



A Leading UK Healthcare and Insurance Provider A Healthy Platform for Growth

Case Study Financial Services

Developing a lean efficiency organisation and a strong platform for growth

Company: n/a

Country: UK

Sector: Financial Services

Function: Back Office (Claims Management, Policy Enrolment, Document Services), Marketing and Customer Services

Business Challenges: Develop a lean efficiency organisation and a platform for growth whilst radically reducing costs, increasing income and improving customer satisfaction

Consulting Services: Operational Transformation, Organisational Effectiveness, Innovation & Growth

Capabilities: Lean Leadership, Organisation Development, Sales & Marketing effectiveness

Client Quote:

“All the evidence shows that we’re now achieving best practice in healthcare insurance. I can honestly say I don’t remember another project which achieved so much so quickly and within sound financial parameters. I wholeheartedly recommend Celerant.”

Transformation Director

Situation:

Our client is one of the world’s largest insurance groups and one of the UK’s largest insurers, with over 6 million life and over 4 million general insurance customers. Across Europe, the process of consolidation in the healthcare insurance market was occurring. Customer expectations were rising, driven by the increasing availability of information and the expansion of choice, putting more pressure on cost and delivery thereby squeezing margins.

Our client was seeking to move into the upper quartile for the industry. A challenging target was set - to reduce operational costs, while doubling premium income and increasing the customer base by 50%.

Approach & Delivery:

Following a six week end-to-end analysis of the business, Celerant proposed a plan that would save £1 million in operational cost over the first three months of the project, and a further £10.6 million in cumulative savings in 12 months. Firstly, a task force of client employees from across the key departments was established and supported by Celerant consultants. This helped to engage the wider business in finding new ways of working and demonstrate early success. The approach centred on the client adopting a new set of competencies (such as Lean efficiency) which would ensure that processes were optimised and that results would be measurable.

The Celerant team coached the client through the process, building skills and confidence, gaining consensus and providing direction, while all the time encouraging the business to seek stretch targets. It was a collaborative process in every respect. Celerant had to understand the strategic goals and the ‘Voice of the Customer’ to ensure that focus stayed on customer needs, rather than

just meeting internal demands.

A performance management system was developed and implemented. This was critical to securing sustainability of results, as it ensures clear visibility of performance and an effective mechanism for monitoring the impact of change. At the same time, one-to-one management coaching helped to develop leadership skills in an environment where a clear end-to-end process perspective is essential in delivering excellent customer service. This was complemented by a rigorous training plan to embed the right skills for customer service delivery across the business.

Results:

The results speak for themselves. The project delivered £1 million in savings in the first three months with total benefits of £14 million against a target of £10 million cumulative. The entire project was cost-neutral by the first milestone, claim handling efficiency was improved by 40%, ad-hoc sickness reduced by 30% in six months in the Customer Retention Team, call wait time reduced by 35% and Non-value add activity reduced by 42% in six months in Central Claims.

The rapid delivery of results like these was pleasing to say the least. But it is the strategic legacy of sustainability that really impressed the client.

Client Satisfaction:

“The Celerant team helped Healthcare to realise over £14 million in savings. They did it by helping to introduce a culture of business measurement to determine if our processes were being run efficiently. In part, because of the foundations laid with Celerant, Healthcare PMI achieved the largest profit of its 17 year history”. Managing Director