

Improving profits and customer loyalty

Company: Skandia Group

Country: Germany

Sector: Financial Services

Function: Back Office (Claims Management, Policy Enrolment, Document Services), Marketing and Customer Services

Business Challenges: Ensure that the current business growth rate was maintained and that Skandia was equipped with the capability to respond effectively to rapidly changing market conditions.

Consulting Services:

Operational Transformation, Organisational Effectiveness, Innovation & Growth

Capabilities: Lean Leadership, Organisation Development, Sales & Marketing effectiveness

Client Quote:

“With the help of Celerant, we have been able to change the way we think about procedures”.
Alexander Steiner, Chief Financial Officer

Situation:

The Skandia Group is one of the largest providers of fund-linked life and pension insurance in the world today. The company is a specialist in profit-oriented pension investments with operations in more than 20 countries covering Europe, United States, South Americas and Asia. Celerant Consulting were commissioned to ensure that the current business growth rate was maintained and that Skandia was equipped with the capability to respond effectively to rapidly changing market conditions.

Approach & Delivery:

The engagement commenced with a three-week analysis where opportunities that met the dual business objectives were identified. Key areas of focus were policy applications, product development procedures and agent support management. A framework was developed to ensure strict quality standards were applied, areas of responsibility defined and goals set that supported the business objectives and were measureable through the introduction and implementation of a Six Sigma programme.

A typical example of variation could be found in the policy applications procedure. Huge disparities in new policy sign up times were eliminated. A goal was set that 80% of all policies should be dealt with within one week. Unnecessary procedural hold-ups were eradicated and costs and processing times were reduced. Highly qualified sales employees were relieved of administrative duties and staff at various levels within the business were trained and encouraged to take greater responsibility for making more fact based decisions to minimise return times. A system of reference numbers delivered a daily indication of quality levels which were linked to key performance indicators that measured and tracked commensurate improvements in customer satisfaction levels.

A determining factor for the success of the project was how Celerant Consulting rapidly gained the trust and cooperation of employees at all levels across the Skandia organisation. Skandia staff and the Celerant team worked together throughout the engagement. All those involved demonstrated commitment, a high degree of motivation and willingness to change as well as the awareness that they were creating something together. The process progressed naturally through several phases.

The effective introduction and training in the use of key tools such as Six Sigma combined with the identification and measurement of the right key performance indicators enabled the business to gain an accurate and timely picture of true business performance and the levers that were driving success.

Results:

Within the nine-month duration of the project, the following results were achieved by the Skandia and Celerant team:

- Optimisation of the policy applications process with regard to both costs and processing times
- Improved customer satisfaction through faster processing of applications
- Sustained and successful change as well as the acceptance of the significant improvement in the quality of application procedures
- Total cost savings of 40%; 200% above plan at the end of project

Client Satisfaction:

“We made the right choice with Celerant. The consultants demonstrated a real understanding of our company. We shall make use of the expertise of Celerant again in the future”. Christopher J. Luise, Chief Executive Officer