



# Case Study: Streamlining Work Flow in Insurance Operations

When Guidon's work flow experts first examined the department's processes, they were struck with the sheer volume of work-in-progress (WIP) files on the shelves. It was a visual that represented the vast workload of the operations department, but also represented their commitment to getting the job done and servicing customers. In spite of the manually intensive nature of their work and the lack of standardization, the team met their deadlines 95 percent of the time.

However, this insurer built its business model on excellent service to its agency partners. As a result, senior leaders wanted to find ways to continually improve, turning that 95 percent into 100 percent while improving the quality of work. In addition, they hoped that reviewing current processes would lead to streamlining opportunities and that, in turn, would help them avoid the cost of contractors brought on to help them with auditing services' capacity-crunch times.

Through a series of three rapid process improvement (Kaizen) events, Guidon and a team of the insurer's employees focused on a few key areas of the operations processes. Although the head of the department was not convinced that the 95 percent on-time completion standard could be improved very much, she was open to exploring the possibility. By reviewing the work flow and adding standards, the team found a number of key opportunities for improvement, including:

- Re-configuring the area's floor plan for more effective work flow
- Automating some manual components of the process
- Creating a flexible workforce that can adapt to capacity fluctuations
- Developing tools to help distribute work more effectively, maximizing productivity
- Reducing physical custody of checks to streamline payment and reduce errors through hand-offs

Within six weeks of implementation, the shelves of WIP files were gone and the teams were completely caught up on their day-to-day work. With only 50 percent of improvements implemented, the department realized a 50 percent work capacity increase in its automotive functions and a 25 percent capacity increase in its worker's compensation functions. Cost savings added up to more than a quarter of a million dollars, while turnaround time for some projects was cut by nearly a full month. As for the doubting manager—she's now a believer and looking for more ways to implement process improvement strategies throughout her department and the rest of the company.

**Client:** A regional property & casualty insurance group specializing in insuring commercial enterprises

**Industry:** Insurance

**Service:** Rapid Process Improvement (Kaizen) Events

## Challenge:

- Sought to engage employees in business process management
- Needed to identify ways to improve an undefined, manually intensive process
- Become 100 percent compliant with facility standards and increase capacity by as much as 20 percent

## Solutions:

- Standardized work, enforced standards, and created a more effective work flow
- Identified more than 60 improvement opportunities and tested those with the most merit during three rapid process improvement (Kaizen) events
- Automated manual components of the process

## Results:

- Achieved a 50 percent capacity improvement – a \$250,000 cost savings through the operations pilot
- Avoided another \$20,000 in contractor costs due to having increased internal capacity
- Gave the management and associates confidence to take the approach into other business areas



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