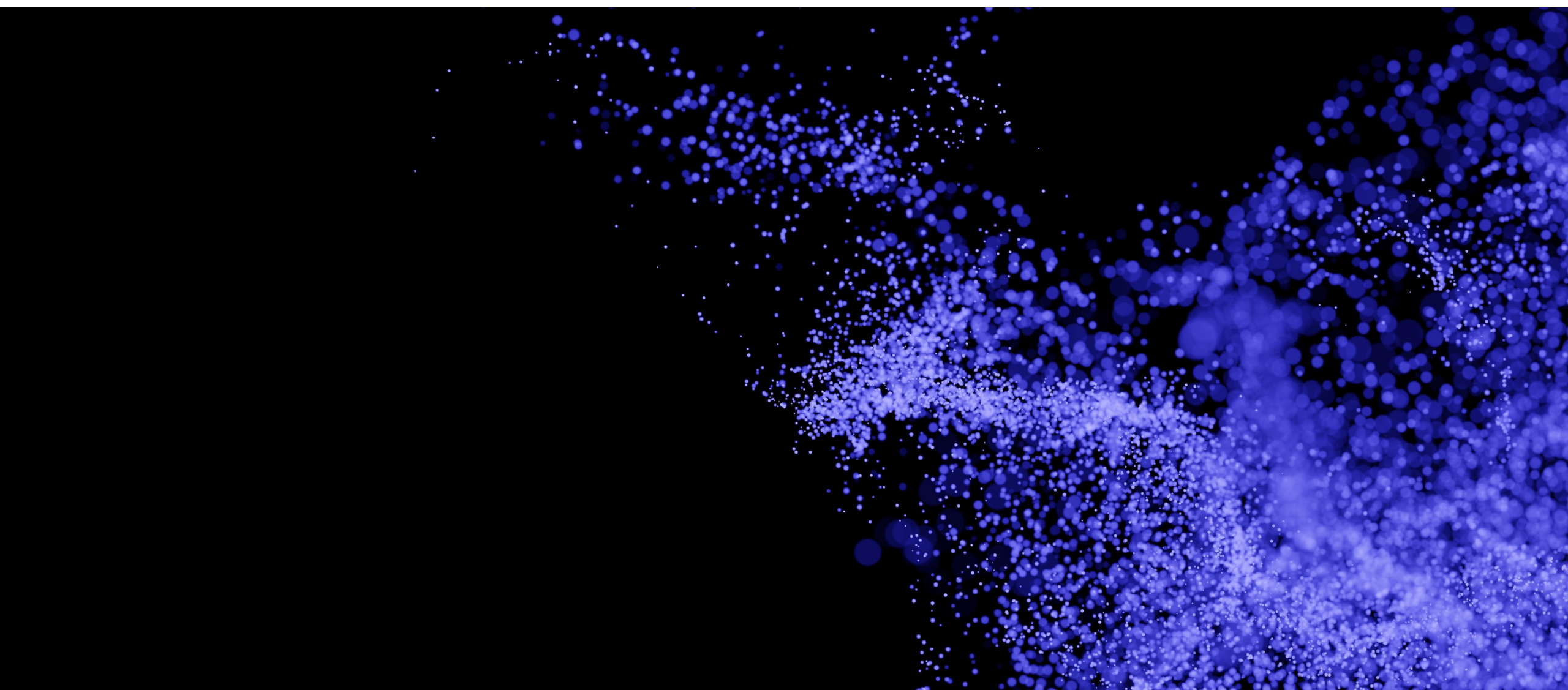


# Transforming Operations for Operational Excellence and Competitive Edge

This white paper outlines the strategic approach taken by one of our customers to transform its operations and establish a new Target Operating Model (TOM). The aim was to drive operational excellence, cost savings, improved governance, and gain a competitive edge in the market.

Through a comprehensive assessment and strategic planning, the company identified key challenges and opportunities for improvement in various functional areas, including Claims, Medical, Network Management, Customer Service, Operations and governance, and Data Governance.

The subsequent implementation of recommendations resulted in significant monetary impact and operational efficiency benefits.



## »» Introduction

The company embarked on a transformative journey to redefine its operations and establish a new Target Operating Model (TOM). The driving force behind this initiative was the pressing need to address challenges in claims management, spending control, leakage reduction, and governance enhancement.

This white paper offers insights into the initial assessment, observations, recommendations, and, most importantly, how employee engagement was pivotal in the program's success.

## »» Initial Assessment

The initial assessment phase encompassed a comprehensive examination of the company's operations. This process involved workshops, stakeholder interviews, and a thorough review of pertinent documents and procedures.

The areas of primary focus included (1) Claims Management, (2) Medical Services, (3) Network and Vendor Management, (4) Customer Service, (5) Operations & Governance (6) Data Governance.

Additionally, the assessment incorporated insights from previous audits and quality control tests to measure the progress made in addressing previously identified areas of improvement.

## »» Observations

During the assessment phase, several critical observations were made, shedding light on organisational challenges and areas requiring attention:

- ❑ Lack of Institutionalized Controls
- ❑ Ownership and Accountability Challenges
- ❑ Siloed Organizational Structure
- ❑ Inter-departmental Communication Gaps
- ❑ Unclear Authority and Escalation Processes
- ❑ Adjudication and Case Management Inconsistencies
- ❑ SLA and Productivity Challenges
- ❑ Training and Development Gaps
- ❑ Inconsistent in Claims and Medical Approvals
- ❑ Network Management Implementation Issues
- ❑ Governance and Follow-up on Previous Audit Recommendations

## »» Recommendations and Implementation

Building upon the assessment findings, a comprehensive transformation plan was meticulously crafted to address the identified challenges. Crucially, this plan strongly emphasised fostering employee engagement, recognising it as a critical driver of success.

The criteria for **designing** the **Target Operating Model** included:

- ❑ Customer Journey Improvement
- ❑ Operational Excellence
- ❑ Specialisation and Segregation of Duties
- ❑ Improved Governance
- ❑ Technology Adoption
- ❑ Data Analytics and Insight Integration

The **objectives** of the TOM encompassed:

- ❑ Cost Effectiveness
- ❑ Digitally Enabled Operations
- ❑ Scalability and Agility
- ❑ Customer-Centric Approach
- ❑ Compliance and Governance
- ❑ Data-Driven Decision Making

The **implementation** phase witnessed sweeping changes:

- ❑ Standardised Operating Guidelines
- ❑ Improved Governance Structures
- ❑ Competency Review and Clearly Defined Responsibilities
- ❑ Process Optimisation and Productivity Enhancement
- ❑ Elevated Customer Journey Experience
- ❑ Improved Leakage Detection and Recovery Strategies
- ❑ Robust Case Management and Adjudication Controls
- ❑ Automation of Administrative Activities
- ❑ Comprehensive Digitisation for Enhanced Customer Engagement

## »» Benefits

The comprehensive transformation efforts yielded remarkable results, with a strong focus on employee engagement significantly contributing to the program's success. The benefits had a monetary impact and operational efficiency.

Monetary Impact demonstrated in (1) Improved Claims adjudication, (2) substantial Operation cost reduction, (3) increased Subrogation success, (4) Leakage Reduction, and (5) strengthened Fraud Management.

Operational Excellence impact (1) reduced case lifecycle (2) Improved customer engagement (3) widespread automation and digitisation (4) Streamlined and Transparent Processes (5) Comprehensive Training and Development (6) Elevated Employee Cooperation and Engagement.

## »» Conclusion

The company's transformation journey stands as a testament to the remarkable power of strategic vision, meticulous planning, and, most notably, the unwavering commitment to employee engagement. In retrospect, the endeavour to redefine operations and establish a new Target Operating Model (TOM) was driven not only by the desire to address operational challenges but also by the recognition of the pivotal role played by the dedicated workforce.

The financial impact of this transformation **exceeded two-digit million dollars** within a remarkably brief span of just **one year**, undoubtedly showcasing the program's success. Yet, beyond the impressive monetary gains, what truly sets this achievement apart is the profound emphasis placed on employee engagement, which emerged as the **cornerstone** of this transformation.

The strategic approach to change did more than mitigate operational hurdles; it harnessed the collective power of the employees, propelling the adoption of transformational initiatives at unprecedented speed. The culture of **active participation, ownership, and accountability** fostered within the organisation was instrumental in accelerating the pace of change adoption. This served as a reminder that the most significant achievements arise when organisations harness the full potential of their most asset—**THEIR PEOPLE**.

The strategic approach to change harnessed the collective power of the employees, propelling the adoption of transformational initiatives at unprecedented speed.

## Summary

This white paper details a strategic transformation undertaken by a company to establish a new Target Operating Model (TOM) with the goal of achieving operational excellence, cost savings, and competitive advantage. Through a comprehensive assessment, key challenges were identified across various functional areas. Observations revealed organizational gaps, leading to a tailored TOM focused on operational excellence, governance, and technology adoption. Implementation brought significant benefits, including monetary impact and operational efficiency, with a strong emphasis on employee engagement. The transformation's success, exceeding two-digit million dollars within a year, underscores the power of strategic vision and dedicated employee involvement in achieving operational excellence and fostering positive organizational change.

The endeavour to redefine operations and establish a new TOM was driven not only by the desire to address operational challenges but also by the recognition of the pivotal role played by the dedicated workforce.

## About Incuvate

At Incuvate, we are your trusted consultancy partner on a mission to guide your organisation through a transformative journey.

We bring years of experience and in-depth knowledge of transformation supported by strategic applications and methodologies that assist you in achieving sustainable growth with a focus on Management, Operations, and Marketing.

Our expertise lies in assisting your business to achieve its objectives and stay at the forefront of innovation in an ever-evolving corporate landscape. We achieve this together by facilitating cost reduction, enhancing your daily operational efficiency, and devising a strategic blueprint for your long-term prosperity.