



## **Chapter III**

# **Leveraging the IT Balanced Scorecard as Alignment Instrument**

In Chapter I, the IT balanced scorecard was introduced as a possible measurement and management tool to support the achievement of strategic alignment. In this chapter, the application of the balanced scorecard is illustrated in more detail through a case study of a major Canadian financial group, where the balanced scorecard was adopted in its full scope. This chapter is based on the publication “Linking the IT balanced scorecard to the business objectives at a major Canadian Financial Group” (Van Grembergen, Saull, & De Haes, 2003).

### **Case Company Introduction: A Tri-Company**

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The Great-West Life Assurance Company, London Life, and Investors Group are members of the Power Financial Corporation group of companies, with

London Life as a wholly owned subsidiary of The Great-West Life Assurance Company. In 2001, MacKenzie financial was also acquired by the Power Financial Corporation Group, but as the IT balanced scorecard project does not cover this company, MacKenzie's organization and IT division will not be taken into account in this chapter.

*The Great-West Life Assurance Company* is an international corporation offering life insurance, health insurance, retirement savings, specialty reinsurance, and general insurance, primarily in Canada and the United States. Great-West serves the financial security needs of more than 13 million people in Canada and the United States. Great-West has more than \$86.9 billion (all figures presented in the case study are in Canadian dollars) in assets under administration and \$477 billion of life insurance in force. Founded in Winnipeg in 1891, Great-West is now a leading life and health insurer in the Canadian market in terms of market share.

*London Life* was founded in Ontario in 1874, and has the leading market share of individual life insurance in Canada. London Life markets life insurance, disability insurance, and retirement savings and investment products through its exclusive sales force. The company is a supplier of reinsurance primarily in the U.S. and Europe, and is a 39 percent participant in a joint venture with life insurance company Shin Fu in Taiwan. London Life has more than \$30 billion assets under administration and \$142.6 billion of life insurance in force.

*Investors Group*, with its corporate headquarters in Winnipeg, was founded more than 70 years ago. Investors Group is Canada's leading provider of mutual funds, offering a wide spectrum of funds, including those created through strategic partnerships with some of the best known Canadian and international investment management firms. It also offers a wide range of insurance and mortgage options, and currently has \$17.1 billion of life insurance coverage in force through three different carriers, and administers with more than \$7.6 billion of primarily residential mortgages. Investors Group manages assets of \$40.5 billion.

## **The Tri-Company IT Merger**

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The trend in financial services industry consolidation was a motivating factor behind the acquisition of London Life by Great-West Life and the merger of

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