Industry
General Insurance

Process
Data and Analytics

WNS helps reduce operating costs by GBP 1.3 Million by building an advanced middle office Center of Excellence for a leading global insurance player

The client – a leading multi-line insurance provider working across life, general and health verticals – was looking for innovative solutions to adapt to the dynamic operational landscape. The focus was on combining high levels of operational expertise, tight financial discipline and technological excellence to deliver stronger balance sheets.

To achieve these objectives, the client sought to improve its MIS functions to deliver consistent profitable growth. Its goal was to set up a Center of Excellence (CoE) that would harness the power of predictive analytics and help the company draw better insights into business operations.

The CoE would enable the client to achieve better returns on people investments, improve operational effectiveness and lower costs, leading directly to superior products, better claims and underwriting management. After rigorous due diligence, which involved significant knowledge-related assessment, the client decided to partner with WNS for building a CoE for the MIS function.

The Client's Challenge

The client's MIS team, spread across two diverse geographies, was providing analytics and reporting services to multiple stakeholders, generating close to 4,000 reports per month. However, complex and disparate data sources, and a silo-operating model led to duplication and resulted in 'multiple versions of the truth'. The consequence was unstable reporting to high-value corporate partners, causing

discontent and an overall deterioration in customer satisfaction. The client identified people management and service quality as the main concern areas that needed immediate attention. In order to restore stakeholder confidence and customer satisfaction, the client had to surmount the following challenges:

- Multiple stakeholders with varying degrees of experience in offshoring
- Reliance on manual data collection and use of disparate measuring systems
- Inconsistent data leading to ineffective insights from analytics
- Lack of ownership of the processes
- Limited quality and quantity of documentation and process undertaking
- Adverse overall efficiency that distanced report generators from business context
- Varied skill sets and competencies leading to ineffective resource utilization
- Lack of synergies between the reporting and analytics team resulting in duplication of efforts and inadequate knowledge sharing
- Shortage of resources hampering technology-driven reporting and insights delivery
- Team focus divided between support and developmental activities

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> " We've made it difficult for ourselves and have over-engineered things for 'structural' reasons at the expense of being more effective "
>
> **- A Client Representative**

The Premise

WNS conducted an on-site diagnosis to explore the depth of the client's challenges and suggest a new operating model to leverage an offshore Center of Excellence.

The key directives were to:

- Enhance efficiencies: Eliminate redundant work, cut overheads, streamline processes
- Improve compliance with global standards
- Bring in globally accepted 'best practices'

A three-year transformation process was mutually agreed upon by the client and WNS, with the premise that it would be implemented in four phases.

Phase 4 — Create shared services model and one version of the truth

Phase 3 — Build economies of scale / leverage business knowledge

Phase 2 — Standardisation and efficiency gains

Phase 1 — Set up CoE

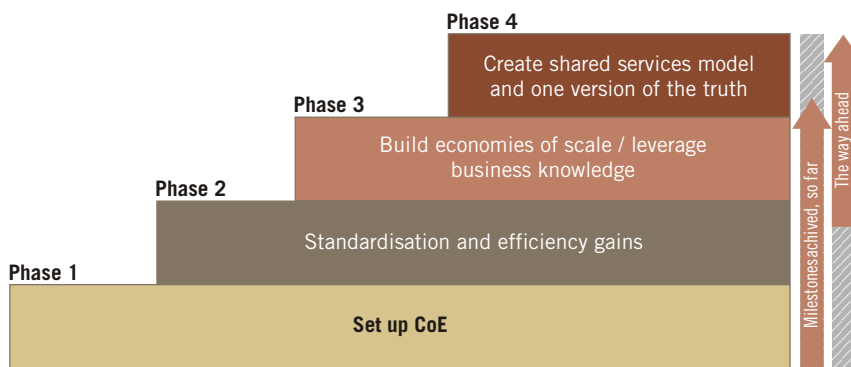Milestones achieved, so far

The way ahead

Figure 1: Represents the four phases of the transformation process, completion so far and the way ahead

In the coming two years, WNS will work closely with the client towards building a single version of truth, bring more functions under the CoE umbrella, further automate the reporting and insights function; and finally move up the value chain with more analytical modeling.

The WNS Approach and Solution

Before designing the solution, analysis was done at three key levels:

- Maturity ■ Transition ■ Cost-benefit

Design	Transition	Transform
■ Senior management overseeing delivery of customer demand	■ Buy-in from senior management to help deliver and sponsor new model	■ **Knowledge optimization work:** Governance, Program management
■ Onshore Account Manager to ensure accurate delivery and value-add to the customer	■ Work collaboratively with WNS to ensure the right recruits	■ **Culture change:** Change and communication management
■ Senior Management focus on MIS strategy and design / direction with offshore	■ Invest in knowledge transfer and operating protocols	■ **Measure improvement and value-add from M&I:** Performance management, quality and KPI-driven rather than solely being efficiency and SLA-driven
■ Analytics lead from onshore, with offshore execution and knowledge transfer	■ Plan extensively for technology enablers (Citrix / data / speed and reliability)	
■ Senior Management focus on Change portfolio and delivery	■ Manage continuity of service on / offshore	
	■ Retain key associates onshore	
	■ Redeployment of displaced people - 85% redeployed internally	

Figure 2: Represents the WNS approach to the problem

The analysis threw up some insightful information and identified bottlenecks across four specific areas:

- **Positional:** The MI team was not seen as 'critical' to business operations by key stakeholders and was placed in between data owners and end-users

- **Operating Model:** An inappropriate operating model focusing on efficiency and quality, and in turn, moving the MI team away from the business. Incidence of human and process breakdowns and duplication of reports within and outside the MI team. Inconsistent planning across business units and limited insights

- **Technology:** Ineffective MIS as a result of gaps in data availability, sub-optimal architecture and inefficient Extract, Transform and Load (ETL). Limited use of flexible reporting tools and methodologies

- **Governance:** Governance concerns related to inconsistent definitions, inappropriate data governance and protocols, and high risk of failure between systems and MI production

WNS's Four-Phase Transformation Solution

Having assessed the business case, the WNS analytics team put together a solution to build efficiency and effectiveness by using a combination of people, processes and technology.

During the compilation of this case study, phase 1 had been completed; phase 2 was nearing completion; and the transformation process had made progress into some of the important steps of phase 3.

Phase 1: Setting up of the Center of Excellence (CoE)

After an in-depth analysis of the client's business, WNS assembled a 50 FTE team in Bangalore, India. The overall team balance is now 40% onshore and 60% offshore. While the offshore arm focuses on delivery, the onshore arm is customer facing and interacts with the client and manages the show at the client's end.
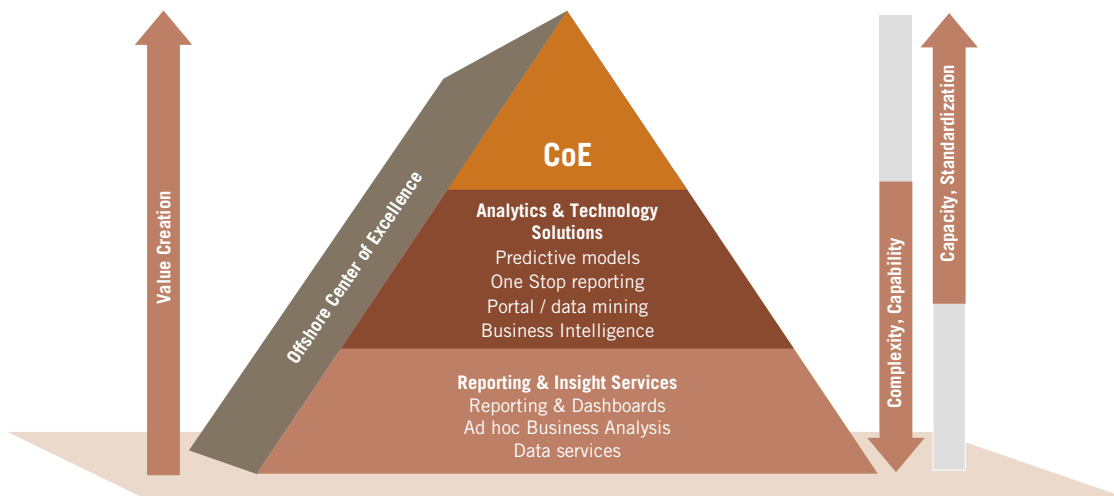

Figure 3: The Center of Excellence

Phases 2 and 3: Standardisation & Efficiency Gains. Building Economies-of-Scale / Leverage Business Knowledge

The second phase of the transformation process is nearing completion and some important steps towards implementing the third phase have been taken. WNS has delivered the following so far:

- Established a strong transition, complete in all respects and steady-state business-as-usual

- Re-aligned and optimized analytics resources - both onshore and offshore

- Alignment to client's strategic goals

- Decision-support by delivering actionable insights and analytics

- Risk management and control via governance, program management and performance management using KPIs and SLAs

- Improved efficiency through automation of standard reporting procedures and technology-driven data mining

- A knowledge armoury establishment, which utilizes the knowledge gained through experience in addressing futuristic business requirements

- Fraud analytics model built offshore in partnership with the onshore team

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Benefits Delivered by WNS

So far, WNS's solution has yielded benefits and helped the client address issues relating to customer satisfaction and people management. Figure 4 provides a brief summary of the key benefits delivered:
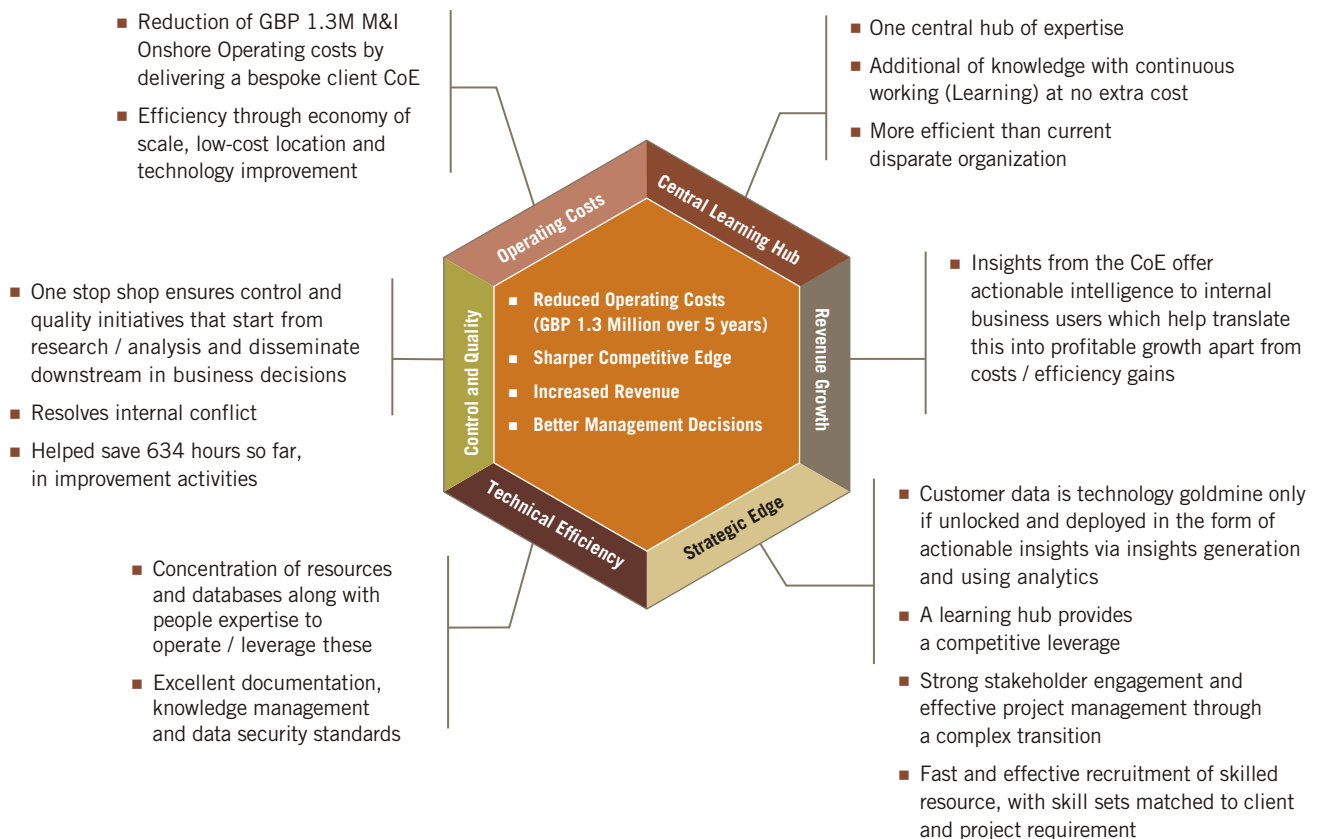
- Reduction of GBP 1.3M M&I Onshore Operating costs by delivering a bespoke client CoE
- Efficiency through economy of scale, low-cost location and technology improvement

- One central hub of expertise
- Additional of knowledge with continuous working (Learning) at no extra cost
- More efficient than current disparate organization

- One stop shop ensures control and quality initiatives that start from research / analysis and disseminate downstream in business decisions
- Resolves internal conflict
- Helped save 634 hours so far, in improvement activities

Hexagon labels: Operating Costs · Central Learning Hub · Revenue Growth · Strategic Edge · Technical Efficiency · Control and Quality

Center of hexagon:
- Reduced Operating Costs (GBP 1.3 Million over 5 years)
- Sharper Competitive Edge
- Increased Revenue
- Better Management Decisions

- Insights from the CoE offer actionable intelligence to internal business users which help translate this into profitable growth apart from costs / efficiency gains

- Concentration of resources and databases along with people expertise to operate / leverage these
- Excellent documentation, knowledge management and data security standards

- Customer data is technology goldmine only if unlocked and deployed in the form of actionable insights via insights generation and using analytics
- A learning hub provides a competitive leverage
- Strong stakeholder engagement and effective project management through a complex transition
- Fast and effective recruitment of skilled resource, with skill sets matched to client and project requirement

Figure 4: Benefits Delivered by WNS

Enabling Outperformance

The implementation of the first two stages of the Center of Excellence is helping the client drive higher levels of business value through reporting actionable insights and analytics.

It is helping rationalise reporting while streamlining and improving control systems. The client is now able to use predictive analysis to drive insights in support of claim loss, fraud detection and loss prevention. The milestones achieved within a year of the project launch are as follows:

- Two months after the go-ahead, recruits were being trained in the UK. Three months later the team was doing work offshore

- By about six months, the team started adding insights and commentary

Additionally, the WNS solution brought several benefits that include:

- Cost savings through labor arbitrage
- Improved customer support and economies of scale through better resource utilization and improved controls
- End-to-end accountability for business results and target transformation while jointly leveraging its internal assets and those of WNS
- Consolidation and standardization of the processes and rationalized platforms across the business

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Laurels for the team

A year into the transition, and the end state team comprising of 40% onshore client employees and 60% offshore WNS employees won the ACE Award (Customer excellence award constituted by the client) as the best internal team within the general insurance division. The ACA is awarded annually, in nine categories, including best internal team, best external team, best innovation and so forth. Within the client organization, many believe, that getting shortlisted is in itself a significant achievement. Winning the award is a milestone!

The award reflects the uninterrupted delivery performance during the transition, high level of motivation and engagement of the team and the significant rebuild activity for the key corporate partner deliverables which restored confidence in the overall service.

For more information or to learn about our service offerings, please click here or write to us at **marketing@wns.com**