



**Proudfoot**

**MEDICAL  
INSURANCE**

**"If your people don't unite behind the project, the best technology in the world won't make much difference."**

**TED BINKOSKI,  
SENIOR VICE-  
PRESIDENT  
OF BUSINESS  
EXCELLENCE AT  
PROUDFOOT**

**What if you could...**

# save a \$30 million IT investment from being lost?

**We helped turn around a \$30 million IT investment. 2<sup>nd</sup> in the process, we engaged 300 users to gain confidence and user adoption, and realise the promised business case.**

After spending \$30 million and four years trying to introduce a major new IT system, this large medical insurance company was running out of ideas to make it work. Proudfoot helped the insurer get back on track by engaging people in the process of digitization.

Our client is the largest medical plan company of its type in the United States, serving more than 70 million customers in 15 states. A new IT system to manage customer enrolment was

meant to streamline a labour-intensive administration process.

But after four years and \$30 million, the system still wasn't working as promised. The project was also one third over budget. It was time to step back and see things from a new position. Proudfoot gave them that perspective.

One of the company's managers had first-hand experience of Proudfoot's work while employed elsewhere. His

## **RESULTS**

**\$18million+ of financial benefits delivered**

**\$550,000 of quick sprint benefits achieved**

**Increased labour capacity by 20%**

**Conducted 75+ aerial mapping sessions**

**300+ end users redesigned key processes**

**50+ key processes were changed**

**Fully integrated the IT team**

**Delveloped and coached 400+ people**

"Proudfoot did what they promised they'd do, without going over budget and they met all the deadlines. It was a very well organized and executed engagement, despite a very aggressive schedule."

**CLIENT VICE-PRESIDENT**



#### **ENTERPRISE AERIAL MAPPING™ EXPLAINED**

**We utilise an approach called Enterprise Aerial Mapping™: starting with a bird's eye view, we map across the scope including interfaces, relationships and connections, using a variety of tools and techniques, to determine the opportunities and uncover barriers to achieve your results.**

referral to the insurance company's CFO led to Proudfoot's Ted Binkoski and a small team of 10 consultants arriving on site in July 2017 to begin a project.

Binkoski, who is Proudfoot's senior vice-president of business excellence in the U.S., describes what he found.

"It quickly became clear what was missing. We often meet companies that mistakenly believe updated IT and other new systems will drive change or transformation. In fact, the real driver is people doing the right things.

"Without this piece of the puzzle, if all your people don't unite behind the project, the best technology in the world won't make much difference."

#### **Analyse and understand first**

Proudfoot started working closely with the client's employees, at every level and across all functions. An early priority was conducting a digital readiness assessment. Its aim was to better understand the situation prior to intervention.

"They had tried to migrate to the new system without first understanding how work was done; all the basic inputs and outputs. We helped them understand this using **Aerial Mapping** to identify all the interfaces between people, IT systems and processes. You can't expect IT to improve how work happens if you can't see the right level of detail," says Binkoski.

Aerial Mapping is Proudfoot's proprietary approach. It goes beyond discrete process mapping to chart the entire enterprise. The result is a complete picture of the business in fine detail. This 'high-definition' view allows better decision-making. It also minimises the risks of snags arising. Snags that can easily balloon into cost or time overruns.

#### **Identify opportunities**

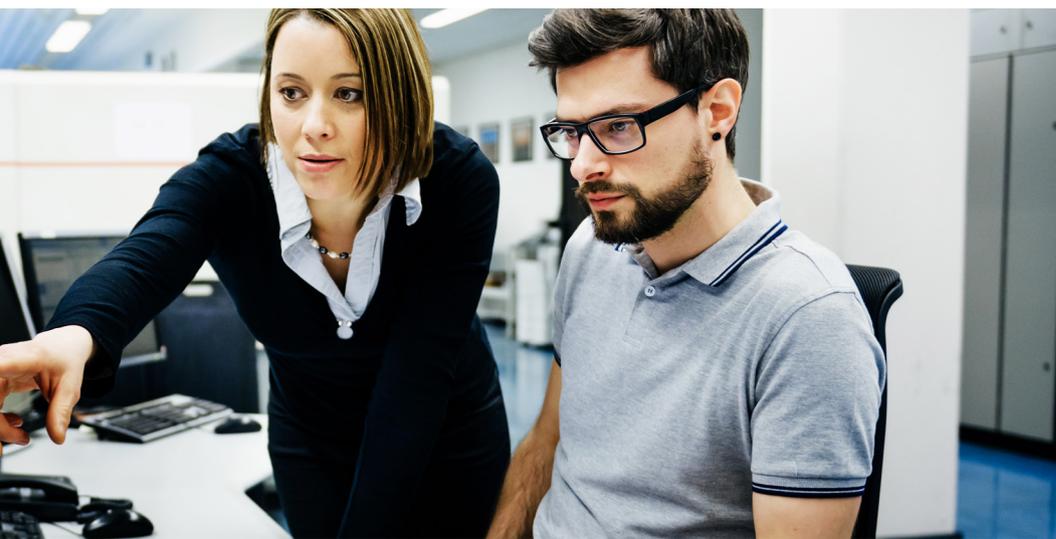
Over a hundred quick-win opportunities were soon identified. Importantly, these were not IT fixes, but capability, skills or behaviour-related. Around a quarter of these would soon save the client hundreds of thousands of dollars.

"This included **improving efficiencies and cycle times**, reducing the back and forth between departments," explains Jacques Grace, Proudfoot's lead engagement manager.

"We also observed there was minimal collaboration between the IT group and the business functions," Grace continues.

"So, as work progressed to understand the various processes and symptoms of the problem, we began to see how collaboration was key to the ultimate solution."

Armed with this insight, **Proudfoot engaged more than 600 employees** to break down silos and remove barriers across the company. User workshops helped develop appropriate KPI's to



monitor success. Daily ‘huddles’ ensured all of the new system users were involved and contributing. A joint Proudfoot and client team trained, coached and guided at every step to develop our clients people capabilities.

From our client’s perspective, the results were exponential. Barriers between business functions seemingly melted away.

“I saw the behaviour of my people change before my very eyes,” the client noted.

### Better IT processes

The company’s IT team had a backlog of over 500 software fixes known as JIRAs. These originate from system users who encounter problems that the IT team must fix. Clearing this backlog was an urgent priority.

“There was no clear management of JIRAs. Some were minor, easy and quick to resolve. Others were more important, complex and time-consuming. We designed a priority management process. The idea was to fix those that delivered the greatest business benefits first. Before, it was a case of whoever yelled loudest,” explains Grace.

### Learning applied elsewhere

It’s common in consultancy for a team to spot improvement opportunities unrelated to the immediate project. This client was a case in point.

Proudfoot found the company had 146 projects with no order of priority. They were mostly IT-related and represented millions of dollars in capital expenditure. Following Proudfoot’s success with managing the JIRA system, the firm stepped in to help resolve this extra problem. **We coached senior executives across the business, upskilling them to better prioritize projects valued at \$30-\$35 million annually.**

Aerial Mapping also identified another improvement opportunity, this time in sales.

“Six weeks into the initial engagement, our scope grew to include the sales process. Both additional projects were a clear sign that we’d earned the right to expand our work. The client had begun to see the value in our people-centred approach. He could see how quickly we were changing mindsets, driving collaboration, making change and improvement happen,” said Binkoski.

Given the history of its previous attempts, our client began this assignment believing success was by no means guaranteed. They had already spent significant sums on numerous outside advisors. We helped them understand that people, behaviour and collaboration were the missing piece of the puzzle. How to tip the odds against failure, restoring self-confidence and instilling discipline. And our client is clearly delighted by the results, as his testimony shows:

“I saw the behaviour of my people change before my very eyes”

**CLIENT**

**VICE-PRESIDENT**

**Tomorrow’s results. Today.**



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“I like the level of discipline and solid methods they bring to the table. They have a very serious commitment to improving business processes and the culture within the company. We are now back on track with our customer enrolment system. All the original forecast benefits are now within sight and will be secured.”

“Proudfoot has restored our confidence in using consultants. They

would definitely be one of my top recommendations.”

By mid-2018, Proudfoot’s work in this company was still not quite finished. We were asked to jointly-develop a Centre of Excellence on Transformation to make the client management team self-supporting. Since October, they’ve been capable of making effective, people-driven change happen without us.

The Proudfoot consultants may now be gone. But they’ve left a lasting legacy of benefits that will continue to add value long into the future.

## Contact Us

**To secure significant productivity you must engage your people to be successful.**

**To find out how we can help please contact Pamela Hackett, CEO, email: [pamelahackett@proudfoot.com](mailto:pamelahackett@proudfoot.com)**

### About Proudfoot

To our very core, we understand the people element of transformation. We introduce new capabilities, and we employ the power of your people to create performance multipliers and an engaged culture. Recognized for our speed and the magnitude of benefits we generate for our clients, we have been doing it — not just planning it — for more than 70 years.

**Proudfoot**

**Tomorrow’s results.  
Today.**

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