



How dhp achieved a cost base reduction of 40%

We were approached by a spectrum of companies in the BFSI sector to deep dive into the finance and accounting (F&A) workstreams.

As a result of budget challenges, back office functions needed to change their organisation structure and approach to improve operational efficiency and effectiveness.

We initially carried an in depth diagnostic, which revealed a lack of visibility in operations, unaligned metrics, undefined management processes and staff not matched to workload. Results from the diagnostic ([insert link](#)) provided justification for a decision to implement change.

Results Delivered

Cost Reduction

Upwards of 30% reduction achieved in the cost base. UW, Renewals Servicing and Claims cost were significantly reduced.

Capacity Increase

Volume throughput increase of 35%, 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. Consistent next day processing.

Client Challenges

Key areas our solutions covered were:

- **Accounts Payable** - Ageing, reconciliations and external party payments
- **Accounts Receivable** - Invoicing, receipts, reconciliations, journal entries and unallocated monies
- **General Ledger** - Financial Controls, bad debit process, internal bank reconciliations
- **Accrual calculations and Reserves** - All work throughput and calculation activity.

Identified challenges included the following:

Restructuring

To change the organisational structure and approach due to expense base challenges. Outsourced admin where labour arbitrage was not a differentiator and skills were continually being lost.

SLA Measurement

Feedback from the upstream and downstream internal divisions indicated long lead times with limited or no SLA measurement in place to drive action.

Effectiveness Levels

Efficiency and effectiveness levels needed to be substantially increased. Manage policy growth with no additional resource.

Benchmarking

Lack of aligned and defined KPIs, leading to limited Performance Management culture. Additionally, an inability to demonstrate control of people and process.

Managing Volumes

Transaction volumes of incoming exceptions and multiple channel work needed to be controlled and reduced.

Approach

An in-depth diagnostic was commissioned to map out the high-level strategy outlining the proposed changes and to quantify the cost and targeted level of savings to be made. The solution included implementation of operational work measurement systems and frameworks, management training and an overhaul of the organisational design. A critical requirement was for dhp to be able to quantify the subsequent savings made.

Our analysis of their operations showed:

■ Labour intensive processes

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

Metrics were in place but not correctly defined, thus losses were not understood and MI not transparent Overall a lack of visibility and control within the operations.

■ Poor forecasting and workforce planning

There was a lack of understanding of demand and ineffective organising of resource to deal with volumes – i.e. poor forecasting and workforce planning.

■ 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.

■ Alignment of team structure

Team structures were not aligned to internal or external customers and with no defined management processes in place there was no structure to control and monitor performance and approach for consistent service delivery.

Changes Implemented

Workforce Management

- A workforce management tool was implemented to improve schedule production and ensure the right number of staff were working at the right time - to help to maximise the efficiency in the back-office.
- Processes were mapped and altered, achieving faster completion greater accuracy.

Forecasting

- Forecasting models were implemented to create shared ownership with Business Development and Marketing and to ensure greater accuracy and awareness throughout the operation.

Skillset Review

- Skill types, positions and roles were evaluated and a new organisational structure created to deliver the improved Spans of Control per team.
- A new recruitment and training framework was also introduced to improve the quality of the performance of new staff.

Communication

- Core Operations and supporting functions had limited communication levels, despite many issues regarding the work being delivered by these areas. Authority levels and responsibilities were increased to provide an improved, more inclusive service.
- Written correspondence was improved to reduce unnecessary customer communication and confusion.

Process Analysis

- Processes were altered and eliminated, adopting a 'one and done' process.
- Sales scripts were reviewed in a 'voice of the customer' exercise with unnecessary and redundant detail removed.

Training

- A large cross-training programme was initiated in all competencies and processes for all staff.

Leadership Capability

- The development of a bespoke 5 stage programme was implemented for the management team to significantly improve an ineffective technique for Performance 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/>



dhp is an agile digital partner for back-office workflow optimisation Nexus omni-channel workforce optimisation by dhp enables efficient back office operations for the worlds leading companies, utilities and authorities.

For further reading on operational excellence visit <https://dhp.co.uk/knowledge/>
Created by David Scott, Founder dhp Nexus Solutions

© 2019 dhp Nexus Solutions Limited
www.dhp.co.uk | enquiries@dhp.co.uk