

Improving Delivery Reliability Through Strategic Collaboration

Benefits

- Improved time to market for new products
- Rapid product introduction (15 products within a single year)
- Improved operational efficiency
- Improved producer satisfaction



WHEN A LIFE AND ANNUITY INSURANCE COMPANY FACED OBSTACLES TO BUSINESS EFFICIENCY AND GROWTH DUE TO FAILURES BY ITS EXISTING OUTSOURCED SERVICE PROVIDER, **TAG, A PEROT SYSTEMS COMPANY**, DELIVERED. BY STRATEGICALLY COLLABORATING WITH THE CUSTOMER TO ASSUME ADMINISTRATIVE FUNCTIONS, DESIGN AND DEVELOP NEW PRODUCTS AND REENGINEER PROCESSES, TAG HELPED THE INSURER REDUCE COSTS, ENHANCE COMPETITIVE POSITION, AND ENSURE RELIABLE DELIVERY ON PROMISES.

CHALLENGE

TAG's customer faced significant obstacles to growth and success, as its existing outsourced service provider struggled with an obsolete policy administration system that was fraught with maintenance issues. Due to the unpredictability of service quality, the insurer was forced to maintain staff at the provider's site to oversee administrative functions. Product introductions were slow, averaging a time-to-market of 3-6 months, and agency groups were losing faith in the insurer due to unfulfilled promises.

SOLUTION

Together, TAG and the customer developed a collaborative strategy and tactics to improve operational efficiencies and the customer's competitive position. Through the identification of the customer's core competencies and needs, the establishment of single points of accountability within both organizations, and mutually shared values, vision, and commitment to a successful relationship, a process-improvement and delivery plan was formalized and executed. This included:

- Conversion of paper documents to easily accessible and manageable digital information
- Automation and improvement of insurance processing from application, underwriting, and issuance to policy maintenance, billing, and claims
- Participation on product design committee to assist new-product development
- Assistance with relationship of key Managing General Agent
- Assistance with development of product training material
- Transfer of call center functions from insurer to outsourced administrative team
- Transition of high fixed costs to predictable variable costs



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Throughout the implementation of solutions, key business relationships between TAG's team and the customer's were personalized and strengthened, as members of both teams spent time on each other's site.

RESULTS

Through strategic collaboration and business process reengineering, the customer benefited from:

- Implementation of 42 process-improvement changes in a single year
- Reduction in product development time-to-market from 3-6 months to 3-6 weeks
- Introduction of 15 new products in a single year
- Increase from 18,000 to 24,000 policies issued monthly
- Reduction in the customer's administrative managers from eight to three
- Significant operational cost reductions over the prior platform
- Movement of 600,000 policies to TAG's insurance platform ahead of scheduled project timeline and under budget.
- Establishment of administration teams that became highly effective and aligned "voices" of the Customer
- Re-establishment of insurer-agent relationships and agent trust

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 - Commissions
 - Accounting Services
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 - Claims Administration
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- Web Hosting
- Enterprise Computing
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