

Technology and Business Strategy Consulting that yielded more than \$1MM+ in cost savings

Client

The Client is one of the largest privately held independent insurance brokers in Central US with multiple branches in Texas. The company had an annual revenue of \$ 25 Million and also amidst the top 100 independent property and casualty insurance agencies in the United States.

Goal: Deliver 1% of Top Line as Savings

Exdion's Approach

Discovery Workshop:

The mandate had to be clearly understood and the scope was established through a Discovery Workshop with key leaders at the client organization. Basis discussions, the scope of focus would be 4 areas – Commercial Lines, Personal Lines, Employee Benefits and Accounting.

Detailed Discovery Study:

Exdion's Proprietary ePLMM framework allows a structured maturity assessment to identify process, technology and capability gaps through a 4 stage maturity model. Exdion identified current pain areas through Focus Interviews, Process Blueprinting, Metrics gathering, Data analytics, etc. All processes were shadowed to understand the current process maturity including:

1. Average handling times
2. Scalability to manage growth
3. Capacity Utilization
4. Current costs
5. Technology in use and limitations

Once the AS-IS processes were mapped, in efficiencies and opportunities for re-engineering clearly became visible.

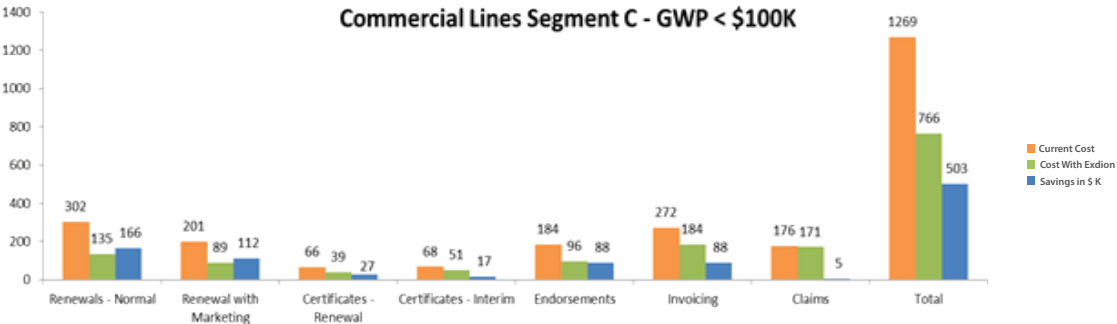
Key Insights:

1. Commercial, Employee Benefits and Personal operated as distinct verticals with little or no coordination
2. 84% of Accounts contribute to 15% of Gross Written premium
3. Revenue / employee varied significantly across business divisions
4. Delays in raising invoices resulting in delayed collections
5. Servicing costs for Renewals was \$1.7 MM – Just managing Endorsements was costing them \$ 800K and Invoicing another \$ 300K which were huge opportunities to bring in efficiencies.
6. The Agency management system used currently was not leveraged to its full potential leading to a lot of rework and data loss, causing indirect revenue leakages.

Recommendations:

Customer Focus:

Leveraging Exdion’s domain specific data science expertise, policy data & financials supported a proposal to scientifically segment customers with differing service models, in both Commercial and Personal lines units. This will enable more focus and attention on high value accounts while having a streamlined optimal service model for smaller accounts (Segment C).



Restructuring the client service on Segment C (accounts with less than \$100k in premium) through an shared services model would yield a cost savings of \$503K. The restructuring was based Activity Based Costing and the activities were carefully distributed between CSR’s and the shared service team. This will quickly bring in additional bandwidth to the account segments that will be used towards ensuring superior client service.

Technology:

Data flow between departments was poor and very limited controls were available with the current technology in place. Standardization was not implemented and our solution also factored in improvements in service quality and efficiency through standardization and specialization.

Key metrics like capacity utilization, true service cost at a client/activity level were unable to be tracked and there were also limitations to support a 24/7 global service model under the current technology infrastructure.

The proposed engine will support intra and inter departmental collaboration ensuring quick proactive response. Current Marketing & Commercial lines service team interactions on accounts were costing the broker about \$38k/year and this was due to the inability to collaborate with the existing technology. The workflow can bring in a minimum of 50% cost savings on just this cost alone.

Workflow:

Apart from enabling real time data availability, workforce utilization, activity based service costs etc were some of the reports that the system could deliver. The platform would also integrate with a self-service portal for seamless client experience as well as improved service costs for the broker. Leveraging technology to realize better profitability and improved customer experience in low premium accounts.

Automation and Robotics:

Exdion's proposed workflow engine will enable automation to improve below processes for enhanced performance management and service efficiency:

- > Client questionnaires
- > Follow ups & Reminder emails
- > Job assignment, Collection and Escalation tasks
- > Loss and Quote summaries
- > Proposals

RPA solutions in the areas of Policy Checking & Claims were also architected to transform the service experience and bring in efficiency.

The Results:

Exdion was able to reflect a total cost savings of \$1.12 MM and this savings. About ~ \$600K was realized within the first 12 months of roll out. Exdion continued to engage with the client through periodic audits and also was deeply involved in change management for the organization, apart from managing the service delivery through the shared services centers.

Benefit Summary:



Deliverables:

Exdion delivered a detailed business case with AS-IS process maps and the Target Operating Model (TOM). The TOM clearly indicated what changes would need to be done at the process, technology and workflow levels. High level technology requirements documents and cost estimates were also provided.

About EXDION

Exdion comes with over 15 years of Property and Casualty Insurance expertise.

Exdion services clients ranging from Fortune 500 to small and medium sized carriers and brokers. Exdion is ISO 9001 certified for Quality and ISO 27001 and HIPAA certified for information security.

The company thrives on Business Excellence and leverages models such as Kaizen and Six Sigma along with technology enablers, to continually enhance value to customers. Exdion lays great emphasis on Accountability, Integrity, Innovation, Transparency and most importantly Customer Focus. Exdion continually strives to deliver transformational excellence through technology-centric process optimization and continual knowledge enhancement. Exdion is also closely associated with “The Institutes” and 1 in 8 of its staff today are certified in various US and UK Insurance programs.

Exdion’s solutions include Transformation Consulting, Business Process Management, Analytics and Policy Lifecycle Maturity frameworks that leverage CLOUD FIRST technologies.

For more information visit us at

 www.exdion.com

or

 info@exdion.com

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