



How dhp achieved an ROI of 200% in 12 months for AIG

AIG is one of the leading life insurance companies in the UK. They recognised that their cost of acquisition, servicing and Claims processing were all over the target. The main objective was an aggressive 3-year growth plan which they wanted to achieve without increasing their expense base.

dhp met this objective and delivered many other improvements. Achieved an ROI of over 200% inside 12 months. The implemented process is still in place 5 years+.

Results Delivered

Cost Reduction

Upwards of 30% reduction achieved in the cost base.

UW, Renewals Servicing and Claims cost were significantly reduced.

Capacity Increase

Capacity enabled 145% more NB premium year on year at no increase in resources over 24 months.

Complaint Reduction

Significant reduction in complaints volumes received. Significant reductions in loss payments.

Control Processes

Ability to evidence control processes for the regulator and target BPR and automation investment.

Client Challenges

The customer service operation faced the following challenges:

Restructuring

Changing the organisational structure and approach due to significant expense base challenges.

Developing Flexibility

To cope with market changes and the 3-year New Business growth plan.

Reducing Lead Times

Feedback from the distribution channel indicated long lead times to issue policies within new business.

Benchmarking

Lack of clarity on what good looked like.

Lack of understanding of the end to end customer Journey.

Managing Volumes

Controlling and reducing the transaction volumes of incoming calls and paper for both the customer and distributor channels.

Reducing Costs

Unit costs were increasing. Efficiency and effectiveness levels needed to be substantially increased to meet unit costs now and for future growth.



Jane Dale
Finance Director - Ageas Protect

Approach

An in-depth diagnostic was initially commissioned to map out the high-level strategy and identified the following main issues:

■ Multiple touchpoints & extended timescales

High transactional touches in the end to end process indicating recycling causing labour-intensive processes and long elapsed times for completion of work.

■ Lack of visibility and control

Lack of understanding of demand and organising of resource to deal with volumes, accountabilities were fluid and the team structures were not aligned to the needs of the customer.

■ No defined management processes in place

Ineffective controls to monitor performance and approach to providing consistent service delivery, resulting in. All work being directed to experienced underwriters - the most expensive resource was completing all touchpoints regardless of complexity.

■ Poor Staff Training & Development

Skills utilisation, succession planning and training needs were not being effectively matched to the incoming workload to maximise training time and career paths.

■ Workflow System Issues and Inadequate Metrics

Due to the workflow system inadequacies, team managers needed to focus on workflow coordination instead of active management routines - including coaching, motivating and challenging performance. There were no balanced set of metrics focused on customer-centricity and efficiency.

Timetable for Implementation

Week 6
New system implemented.

Week 8
IT implementation benefits.

Week 12
Training for sustainability.

Changes Implemented

Operational Work measurement systems and frameworks

- Implemented Nexus Active Performance Management™ with Nexus Work Management Software™ to improve visibility of performance delivery and the ability to plan and increase control.
- Applied unit time methodology to objectively re-measure optimised unit times, raise the benchmark performance standard.
- Implemented an effective scheduling and forecasting process which guaranteed a consistent grade of service.
- Developed a transparent and aligned set of KPIs for all levels.
- Developed ability to define what good looks like and to benchmark everyone consistently as the performance bar is raised.
- Coordinated excess capacity to process hidden workloads and deferred corrective actions workload.
- Created transparent and measurable work positions and MI to both internal and external distributors.

Planning & forecasting

- Implemented forecasting and capacity planning systems and routines to deliver consistent service delivery at the optimum expense - improved the ability to plan and increase control.

Organisational redesign

- Re-designed and delivered operational structures and management accountability.
- United key stakeholders on adopting a common approach and a set of metrics to deliver faster turnaround on decisions and to reduce unnecessary additional evidence
- Focused the front and back office on planning routines to support longer-term sustainability and business planning process.
- Deconstructed the process inventory and reconstructed based on optimised task and process, re-evaluating and aligning skills and competencies.
- Eliminated waste of non-value-added activity.
- Simplified processes through automation and process redesign.
- Re-defined the underwriting referral process and reduced work effort by 30%.

Quality & Risk Management

- Implemented a risk-based quality model aligned to the client's agreed risk philosophy.
- Implemented risk, breach and complaints frameworks.

Management Training

- Reorganised the team and coordinated skills to match the demand for both onsite staff and Homeworkers.
- Assisted ongoing development of leadership capability, using fact-based MI and active management.

Interested?

We have an extensive track record of successful delivery for leading companies, savings achieved are in excess of £100m.

Key financial benefits:

- ✓ In-year ROI in the range 110% - 400%
- ✓ 30% increased capacity to enable growth
- ✓ Claims elapsed time reduced by 50%
- ✓ 20% to 40% reduction in cost bases



Nexus overview

Request the full details and capabilities of Nexus to understand what workforce optimisation can do for your operations.

<https://dhp.co.uk/software/>

Proof of concept file

Detailed information for you to gain deep insight into the results generated from a proof of concept for a similar organisation.

<https://dhp.co.uk/service-providers/>

Site visit

Book a site visit to understand the potential scope of cost reduction and performance gains. Get the facts, build the case, fast track your success.

<https://dhp.co.uk/book-a-site-visit/>



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