

Underwriting Success

Leading insurer makes rapid customer service improvements while cutting costs; by sharpening skills and uncovering the real data that drives performance

THE SITUATION

The client was a specialist insurer with group assets of over £1 billion, serving over 175,000 customers worldwide. Its call centre offers 08:00 – 18:00 service, as well as providing the back-office underwriting capability for its field force surveyors. To remain competitive and to retain and grow customer loyalty, there was a need to reduce costs, increase productivity and improve customer service.

THE ASPIRATION

The company wanted to identify and implement a 20% operating cost reduction. Senior Management also committed to measurable improvement in two key areas: response times and reduced backlog of outstanding queries.

In short the company wanted to “do the right things right” and as a result of this focus, reduce their rework and errors, so effecting the cost reduction naturally.

The company chose to work with Celerant Consulting. Celerant has a strong track record of helping financial service providers pursue efficiencies, while simultaneously improving customer satisfaction.



Results

- Backlog reduced by 77% in ten weeks
- Departmental productivity has doubled
- Changes in process have led to significant reduction in risk exposure
- Behavioural change - everyone is aware of performance, both individually and as a team.
- A 24% reduction in FTE identified

“I have learned more in the last 10 weeks than in years of management training courses”

Department Manager

THE TRANSFORMATION

The goal was rapid improvements delivered during a 10-week engagement.

Initial analysis revealed three key productivity issues:

- 1. Immediacy of Response:** a need was identified to deal first time with each query or request received from the customer.
- 2. Visibility of Production:** the company needed to increase awareness of how much work it actually processed
- 3. Resource Capability:** individuals needed to be best able to deal immediately with the work, without regularly passing it on to others and causing delays.

Existing work processes were mapped and analysed to identify which specific areas were causing pain and preventing individual underwriters from taking ownership of their tasks.

Underwriters then assumed responsibility for completing particular cases as they arrived, based on the principle of "Right First Time". Rework was removed from the system, freeing up time for everyone to tackle the backlog.

The project focused on ensuring accuracy of the information available from the systems used. With newly available information, a suite of KPIs was designed and installed as part of a new management system (Celerant's proprietary MCRS®).

Celerant then helped to create productivity measures, based on the specific types of work completed, and the teams were assessed against these measures.

"We are now using data to proactively manage the next few weeks and identify where we need to resolve issues"

Team Leader

To counter the problem of lack of specialist underwriting skills, individual needs were assessed and training on the most critical processes was designed and delivered, followed by one-to-one coaching.

During the project, the team also launched a methodology for maintaining an environment to achieve high performance. The

impact was a more organised, safer and more attractive place to work, which led to happier and more productive employees.

And through the engagement, daily team meetings raised morale and lent a sense of shared purpose. Talking about facts and data, rather than "gut feel", also made for productive and informed exchanges.

THE RESULTS

The intention of the firm to 'do things right' was realised; departmental productivity doubled - backlog was reduced from 1331 to 294 items in ten weeks, with a corresponding cut in unprocessed work from around 13 days' worth to fewer than three.

Everyone in the team now knows what is expected of them. Team members take responsibility for continuing improvement and increasing their knowledge and productivity is up, while costs have fallen.

By ensuring the change in behaviour was owned by the company's staff, Celerant built in sustainability for when they left.



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