

## With Gibraltar Ventures, Prudential Retirement Aims to Be 'Disruptive'

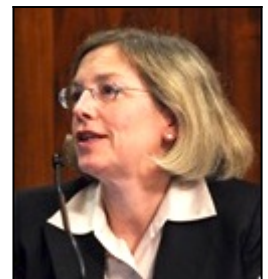
By Kerry Pechter      Tue, Dec 16, 2014

*"Gibraltar Ventures will explore disruptive strategies and business models, focus resources on those ideas that have the most potential to advance retirement and financial security, and complement our current innovation efforts," said Christine Marcks, president of Prudential Retirement.*



A "skunkworks" is a small and loosely structured group of people who research and develop projects primarily for the sake of radical innovation. Gibraltar Ventures, a newly-created unit within Prudential Retirement whose name refers to Prudential's corporate symbol, sounds a lot like a skunkworks.

But unlike famous skunkworks at Lockheed Martin and Apple, Gibraltar Ventures is neither clandestine nor low-profile. It will be run by George Castineiras, the current head of Total Retirement Solutions (Prudential Retirement's defined benefit, defined contribution and nonqualified executive benefits business). Colleague James McInnes will succeed him, effective Jan. 1, 2015.



A brief press release about the project offered few details. The search phrase "Gibraltar Ventures" netted only an apparently unrelated Toronto-based private equity fund. So we emailed Prudential Retirement a list of questions. The following written responses arrived by email from the president of Prudential Retirement, Christine Marcks (right).

**RIJ:** What exactly is Gibraltar Ventures? Is it a private equity fund to invest in robo-advisors?

**Marcks:** Gibraltar Ventures is a new organization responsible for exploring, developing and investing in promising new strategies to advance retirement and financial security. The

team will incubate new strategies as well as explore and invest in early-stage ideas from many different sources.

**RIJ:** Is it a profit-center or a support unit?

**Marcks:** While Gibraltar Ventures will be a cost center for the foreseeable future, it will incubate and invest in new ideas that will ultimately drive revenue and earnings for our business.

**RIJ:** What is its business goal?

**Marcks:** Gibraltar Ventures will explore disruptive strategies and business models, focus resources on those ideas that have the most potential to advance retirement and financial security, and complement our current innovation efforts.

**RIJ:** How is it funded?

**Marcks:** Gibraltar Ventures is internally funded by Prudential Retirement.

**RIJ:** How many people will it employ?

**Marcks:** Gibraltar Ventures will launch with a small dedicated team. It is too early to say specifically how many associates will work for Gibraltar Ventures.

**RIJ:** What benefits will it provide to Prudential Financial, Prudential Retirement, its customers or its shareholders?

**Marcks:** Prudential Retirement has a successful track record of growing our core portfolio of businesses and developing new sources of revenue ahead of market demand, as we did with IncomeFlex and Pension Risk Transfer strategies. Gibraltar Ventures will build on that foundation, and explore unique solutions that will help overcome behavioral and financial obstacles to long term savings and retirement security for our clients. We expect these efforts will contribute to Prudential Financial's reputation and business results over time.

**RIJ:** What prompted the creation of Gibraltar Ventures?

**Marcks:** As we look at the environment for our products and services, we see several trends that are opening new space for innovation – everything from demographics in the workforce and the ongoing shift toward defined contribution plans, to technological advancements, consumer empowerment and how plan sponsors are navigating the Affordable Care Act. And

after the past couple of years of strong results, we're operating from a position of strength where it makes sense now to launch a dedicated effort to explore more disruptive approaches and breakthroughs.

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