

The background of the page is a blurred image of a person in a dark suit and tie. Overlaid on this image are several digital icons: a document with lines of text, a bar chart, and a series of circles of varying sizes. The overall aesthetic is professional and tech-oriented. Large, stylized geometric shapes in blue and orange are overlaid on the left side of the image.

Transformational Consulting – Solutions that Deliver Measurable Value

- > Introduction
- > Critical Issues
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Introduction

Business Process Re-engineering, often known as optimization is generally leveraged by organizations across industries going through swift growth. With growth comes challenges in the form of process inconsistencies leading to service failure. This eventually leads to an impact on the performance of the organization. Specific to insurance brokers, this poses a bigger threat. Most successful organizations in the insurance industry grow rapidly through acquisitions of like-minded agencies. However expecting an operational match (systems, processes, and people) may be too much to ask for.

Our client a leading broker, a company that grew from humble beginnings and made its way to the Top 50. The company made multiple acquisitions in the last 3 years.

To sustain our growth plans, we knew we had to partner with someone who brings to the table methodologies and proven process capabilities that can help us quickly internalize an acquired entity and look beyond.

VP – M&A, Client Organization

Critical Issues

- Acquired agencies came in with diverse technology platforms and workflows
- Threat of cancellations - post the merger
- Skill Gap Alignment
- High Service Cost
- High employee attrition
- No metrics for performance measurement

Results

- \$ 300,000 in projected savings
- Scalable, cost effective TOM defined and implementation road map created
- Comprehensive documentation of current and to be processes
- Improved Client Satisfaction
- Enhanced Employee Satisfaction

- > About The Client
- > Quick Facts
- > Methodology and Key Observations

About The Client

The Client is one among the Top 50 Insurance Agencies as listed by Insurance Journal 2016.

They are a 500 employee agency with operations in multiple cities across the contiguous and territorial US. Operating both in the retail segment and as a program administrator for some of their markets, their commercial lines units hold more than 60% market share in the standard auto business in one of their territories.

Exdion serviced the client through a dedicated Center of Excellence to bring in process standardization, cost savings and continuous process excellence to enhance the clients competitive edge in the market place. Exdion also offered the client a dedicated integration consulting team with consultants who possessed over 20 years of core insurance understanding. The client had just entered into an agreement to acquire a mid-sized commercial multi-line agency. While the financial due diligence was complete and the fit ascertained, Exdion's integration consultants were roped in to perform an operational due diligence encompassing all aspects of the business except broking and market relationships.

The team set out on an aggressive plan to assess the incoming agency's operational make up and develop a target operating model (TOM) at a granular level. The goal was to ensure that the model is scalable and cost effective while enabling the team to be able to provide excellent service.

Quick Facts



Client:
Top 50 Global Broker



Employees: 500



Locations:
23 branches



Industries:
Over 20

Methodology and Key Observations

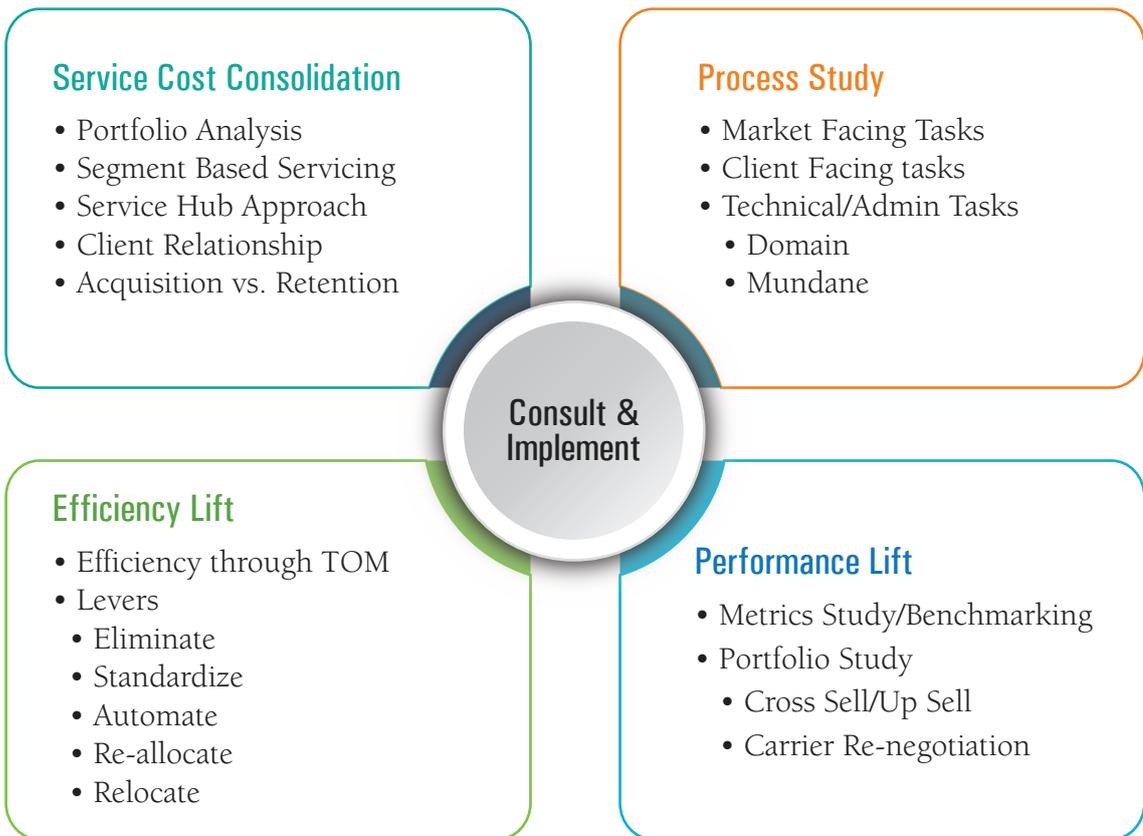
As part of the project, Exdion experts visited all offices and started by analyzing the company's revenue and corresponding service costs.

The team then went on to interview and shadowed over 50 staff members across branches and roles and created detailed process flows to understand the respective process complexities and the estimated transaction time for each core service – renewal initiation,

> Methodology and Key Observations

cancellations etc. A detailed study was performed on the different systems spanning the Agency and Document Management Systems as well as other disparate technology systems in use.

Exdion leveraged its consulting framework to systematically assess each function.



Using our Analytics driven data compilation and study, we were able to identify that the small accounts (with premiums of less than \$20,000) made up about 68% of the total client base translating to about 20% of premium revenue. The remaining 80% of their premium revenue came in from about 32% of their client base.

This meant that a premium based servicing model had to be adopted to keep costs low while ensuring customer service “moments of truth” were optimally handled.

Roles and Responsibilities	Management and client servicing roles not distinctly defined
	Experienced resources spending time on data capture/administrative tasks

> Methodology and Key Observations
 > Target Operating Model (Proposed Model)

Data Capture and Management	Use of Document Management System was limited
	Perception that systems were ineffective was a major pain point
Document Creation and Management	Document ingestion not structured - no indexing practices
	Significant manual effort in document creation with no standards
Workload and Management	Performance and Capacity Management based on anecdotal evidence
	Key staff bogged down with administrative hygiene practices
	Lack of Streamlined Processes
Metrics	Lack of standard KPI's for performance measurement
	Client servicing was not revenue aligned - service costs remained the same for clients across revenue bands
	Key Market Intelligence Missing
Technology	Lack of dual monitors - increased need to print
	Latency issues with the DMS
	Real time access to information not made available to the field team

Target Operating Model (Proposed Model)

Exdion’s consultants, after careful review of the collected metrics and intelligence, drew out a target operating model that should be implemented to address the critical issues identified.

- Some of the core focus areas were:
- To implement structured segments against premiums and simplify processes.
 - Processes to be streamlined with clear differentiation of roles.
 - Identify activities & processes that are not client facing and offshore these activities and processes.

> Target Operating Model (Proposed Model)

- Bring in Specialization to enhance quality and productivity.
- Enhance Technology usage to do away with mundane tasks and utilize the available technology to its fullest capabilities.

With the above focus, the team concentrated on the transformational initiatives that spanned across small, mid-market and large accounts.

The existing set up had the following roles

1. Account Managers – Client relationship
2. CSR – Operational relationship

However there were significant variations of how each of these roles operated. Exdion drew out a new workflow and role matrix in 2 parts – one matrix that serviced small and medium clients and the second one to service large corporate accounts. These role refinements were introduced to ease the integration process and ongoing client servicing as well.

Role Clarification – Servicing of Large & Medium Accounts

Account Manager	Account Assistant	Account Assistant (Offshore team)
<p style="color: #ADD8E6;">Initiate Renewal Process</p> <ul style="list-style-type: none"> ✓ Send Renewal Package to client ✓ Determine Renewal/Marketing strategy ✓ Finalize submission package(s) and send to market(s) 	<p style="color: #ADD8E6;">Data Validation</p> <ul style="list-style-type: none"> ✓ Validate the renewal package 	<p style="color: #ADD8E6;">Document Processing</p> <ul style="list-style-type: none"> ✓ Generate/ Order Loss runs reports & prepare summary and stratifications
<p style="color: #ADD8E6;">Client Relationship Management</p> <ul style="list-style-type: none"> ✓ Contact client for updated information and coverage changes ✓ Finalize Proposal and present to client 	<p style="color: #ADD8E6;">Market Support</p> <ul style="list-style-type: none"> ✓ Negotiate terms and conditions with insurer ✓ Follow up with Insurers ✓ Review changes to wording ✓ Review and negotiate insurer quotes ✓ Authorization to Bind 	<ul style="list-style-type: none"> ✓ Secure quotes from various carriers & assist AM's to select the best offer ✓ Renew policy in AMS and update the latest information ✓ Schedule maintenance ✓ Prepare Proposal ✓ Renew certificates ✓ Policy checking ✓ Confirm endorsement requests ✓ Order correcting endorsements, if needed
	<p style="color: #ADD8E6;">Client Relationship Management</p> <ul style="list-style-type: none"> ✓ Support ongoing client requests, such as questions/inquiries, requests for policy changes, interim certificates, and billing inquiries, etc 	<p style="color: #ADD8E6;">Data Capture and Management</p> <ul style="list-style-type: none"> ✓ Maintain AMS with the latest information ✓ File final Proposal, Policy and other required information in DMS

> Target Operating Model (Proposed Model)

Role Clarification – Servicing of Small Accounts

Account Assistant	Account Assistant (Offshore team)
<p style="color: blue;">Initiate the Renewal Process</p> <ul style="list-style-type: none"> ✓ Send Renewal Package to client. ✓ Finalize submission package(s) and send to market(s). 	<p style="color: blue;">Document processing</p> <ul style="list-style-type: none"> ✓ Generate/ Order Loss runs reports ✓ Secure quotes from various carriers & assist AM's to select the best offer
<p style="color: blue;">Market Support</p> <ul style="list-style-type: none"> ✓ Follow up with Insurers ✓ Review changes to wording 	<ul style="list-style-type: none"> ✓ Renew policy in AMS ✓ Renew certificates ✓ Generate proposal letters ✓ Policy checking
<p style="color: blue;">Client Relationship Management</p> <ul style="list-style-type: none"> ✓ Contact client for updated information and coverage changes ✓ Finalize Proposal and present to client. ✓ Support ongoing client request 	<ul style="list-style-type: none"> ✓ Confirm endorsement requests. ✓ Order correcting endorsements, if needed. <p style="color: blue;">Data Capture and Management</p> <ul style="list-style-type: none"> ✓ Maintain AMS with the latest information ✓ File final Proposal, Policy and other required information in DM

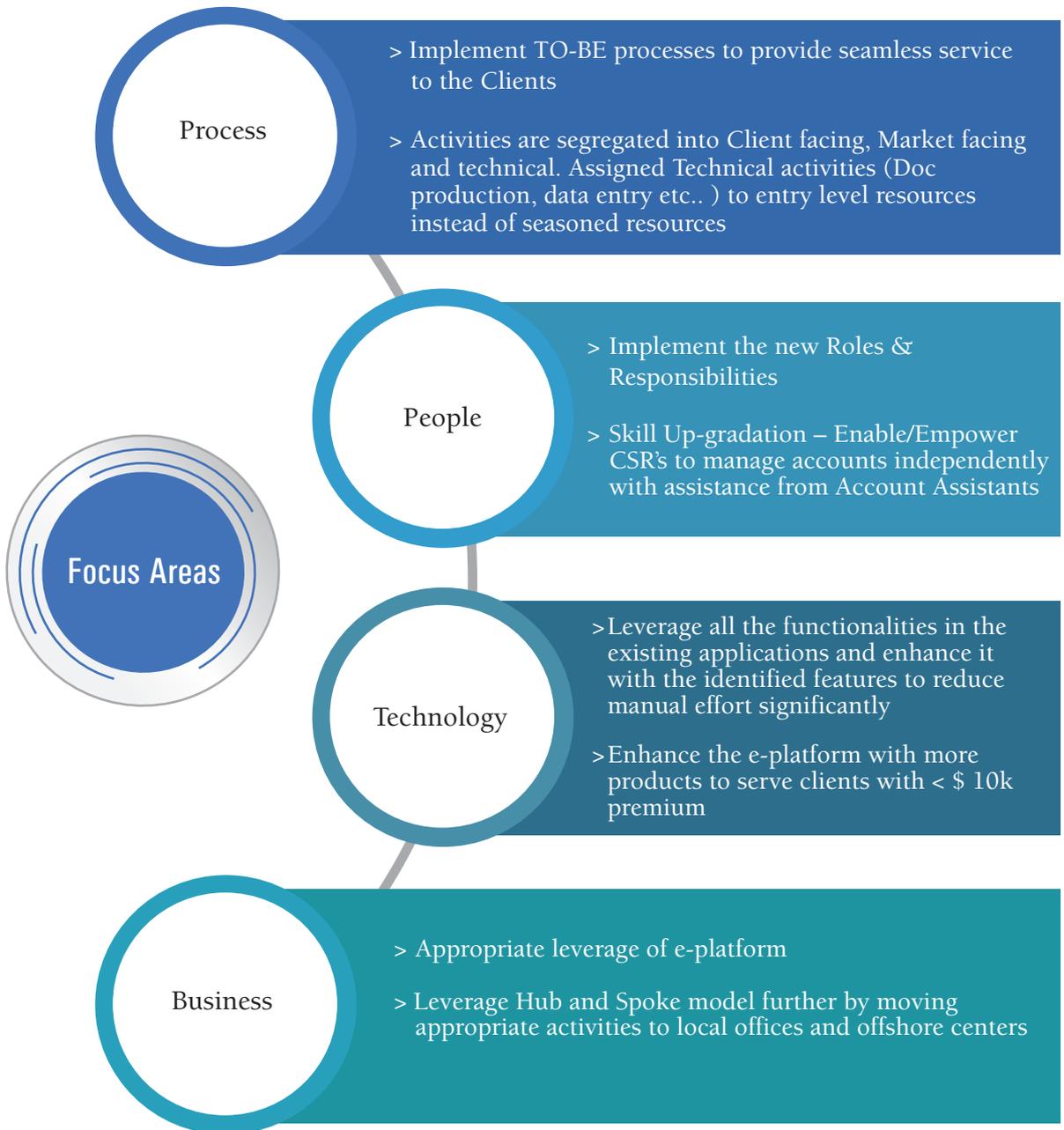
The re-organization benefitted the organization in multiple dimensions.

Clear Cost savings – direct bottom-line impact, improved efficiency & improved MIS for Management

This model resulted in a net savings of \$325,000, factoring an investment of \$40,000 to accommodate some of the changes and technology investment.

- Account Managers and Account Assistant - \$295,000
- Automation - \$30,000

> Target Operating Model (Proposed Model)



We are excited at the progress we have seen with the overall reorg process. The team took about 3 weeks to completely assess the entire organization and came out with a game plan in just 5 weeks flat!

– COO, Client Organization



About EXDION

Exdion comes with over 15 years of Insurance Process Management expertise. Exdion services clients ranging from Fortune 500 to small and medium sized healthcare businesses. 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's solutions include Transformation Consulting, Business Process Management, Analytics and Revenue Cycle Maturity frameworks that leverage CLOUD FIRST technologies.

For more information visit us at

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