that drives the behavior that produces results.

Nothing impacts performance more powerfully than culture. Nothing impacts culture more powerfully than leadership. Exceptional leaders create a culture that engages hearts and minds, energizes action, and executes with discipline.

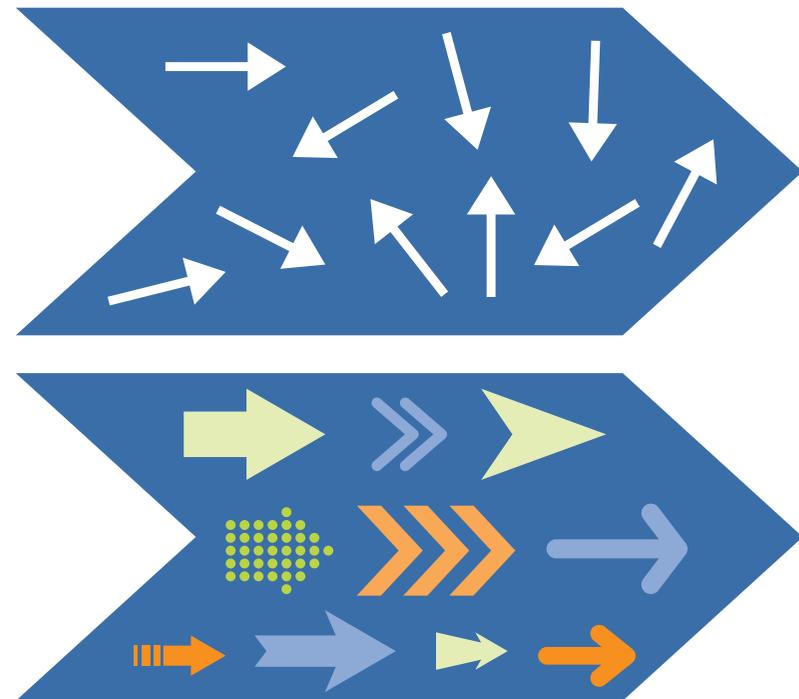
# WHAT IS **CULTURE** AND WHY IS IT IMPORTANT?

Our culture is shaped by what we believe, the choices we make, and is motivated by the outcomes we desire. It is the foundation on which our firm is built. Written statements like this playbook help clarify our culture, but documents don't build culture—our actions do.



Our core beliefs provide the standards for how we behave toward each other and our clients. Because culture shapes choices, it determines how effectively we execute our strategy.

Our success depends on people with a variety of talents, skill sets, experience, personality types, and diverse backgrounds coming together to collaborate and execute better than the competition. Culture aligns everyone in the firm around a common set of core beliefs and key choices that ultimately determine how we perform in the marketplace.



# 20 SQUARE FEET

The concept of 20 Square Feet expresses the reality that each person at Kapnick has a sphere of ownership. Inside your individual 20 Square Feet, you have control. Outside, you have impact.

Everyone is a builder of culture. There's no such thing as a culturally neutral attitude or action. What you do (or don't do) inside your 20 Square Feet makes a difference and ultimately is what determines our culture and performance. Never underestimate your impact—your ability to make a difference for your colleagues, your community, or your clients.



# DISCIPLINE vs. DEFAULT

The performance of Kapnick is determined by how we choose to behave. Disciplined behavior is intentional, on-purpose, and skillful. But it's easier to be impulsive, on-autopilot, and resistant. This is default behavior. The best possible outcomes are produced by discipline-driven thinking and action.

When people operate with discipline they work smarter, collaborate better, learn faster, communicate more clearly, and are more resilient.

When people operate on default, they get hijacked by the power of impulse, caught in the gravitational pull of old habits, and stuck in the ruts and routines of the comfort zone.

## DISCIPLINE

- *Intentional*
- *On-purpose*
- *Skillful*

## DEFAULT

- *Impulsive*
- *On-autopilot*
- *Resistant*

Discipline doesn't just happen; it's learned. It means getting better every day by consistently applying standards and principals to your life. Discipline is not something that someone does to you, it's something you choose to do for yourself.

This Culture Playbook describes what discipline-driven behavior looks like in our business and what's expected of people inside their 20 Square Feet.



# THE R FACTOR™

Life comes at us fast. Situations, people, responsibilities, challenges, change—we are constantly dealing with the stuff of life. This presents a universal challenge for everyone inside our firm:

*How do we navigate the events of life and work in a way that produces the best possible results?*

The answer lies with implementing a simple and powerful framework into your life. A system for being intentional about the way we manage our 20 Square Feet:

$$\begin{array}{ccccccc} \mathbf{E} & + & \mathbf{R} & = & \mathbf{O} & & \\ \text{Event} & + & \text{Response} & = & \text{Outcome} & & \end{array}$$

The determining factor to producing the outcomes you want is not the events you encounter, but how you choose to respond. Situations and circumstances matter, but they are not the deciding factor. How you manage the **R** is the difference-maker.

Every day you choose how to respond to events you experience and outcomes you want to achieve. You choose what actions you will take or not take in pursuit of your goals. You choose whether to give up or persevere through the inevitable obstacles you encounter. You choose how to interact with people at work and family at home. How you manage the **R** is the single most powerful determinant in the quality of your life.

# THE **R** FACTOR DISCIPLINES

The six disciplines provide you with a system for managing the **R** with intention, purpose, and skill. The daily application of these disciplines, not the circumstances you face, determines the quality of outcomes you produce.



## **R:1** PRESS PAUSE

Before you respond, think and gain clarity. Get off autopilot. Clarify the **O** you want, the **E** you have, and the **R** you need.



## **R:2** GET YOUR MIND RIGHT

Pay attention to your inner response. Create the necessary mindset for responding with discipline to situations you face. Know how to get into a productive emotional state, and how to get out of a negative one.



## **R:3** STEP UP

Take the action you need for the outcome you want. When the situation requires it, elevate your response. Your response is most important when the event is most challenging.

# THE **R** FACTOR DISCIPLINES CONTINUED



## **R:4** ADJUST & ADAPT

Things change, so be flexible. As you make **R** factor decisions and take action, monitor the outcome and adjust appropriately.



## **R:5** MAKE A DIFFERENCE

Your **R** is an **E** for others. Create value and give other people a great experience. Your **R** is deeply personal, but really private.



## **R:6** BUILD SKILL

How you manage the **R**, determine the quality of your life. Build the **R** factor habits and skills for the life you want.

$$E + R = O$$

Event + Response = Outcome

# THE PILLARS OF ELITE PERFORMANCE

Elite performance requires a powerful combination of building trust and achieving results.

## THE FOCUS IS RESULTS

Achieve elite results through **clarity, accountability, and support.**

**CLARITY** requires making expectations and standards exceptionally clear, communicating your mission and purpose, and clarifying your team's goal, roles, and responsibilities.

**ACCOUNTABILITY** requires paying attention to people and processes, monitoring what's working and not, and providing timely and helpful feedback.

**SUPPORT** requires equipping people with the tools and training they need to do their jobs, and coaching your team.

**CHARACTER** is built through consistently acting with integrity and doing what you say you will do.

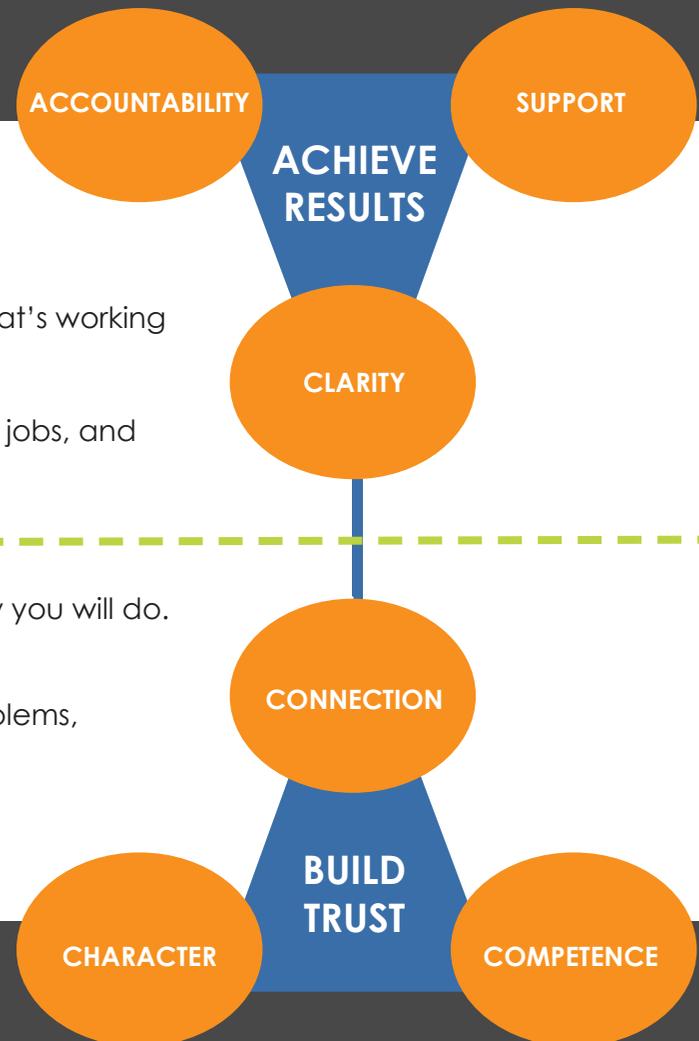
**COMPETENCE** is built through consistently helping people get things done, solve problems, and get better.

**CONNECTION** is built through consistently caring, listening, and engaging.

## THE FOUNDATION IS TRUST

Build trust through **character, competence and connection.**

**ALL SIX PILLARS ARE NECESSARY TO ACHIEVE ELITE STATUS.** If one is missing or neglected, effectiveness is diminished. When all six disciplines are consistently practiced, the stage is set for extraordinary, elite results. **TRUST WITHOUT RESULTS IS UNACCEPTABLE. RESULTS WITHOUT TRUST IS UNSUSTAINABLE.**



# BELIEF → CHOICES → MOTIVATION

The Culture Playbook is a blueprint for our professional family. It makes clear the key behaviors and desired outcomes we want from each of our core beliefs. The behaviors outlined in the playbook are essential to operating our business and responding to the challenges of a highly competitive, constantly changing environment.

Our goal is to create a culture where everyone consistently engages in behaviors that help us win by delivering an exceptional customer experience.



# KAPNICK **B.C.M.**

	WHAT WE BELIEVE	CHOICES WE MAKE	MOTIVATION
1	<b>OWN IT!</b>	<ul style="list-style-type: none"><li>– Write your own story</li><li>– Seek diverse perspectives</li><li>– Train for excellence</li></ul>	Be Elite
2	<b>BETTER TOGETHER</b>	<ul style="list-style-type: none"><li>– Think <b>WE</b> over <b>ME</b></li><li>– Respect, value, &amp; nurture relationships</li><li>– Ask for help, give help</li></ul>	Create a Caring Family Environment
3	<b>ALWAYS GROWING</b>	<ul style="list-style-type: none"><li>– Create opportunities</li><li>– Innovate, evolve, &amp; execute</li><li>– Be a trusted advisor</li></ul>	Foster Opportunities & Longevity

# OWN IT! BE ELITE!

## **WRITE YOUR OWN STORY**

We bring our unique life experiences to all we do, making our story a living document. This empowers us to learn, adapt, and pivot on a daily basis. Each of us is responsible for realizing our own destiny, which allows us to help others realize their own.

## **SEEK DIVERSE PERSPECTIVES**

We are passionate about our principals but always willing to challenge them. Curiosity is the fuel for discovery and learning. Our individual talents contribute to our collective strength. Therefore, we intentionally seek to understand, value, and incorporate diverse perspectives.

## **TRAIN FOR EXCELLENCE**

We are committed to self-development through continuous learning and specialization. Perpetually sharpening our skills allows us to challenge the status quo and reject mediocrity. We are individually accountable for maintaining our integrity while striving for excellence.



# BETTER TOGETHER. CREATE A CARING FAMILY ENVIRONMENT.

## **THINK WE OVER ME**

The group is stronger than the individual; we collaborate and work together. Elite teams are built when talented individuals work together to produce extraordinary results.

## **RESPECT, VALUE, AND NURTURE RELATIONSHIPS**

We build and value lasting relationships with our clients, business partners, colleagues, and communities. Trust is the foundation of relationships and is built by being respectful of others, helping people solve problems, caring enough to listen, and following through on our commitments.

## **ASK FOR HELP; GIVE HELP**

Working together means collaborating towards a common goal. When you need help, ask for it. When you are asked for help, give it. When you think someone needs help, offer it. Great things happen when we act in the best interest of the team.



# ALWAYS GROWING. FOSTER OPPORTUNITIES AND LONGEVITY.

## **CREATE OPPORTUNITIES**

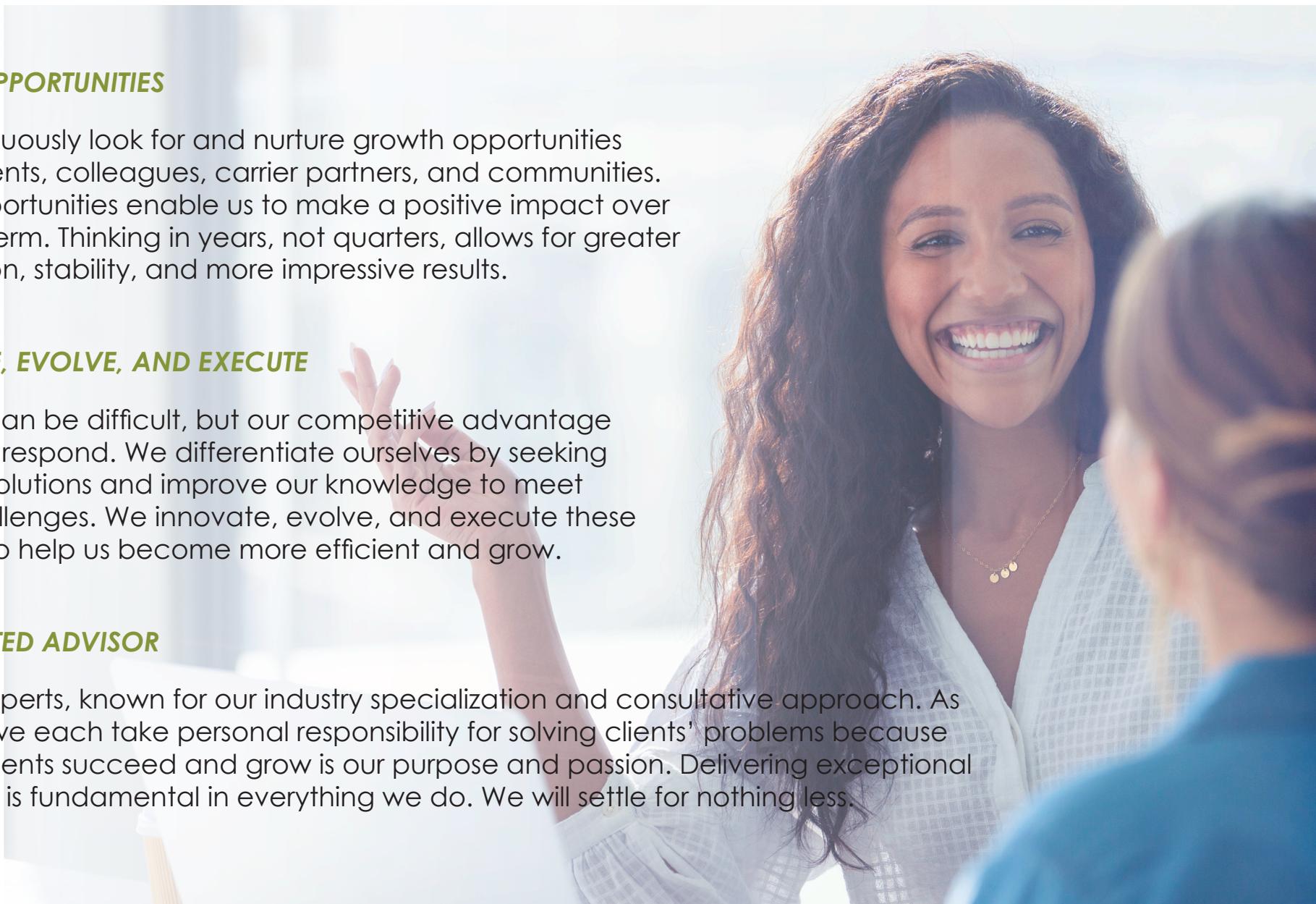
We continuously look for and nurture growth opportunities for our clients, colleagues, carrier partners, and communities. These opportunities enable us to make a positive impact over the long term. Thinking in years, not quarters, allows for greater connection, stability, and more impressive results.

## **INNOVATE, EVOLVE, AND EXECUTE**

Change can be difficult, but our competitive advantage is how we respond. We differentiate ourselves by seeking creative solutions and improve our knowledge to meet these challenges. We innovate, evolve, and execute these solutions to help us become more efficient and grow.

## **BE A TRUSTED ADVISOR**

We are experts, known for our industry specialization and consultative approach. As advisors, we each take personal responsibility for solving clients' problems because helping clients succeed and grow is our purpose and passion. Delivering exceptional outcomes is fundamental in everything we do. We will settle for nothing less.



# HISTORY

## MICHIGAN ROOTS. GLOBAL REACH.



In 1946, 28-year-old Elmer Kapnick was working in downtown Adrian at Davis Hardware, which was owned by his father-in-law, when he decided to venture out on his own and start the Elmer Kapnick Insurance Agency. He was living in a small duplex along with his wife, Dorothy, and two children, Richard (5), and Doug (3). It was a courageous feat to start a business from scratch while also having a young family to support. He rented a second-story office in downtown Adrian, hung out his sign and began selling insurance to families. His clientele were mainly local residents needing home and auto insurance, as well as small business owners.

*“When you think of me, don’t think of insurance. But when you think of insurance, think of me.”*

*- Elmer Kapnick*



In the '60s Elmer's son, Doug, came on board. Doug saw the potential to expand the agency's reach beyond Adrian. Over the next two decades, the agency expanded into other markets, doubling its size every few years. Doug became president in 1976 and purchased the business from his father.

In 2007, Doug's sons, Jim and Mike, made this a third generation family-owned business by purchasing the company from him.

# ABOUT KAPNICK

Founded in 1946, Kapnick Insurance is an independent professional advisory firm with Michigan roots and a global reach. Our 180+ colleagues provide expert guidance and creative problem solving pertaining to business insurance risk solutions, employee benefits, worksite well-being, and personal insurance to a vast and diverse base of clients worldwide. For over 75 years, companies and individuals have looked to Kapnick as a trusted advisor, providing solutions that protect their operations and employees.

We innovate. We partner. We lead clients in new directions that minimize risk and reduce cost.

## OUR COMMON LANGUAGE

### HOW WE REFER TO OUR BUSINESS

**Firm** or **Broker** instead of agency.

**Kapnick** instead of KIG—in writing/presentations, use Kapnick Insurance at first mention, Kapnick for subsequent mentions.

### HOW WE REFER TO OURSELVES

**Team members** or **Colleagues** instead employees.

**Advisor** or **Consultant** instead of producer or agent.

### HOW WE REFER TO THOSE WE SERVE

**Client** instead of customer or insured.

### HOW WE REFER TO INSURANCE COMPANIES

**Carrier partners** instead of insurers.



## OUR BIG PICTURE

### OUR BRAND

**STRENGTH** through collaboration, stability, and teamwork.

**KNOWLEDGE** through intellectual curiosity, continual learning, and specialization.

**DIRECTION** through advice, experienced counsel, and simplifying the complex.

### OUR MOTIVATION

We are motivated by our passion for helping people and businesses manage their risks, recover from unexpected life events, and achieve their dreams.

### OUR BUSINESS MIX



## OUR CENTERS OF EXCELLENCE

### SERVICES:

- Advanced Analytics
- Claims Management
- Compliance & Legislative
- Contractual Risk Transfer
- Diversity & Inclusion
- Safety & Loss Control

### SPECIALTY PRODUCTS:

- Alternative Risk
- COBRA/FSA
- Environmental
- Executive Risk, Cyber, & Professional
- HR Technology
- International
- Private Client
- Surety
- Well-Being

### INDUSTRIES:

- Construction
- Education
- Food & Agribusiness
- Hospitality & Leisure
- Manufacturing
- Real Estate
- Professional Services
- Transportation & Towing

### WE VALUE INTEGRITY

A great reputation takes a long time to build but is quickly destroyed. At Kapnick, we work hard to protect our reputation by being open, honest, and fair.

### RESPECT GUIDES US

We respect, value, and nurture every client, carrier partner, and colleague relationship, striving to always treat everyone as individuals with trust and caring.

### THE HEART OF OUR SOLUTIONS IS INNOVATION

Change can be difficult, but from change comes innovation. At Kapnick, we differentiate ourselves by seeking creative solutions, guided by experience, to meet clients' challenges and goals.

### STEWARDSHIP IS OUR PASSION

As advisors, we each take personal responsibility for solving clients' problems. Providing exceptional results, responsible planning, and great service is required as stewards of our clients' resources.

**1946** - When Elmer Kapnick first opens his doors, he believes success comes from a deep commitment to client service, hard work, and giving back to the community.

**1969** - Doug purchases Kapnick, perpetuating to the second generation.

**1997** - Kapnick goes international with our partnership in Assurex Global. Today, Assurex gives Kapnick clients access to 100+ partner brokers on 6 continents.

**2001** - A strategic acquisition doubles Kapnick's benefits operations, allowing the firm to provide more holistic risk strategies to our clients.

**2007** - Jim and Mike purchase Kapnick, formally perpetuating the firm to the third generation.

**2012** - Kapnick ranks in Business Insurance Magazine's Top 100 Brokers of U.S. Business for the first time, a position we still hold today.

**2019** - For the first time in our history, the firm welcomes new partners outside of the Kapnick family.

**2021** - Kapnick celebrates our 75th year in business.

## OUR GUIDING PRINCIPLES



## OUR HISTORY

## OUR FAMILY BUSINESS ADVANTAGE

### BENEFITS OF REMAINING AN INDEPENDENT, FAMILY-OWNED BUSINESS:

- We are motivated by our **clients**, not by outside shareholders.
- **Thinking in years, not quarters** allows greater connection to our clients, colleagues, carrier partners, and communities.
- Stability of **ownership** and our **team**.
- **Team members** at all levels of the organization have access to partners.
- We value **long-lasting, real relationships** above profits.
- Family culture builds **strong morale** and drives our ability to attract the **best talent**.
- Our reputation matters. **Kapnick** is not just our company name, it's our **family name**.

## OUR SLOGANS

- One Firm
- Live Above the Line
- Take Initiative
- Sometimes You Win; Sometimes You Learn
- Seven Days Not Seven Months
- Simplify the Complex
- Create a "Wow, That's Cool" Factor
- Dinner Table Service
- Make Someone Smile Everyday
- Work a Little Bit Harder and a Little Bit Smarter
- Exceptional Behaviors Drive Exceptional Results



### OUR IDEAL CLIENT VALUES:

- Superior execution and results
- Full-service relationships
- Continuous communication and knowledge
- Having Kapnick as an extension of their team
- Trusted advisors
- Shared vision of success
- Long-term partnerships

### OUR IDEAL TEAM MEMBER IS:

- Motivated by helping others
- Values diversity of opinions, experiences, and background
- Accountable and driven
- Caring and empathetic
- Ethical and trustworthy
- Always learning and always teaching
- Able to explain complex concepts, simply
- Interesting, inquisitive, and fun

### TO OUR CLIENTS:

- We're an extension of your team, providing a full-service relationship.
- We'll provide proactive strategies, advocacy, and insight to help you minimize risks, reduce costs, and maximize value.
- We admit our mistakes, correct them, learn from them, and move on.
- We are your trusted advisor and partner - open, honest, and transparent.

### TO OUR COLLEAGUES:

- We treat each other with the same level of professional respect, regardless of title or length of tenure.
- We encourage learning, provide career pathing and mentorship.
- We use our specialized knowledge to teach one another.
- We support work-life balance and overall well-being.
- We strive to be a more inclusive and diverse organization, listening to the valuable input, ideas, and experience of everyone.

### TO OUR COMMUNITIES:

- We support local charitable organizations, not just financially, but with our time, labor, and expertise.
- We provide our colleagues with the time, support, and encouragement to get involved with their communities as volunteers and board members.

## OUR PROFILES



## OUR PROMISES



BUSINESS INSURANCE | RISK SOLUTIONS | EMPLOYEE BENEFITS | WORKSITE WELL-BEING | PERSONAL INSURANCE | GLOBAL SOLUTIONS