

# **A Case Study of a business transformation undertaken on behalf of a General Insurance and well-being operation in the UK**

## **Introduction**

The Client was a Health and Wellbeing solutions provider based in the UK, which was formed from a Management Buy Out (MBO). The Client wished to split its business into a number of separate strategic business units. PBA personnel were appointed to deliver the overarching change needed for the business to survive.

The programme was led by the CEO and we were tasked with delivering the following objectives:

- Strengthening focus
- Empowering people
- Improving performance
- Increasing revenue
- Reducing the cost of doing business

All aspects of the company were subject to review and revamp, including all people, processes, systems, locations, suppliers, partners, and business lines.

## **Background**

Client senior management had originally raised funding for the MBO from the Private Equity market, against a business plan which involved an integrated business model. However, annual performance and returns failed to match expectations and we were invited to assist with the transformation of the business, which involved the split of the business into three strategic business units. These Strategic Business Units became:

- Speciality Insurance
- Health and Well Being
- Shared Services

Prior to the commencement of the Programme, the Client operated out of 7 offices located in various parts of the United Kingdom. One of the goals of the Programme was to reduce the number of offices, and to ensure that each Business Unit operated from offices dedicated to their service or product.

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## **PBA's Role**

We led the engagement, providing management support and programme management services which resulted initially in identification of the three strategic business units. We created the implementation plan to deliver the independent business units, and led the management of the internal and external communications effort to ensure that all stakeholders understood the context, content and direction of the change programme.

## **PBA's approach.**

In order to ensure success, PBA adopted an expansive yet inclusive approach, which included the:

- Review and redesign of the organisation structures (including governance structures)
- Reengineering of key business functions
- Reengineering of systems and IT platforms used
- Reengineering of processes and work activities undertaken
- Revamp of major roles and responsibilities
- Redevelopment of requisite skills, knowledge and competencies of the staff
- Redesign of customer and distributor experience
- Review and baselining of existing project activity
- Re-profiling staff salary and service profile
- Redesign communications and engagement mechanisms
- Outsourcing of non-core functions
- Review the executive team's capabilities and made relevant recommendations to improve
- Repositioned company as a thought leader in its field

This enabled the split of the company into three separate strategic business units two of which cultivated a unique marketing proposition. The third business unit, Shared Services, included the core business processes (IT, Finance, HR (including recruitment and payroll), and Central Logistics) which supported the other two business units in undertaking their activities.

Whilst undertaking this programme, we undertook some specific activities, which included the:

- Review of the strengths and weaknesses of the Executive Management Team and make appropriate recommendations for corrective actions
- Collation, review and analysis of business related data to inform scope of work
- Analysis of the work done on the Corporate Strategic Business Review and recommendations of ways to strengthen it

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- Determination of the 'As-is' business model and approach to migration to the 'To-be' competency model
  - Undertaking a stakeholder assessment and design of an engagement methodology to ensure continued support of the stakeholder group
  - Redesignation of the companies communications media and content
  - Undertaking of a detailed audit of the IT and related services in order to develop a routemap to enhanced effectiveness within the new model
  - Provision of leadership to the project team to ensure adequate resourcing and effectiveness
  - Acting as the critical point of reference between project team and the executive team
  - Acting as the official spokesperson of the project team
  - Provision of relevant business advice to the CEO

## **The Outcome**

The outcome of the Transformation Programme was that the Client became an organisation comprising two revenue producing Business Units, supported by a centralised Shared Services Function.

The new structure enabled management to concentrate on managing their individual business units with clear strategic goals agreed in place for each. A clear management framework was implemented for each business unit, to ensure effective management of the very different issues that the business units faced in undertaking their roles.

The Shared Service Business Unit was created with clear and concise performance requirements created to ensure a service level structure that met the specification of the other Business Units.

A relevant performance management framework was also implemented, which enabled the alignment of staff and management alike to the defined strategic business goals.

## **PBA's Contribution**

PBA remained committed to the Transformation Programme throughout, and contributed significant experience, knowledge and expertise to the Client both in Programme Management expertise as well as in multi-stakeholder issue management and support for the Senior Management throughout the implementation. By adopting a collaborative approach, the PBA team was able to build a strong working relationship with the Client team, and as a result provided significant value in forming the Implementation Plan as well as clearly defined revised Business and Technology processes. PBA also contributed significantly to all aspects of the communication plan, and to delivery and implementation of that plan throughout what was essentially a complex Transformation Programme.

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In particular, PBA provided the Client with significant guidance in management of the Shared Service development, which was critical as the concept was a new one to the Client senior management and staff members alike.

## **Client Benefits**

The benefits to the Client were numerous:

- The Company was positioned to manage each Business Unit as a separate business in its own right
- The Company was able to grow each side of the business with the appropriate targets applied to the individual business units
- Setting up a shared service function in the way described allowed the company to understand and manage costs in a much more efficient manner than had been possible previously
- Support of shared service costs were able to be aligned to each other Business Unit in a fair and concise manner, such that the Business Unit were charged for the service they used and to the proportion of usage.
- Proper service level agreements were applied to the Shared Service Business Unit, such that the other Units were assured of the service required.
- Each Business Unit could be resourced to the right level, with the right people undertaking the right jobs, thereby ensuring the full collaboration of everybody in the organisation to achieve clearly defined corporate strategic goals.