

Analyze Case Study:

Root-cause analysis sets the right plan for operational improvement



Executive summary

A financial services client approached Analyze Consulting to unpack challenges within their Administration business unit. We used an evidence-based approach to consolidate all the business challenges into eight primary issues that required action. We developed a six-phase roadmap that provided the foundation for a remediation programme to correct the identified issues.

Background

This client provides a range of financial services to investors across both corporate and retail markets.

The client's business had shown significant growth across private and corporate assets.

Being a provider of financial services, brand perception and efficient Administration are key levers to the success of the business. In this engagement, we focused on improving administration areas within their business.

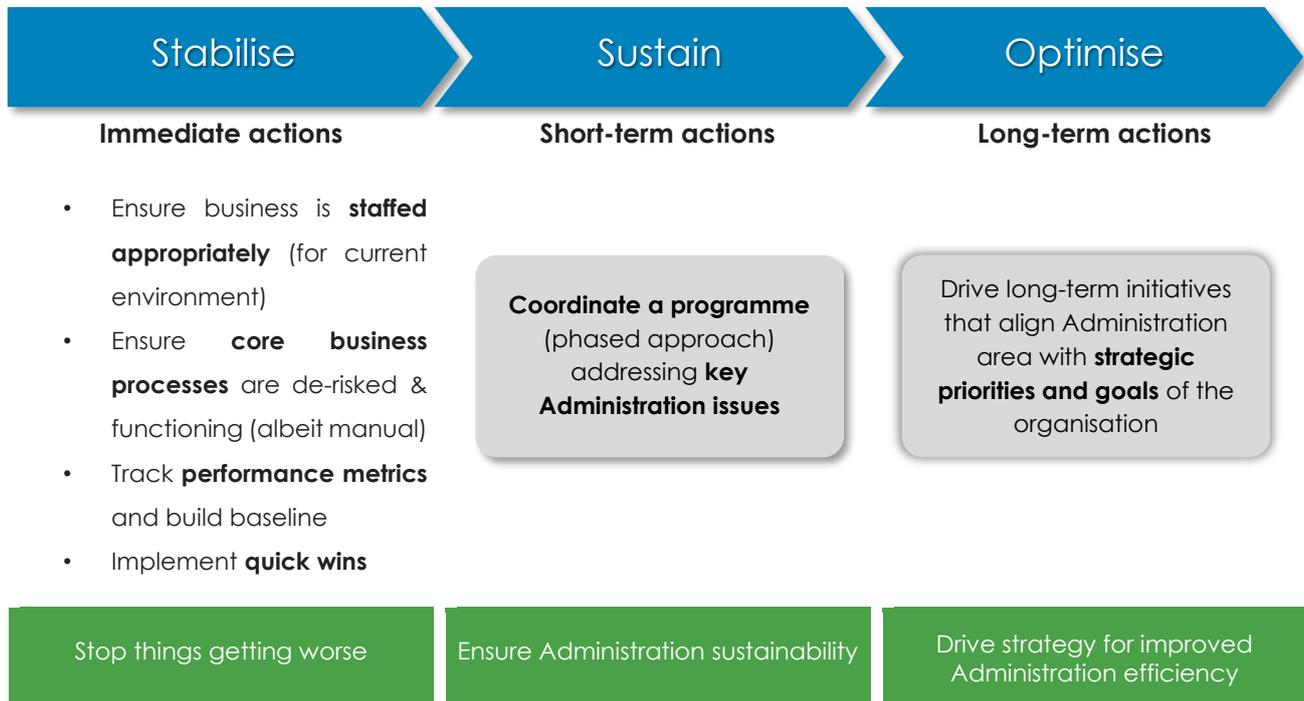
The business needs

To improve the client's Administration so that the areas of people, process and technology all work together coherently and efficiently, to support the business, mitigate risk and improve client services.

-  Managing monthly payroll collections
-  Paying claims efficiently
-  Monitoring workflows in real time
-  Managing consistent KPI's and SLA's
-  Ensuring consistent reporting
-  Reducing rework and backlog
-  Improving service levels

The business need and problem statement

Large scale change across an organisation is challenging and requires a structured approach. We found that the client's operational improvements needed three key phases of operational change.



Depending on the size of the organisation, the challenges faced and time available, companies typically need support with one or more of the phases above. In this instance, our client had already begun implementing changes and had started stabilising their Administration function.

Analyze Consulting's primary role was to provide a high-level assessment of the Administration function and to determine the root-cause of any issues. We also needed to provide a roadmap of short-term initiatives to support the remediation programme. The focus was to build a plan that would ensure sustainability within the Administration function. Additional initiatives would then be added to the programme to focus on driving efficiencies and cutting costs over the long term.

Challenges

- Over the past several years, our client's business had changed from an entrepreneurial operation to a large-scale operation. Naturally this rapid growth introduced challenges and opportunities for improvement.

- Recent assessments had highlighted legislative and operational risks. These needed to be urgently addressed.
- There was a growing increase in issues and delays dealing with client requests.
- There was a perception that the Administration function needed to be improved to address areas of inefficiency and risk.

How Analyze helped

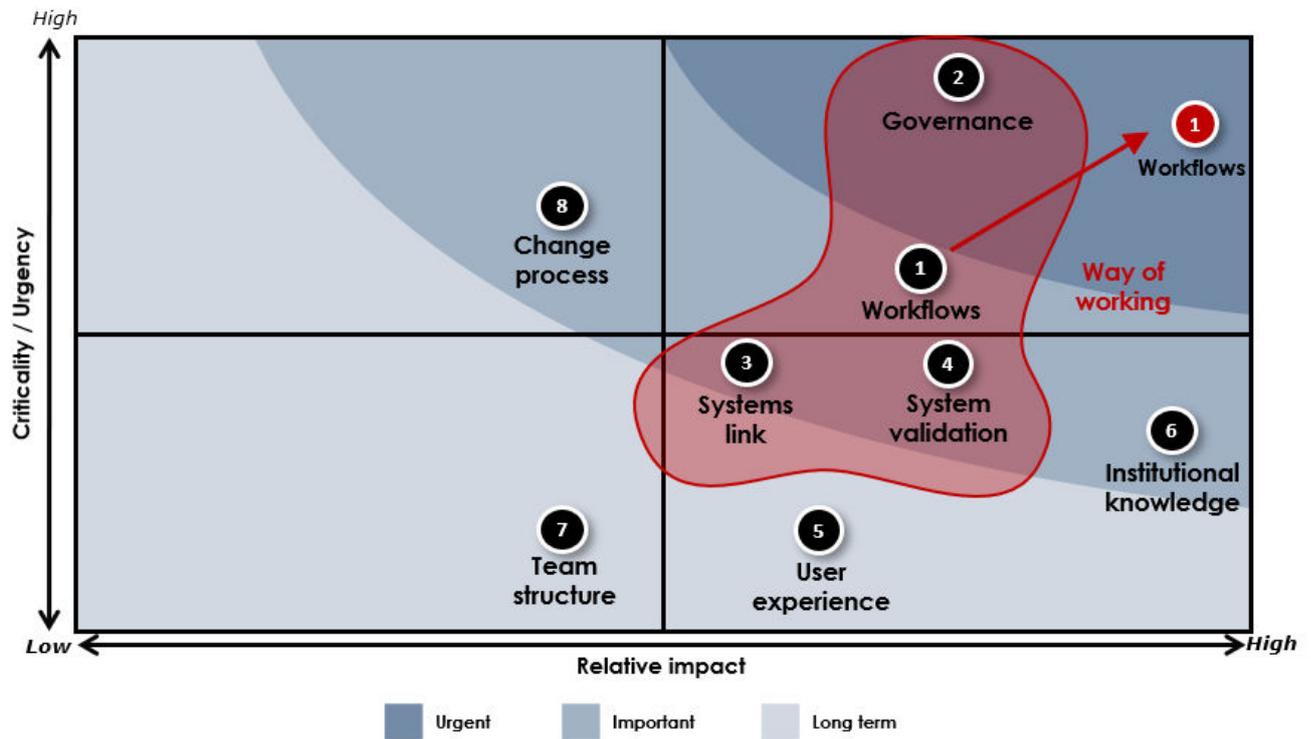
In the first half of the engagement, we unpacked the value chain and the challenges across the entire Administration function. We conducted interviews with senior stakeholders and team leaders. The issues identified were categorized within “people”, “process” or “technology”. The initial findings showed that although “people” challenges existed, they were not necessarily the root cause of the problems. Key “process” issues represented the highest risk and opportunity for improvement. Below are some of the things the stakeholders and team leaders had to say about the state of “people”, “process” and “technology”:

 People	 Process	 Systems
<p>“People are probably busier than they should be”</p>	<p>“We don’t have great processes”</p>	<p>“There is room for improvement (of certain software)”</p>
<p>“Nobody knows who is exactly responsible for what”</p>	<p>“Process view is poorly understood across the business”</p>	<p>“We’re really great at generating ideas and building things, but we’re not great at implementation – down to the ground level”</p>
<p>“The team is not setup for success (training)”</p>	<p>“We’re not ready to look at control workflows and resource allocation, etc. – we need to define and understand the processes first”</p>	<p>“System can be quite complex and convoluted and capabilities are not fully known”</p>
<p>“Technical training is a big challenge”</p>	<p>““It’s almost as if when the process moves from one department to another, there is a grey area”</p>	<p>“System does not support the users by stopping them from making mistakes”</p>
<p>“Rather than having siloeed teams we should have process teams”</p>		

The second half of the engagement looked deeper into the Claims business unit. We continued with staff interviews and defining the detailed process and system challenges.

We then analysed all our findings, using an evidence-based approach to consolidate the challenges into eight primary issues that required action. The eight issues were characterised by their impact on the business and the urgency to address them.

Below is an overview of the eight identified Administration issues:



A key problem we identified was a need for more clearly defined ways of working within the Administration function. The fast growth had caused disruption and change in this space over the recent years, and the team needed more structure and a clearly defined operating model. Linked to this was the need for improved governance. Without defined processes, clear roles and responsibilities and a system supporting management information, governing the team (to set KPIs) was difficult.

Unpacking and consolidating the issues at this level was important for creating a roadmap of change that would begin to solve the overall challenge of optimising the Administration function. Through understanding the issues and their impact on the business, we were able to create a detailed, six-phase project roadmap to effectively address our client's issues. The roadmap provided an approach to the challenges within the Administration space and highlighted key risks and dependencies, as part of the overall remediation programme.

Next steps

Looking ahead, we advised our client to assign ownership and accountability for the remediation programme, setting up a steering committee and allocating key resources such as a project manager, business analyst(s) and a system subject matter expert (appointed or seconded from another team).

Project outcomes

- High-level business overview for; business value chain and processes, Administration, systems and people
- Prioritised and agreed-upon business problems and opportunities
- Recommendations
- Roadmap for remediation

This roadmap was not a project plan, as this would be defined by the assigned project manager; instead we focused on providing a comprehensive change management programme. This would minimize additional disruption and manage the negative effect change fatigue could have on their Administration area.

For the programme to be effective, we emphasised the importance of senior management buy-in to ensure continued prioritisation and support. We stressed that change would not be achieved overnight, however with a structured and dedicated approach, success could be guaranteed.

Need to understand your business structure, capabilities and processes to enable your strategy and to find opportunities for continuous improvement and smart automation?

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