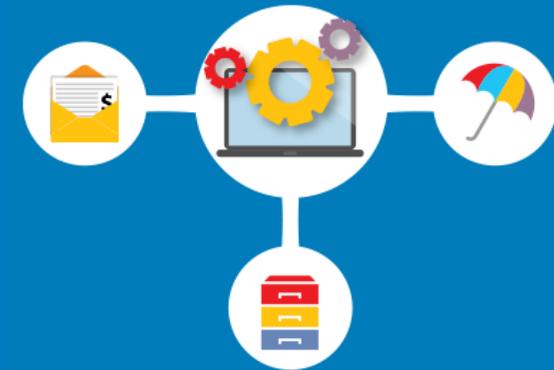


Health Insurance

Providing a medical aid insurer with the confidence to make a multi-million Rand investment decision

One of South Africa's largest medical aid insurers trusted BSG to scope, financially motivate and source the replacement of their administration, underwriting and billing systems for their health business. The resultant business case ensured the client's exco didn't have to second guess themselves and they approved the request first time, an accolade on the robustness of BSG's business case.



Overview of the client's needs

- Make significant financial and business decisions to replace a legacy system
- Create feasible strategic options to empower c-suite decision makers e.g. funding, strategic alignment and strategic systems vendors
- Identify key customer, user and innovation requirements for the vendor selection process and business case



Objectives of the engagement

- Write a business case, linked to innovation and strategy drivers, with multiple implementation options to empower c-suite decision makers in under 90 days
- Capture a comprehensive portfolio of requirements, representative of the end-to-end business value chain
- Analyse the global market to identify five strategic vendors



Benefits of the change

- Comprehensive view of end-to-end business value chain requirements used in the request for proposal (RFP), resulting in three global vendors aligned to these needs
- Comprehensive understanding of total cost to company over 20 years
- A roadmap outlining cost and resources required for the first 18 months
- Enhanced customer, operations and systems alignment

A detailed investigation by BSG allowed the client to meet a 90-day challenge and provided exco with the confidence to approve a multi-million Rand investment case to **unlock the future of innovation and customer experience.**

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Engagement Overview

The client aims to be a global leader in health insurance by 2020. To reach this goal they would need to replace multiple systems in the end-to-end business value chain, including servicing and onboarding. This would enable the client to drive future business innovation, reduce operational costs, improve ease of use for service agents, provide additional customer usability and increase the flexibility and capability of technology.

The problem

Replace existing legacy systems containing diverse technologies, coding languages, frameworks and processes - with a strategic and cost effective option that reduces business risk, improves growth and is sustainable for the long term. Over time a significant volume of technical debt has resulted in significant inefficiencies across the businesses systems, resulting in inconsistent service delivery and increased operational complexity.

Solution

An effective business case, that presents realistic funding options in support of c-suite decision-making, requires a fact-based approach to the creation of these options and considers the following questions:

- What is scope?
- How will this transformation be done?
- Is now the right timing?

Considering the company's future goals, BSG worked with the client to clearly define the scope of delivery – resulting in a clear foundation for the delivery of the project. It allowed key stakeholders to own and support direction, ensuring adequate c-suite support early in the process. Importantly, links were created through effective client ownership and inclusion of business, systems and customer orientated subject matter specialists within the client. Overall, this ensured a holistic, inclusive and integrated project.

BSG assessed the systems, operations and customer environments within the client's business - to identify key requirements for a new system. A collaborative inside-out and outside-in approach was followed, to ensure requirements were developed holistically. The outside-in approach leveraged customer focus groups and journeys created from the client's subject matter knowledge. This complimented and raised the voice of the client during the identification of requirements. The inside-out approach, driven through operational process and ethnographic research techniques, supported that service agents and teams key challenges and positive experiences in the existing operational environment were identified.

Working in partnership, BSG and the client refined and agreed the portfolio of requirements needed for the new system. The inside-out and outside-in approach resulted in a comprehensive view of the portfolio of requirements, leveraging a bottom-up view. Each of the requirements was linked to the future desired business architecture and capabilities. This portfolio of requirements supported the RFP process used to identify appropriate system vendors and supported the creation of relevant funding options.

Through a top-down approach, a vendor market scan was conducted to ensure globally leading vendors were included in the RFP process. The selection of a short-list of vendors was aligned to the client's strategic goals.

The bottom-up (inside-out and outside-in) and top-down (RFP) methods ensured that viable funding options could be compared. The business case articulated three options, with each option considering:

- Strategic alignment
- Systems fit
- Operational fit
- Funding requirements

Assessing and then being able to compare the funding options gave the c-suite decision-makers confidence, with appropriate transparency, to make an informed decision. In addition, BSG's collaborative approach and methods, supported the building of confidence as options were created and stages of the project progressed.

The final result of this project was a successful funding decision and entry into proof of concept phase with vendors.

BSG making a difference

BSG provided the confidence for the client's exco to proceed with a major investment decision, due to an aligned approach to bring together operations, customer and systems. The rigour of the BSG partnership was commended by a senior executive stakeholder, together with the collaborative approach and how BSG worked closely with the client to quickly grasp what is needed for a successful project. BSG also created the leverage for the client to negotiate a 50% reduction with vendors.

Contact

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