bizagi

Seguros Universal

WfMC BPM Excellence Awards

2015 Winner

Seguros Universal, Dominican Republic

Customer Experience Management

Nominated by Bizagi, UK

1. EXECUTIVE SUMMARY / ABSTRACT

Founded in 1964, Seguros Universal ("Universal") is an insurance company based in the Dominican Republic. Part of Grupo Universal, the organization offers a wide range of products including personal cover for fire, health and accident, through to company pension and liability plans. Universal also supports the insurance needs of retail companies and banks.

In 2013-14, Universal embarked on a BPM initiative to automate its Vehicle Insurance Claims process. Utilized by three subsidiaries (Seguros Universal, Propartes y Asistencia Universal) of the Group and nearly 500 end users, this is considered the most complex of all processes within the organization. Today, "BPM Auto" underpins the end-to-end process, complete with comprehensive and robust case management and analytics. A key aim of the BPM system was to reduce the amount of parts returned in the claims process: which it has done by 30%. Not only that, BPM has given every participant in the process, access to timely and accurate information related to claims, delivering a faster, more productive and error-free process that continues Universal´s reputation for service excellence. The BPM initiative is the first of its kind in the Dominican Republic, testifying to Universal´s commitment not only to innovation, but giving the 50-year old company a significant competitive edge.

2. OVERVIEW

The Dominican Republic is the ninth largest economy in Latin America. A recent boom in advanced telecommunications technologies has seen the country leave its traditional agricultural/mining roots behind and make way for the service industry.

It is against this shifting and fast-changing backdrop that Universal has grown into a large and well-respected six-subsidiary business within the Dominican. The company prides itself on leading the way for continuous improvement and in 2013-14, the Universal´s dedicated Director of Processes, Florangel Suero, took the decision to automate its most complex, customer-facing process: Vehicle Insurance Claims ("BPM Auto").

To do this, the BPM platform needed to link 66 different data sources, gain organization-wide acceptance of BPM and overcome internal resistance to change. As a result, Universal´s customers now enjoy many benefits including a consistency of service, instant feedback on the claims process, faster return of their cars following any damages, quality and competitive pricing and faster resolution of queries.

Internally, the bottom-line benefits range from cost savings (the ability to receive/process claims without a corresponding increase in headcount) time savings (30% decrease in number of parts returned post-claim) and increase in productivity, achieved through more accurate and faster validation within the process.

Seguros Universal, Dominican Republic

3. BUSINESS CONTEXT

The BPM Auto process comprises 15 sub processes that together connect clients, intermediaries and agents. These include its Call Center, Contact Center, office staff and approved auto repair shops. The process touches many systems and entry points, including its ERP and ECM systems.

Before BPM Auto, the claims were processed through applications, since these were not integrated, the claim information was in different systems, not giving a global review of the process. This led to the increase of returned auto parts.

Without integration, it was not easy for the customer service staff to update clients on the progress of their claim. Simply checking the status of any enquiry could involve several conversations or emails between the customer service and claim staff.

The end result was a lot of extra time and effort, an increase in errors and ultimately the number of parts returned was too high. The bottom line objective of BPM Auto was therefore to reduce returns by 30%, something that has been achieved through the BPM case management system.
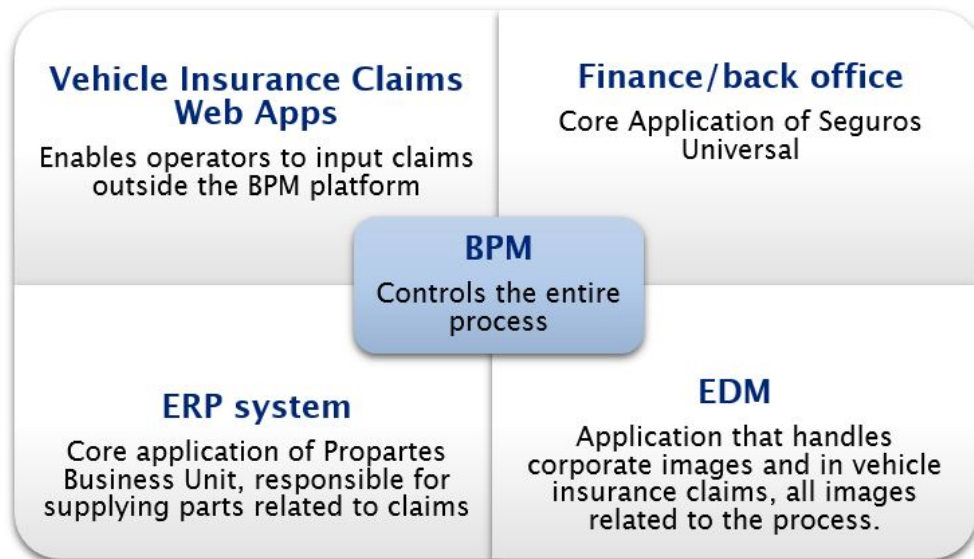

Fig 1: Core elements of the BPM Auto process

A general review of the process is as follows:
- The claim **opening** may generate a case either for property (vehicle) or person injured and could processed by Universal's Customer Service staff or at the repair shop.

Seguros Universal, Dominican Republic

- The **inspection** is performed by identifying and selecting the damaged parts.
- Direct link to **Propartes** (parts inventory) for quotation process and parts clearance.
- Vehicle goes to repair shop for **repairs**.
- **Payment** is made to Propartes and/or repair shop, in some cases is directly to the customer.
- Any civil liability situations that arise are automatically created and forwarded to the relevant person in Universal´s **legal** department for fast and accurate handling.

Fig 2: Automated process flow

4. THE KEY INNOVATIONS
4.1 Business

Customers: BPM has changed the way customers engage with Universal. Now, customers have 360 visibility of their claim and its stage within the process; they receive notifications regarding the status of their claim, keeping them up-to-date at all times (previously, only 30% of customers were privy to the communications).

Submitting a vehicle insurance claim is not a pleasant thing to do following a car accident. Therefore it is imperative to the customer that their claim is not "passed between" many call center operatives. With the 66-point integration within the new BPM platform, customers can expect to deal with a well-informed Call Center agent at every step. This applies equally to intermediaries e.g. staff working at the car repair shops. The platform gives them the information they need to work productively without repeat data entry or email enquiries.

Key stakeholders: BPM Auto is the first process of its kind to be automated in the Dominican insurance industry. This not only provides a distinct competitive advantage but simultaneously strengthens the internal thirst for innovation and cul-

ture for continuous improvement. This is evidenced by the strong internal sponsorship for the project which gained C-level support from the early stages and resulted in a new development scheme for Universal (see 'Organization').

At the tactical level, BPM controls and underpins the entire process, measuring both its performance and levels of traceability. Reports are available on-demand, meaning stakeholders can easily spot opportunities for improvement, validate delays in the process, make decisions regarding headcount, suppliers, etc. (see 'Benefits').

4.2 Organization & Social

Universal´s employees have fully assumed the new process into their day-to-day working. They find the new system fast and easy to use. The new dashboard is a huge improvement on the siloed systems they had previously as it brings everything they need to monitor claims into one place. Standardization of the process provides operators with consistent information no matter what stage of the process, meaning it is easier to provide quality customer service at the many different points of contact. All of this avoids mistakes, speeds productivity and builds confidence and professionalism.

Involving end users in the system development has built knowledge and understanding of the BPM discipline and embedded the KPIs into their mindset. Thus they understand why there was a change from the old to the new, and can fully get behind its goals.

Alexander Saul Ureña's experience:

*"My experience with BPM Auto can be summarized as **a forward move**. This came to make the customer's claim process easy from beginning to end.*
*Having this new platform adds value, first to our customers, since we keep them updated every step of the process, and to our company, because **customer satisfaction** is our ultimate goal.*

*These are some of the reasons why I consider this platform **a forward move**:*

1. *Automatic notification system: keeps both the customer and broker updated of every stage of the claim, including third party damages cases (before, it was required to fill in an "Accident report form").*
2. *BPM Auto alerts if there is an open case with the same specifications, avoiding the duplicity of claims.*
3. *It allows to work more cases in less time.*
4. *All areas involved receive an automatic notification so they can intervene if needed. For example: Asistencia Universal if a vehicle needs to be towed.*
5. *The customer does not need to fill in the "Accident report form" because as the information is being entered in the system, it generates and completes the report so our client only has to sign it."*

To maintain momentum for BPM, Universal has developed a dedicated consulting group to oversee and implement this, and future generations of processes. This

ensures that the business needs are closely tied to automation projects and outcomes.

Fig. 3: Automated processes

The above diagram shows the 15 processes that were automated with the implementation of BPM Auto.

5. HURDLES OVERCOME

The implementation of BPM Auto has not been without challenges. In fact, resistance to change, incorporating new actions and defining their scope are some of the topics to be handled right now. However, this has to be balanced against the larger challenge which is to constantly monitor the process and ensure that it is still meeting the needs of Universal internal and external stakeholders. This requires an agile approach which is being handled in the following way:

5.1 Management

Providing stakeholders with timely, accurate and relevant information regarding the BPM Auto process will continue to be a key driver; this information has already started to be delivered. Universal's plan is to enhance their system through the creation of management indicators, which combined with BPM native indicators will allow the organization to measure their performance and provide critical information for decision making.

5.2 Business

Seguros Universal, Dominican Republic

From the business perspective, Grupo Universal, the holding company, will continue its strategy of implementing process management, aiming to strengthen its culture of innovation and operational efficiency which has been an important factor in organizational performance.

5.3 Organization Adoption

Overall, take-up has been very positive. The input of the process owners and their involvement since the conceptualization, design, development, implementation and execution, as well as the involvement of the end users has embedded the importance of BPM to the organization. All involved now recognize BPM as the tool to manage vehicle insurance claims.

Other hurdles

- Integration of Propartes parts inventory with the vehicle insurance claim.
- Integration of the 15 sub processes to trace customer´s vehicle claim and measure it in real time.
- To keep or improve parts delivery times.
- Reduce the parts returns in 30 %.

6. BENEFITS

The benefits of BPM Auto are many. We list the most significant below:

6.1 Cost Savings

- **Headcount**: integration enables Universal to process increasing claim volumes and resolve a corresponding number of complaints without increasing personnel.

- **30% reduction in parts returns:** direct link to Propartes inventory allows parts to be more accurately identified and selected by staff within the car repair shops, generating better management of the costs associated with the claim.

- **Reduction in recovery costs:** auto-notification of total theft claims to business partner, LoJack, allows agile recovery and significant savings in the overall cost of the claim (non-recovery is declared as a total loss)

6.1 Time Savings

- **Parts delivered more quickly:** integration with Propartes catalogue allows more accurate identification and fewer returns

- **Faster escalation of legal claims:** automatic notifications instantly provide the Legal Department with information of cases requiring their attention

Seguros Universal, Dominican Republic

- **Reduction in response time to clients:** automated tracking provides greater control over intermediaries e.g. preferred car repair shops, parts suppliers and rental cars.

- **Less time spent liaising with third parties**: automatic notifications alert the external business company when stolen vehicles enter the claims process

Automatic Validations, including;
- o Document validation of documents required by type of claim
- o Overdue balances to date of occurrence
- o Declaration of total loss of the value of the of parts that exceed 65% of the insured value

6.2 Increased Revenues

Propartes experienced increase in their sales revenues, specifically the ones related to inventory. The image below, shows the comparison of the sales for 2014 and 2015.
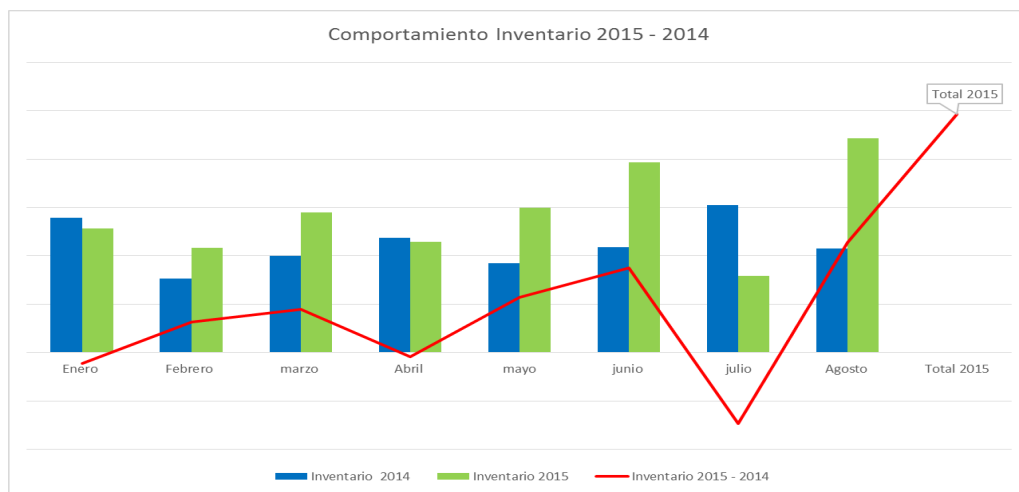

Fig. 4: Propartes Sales

Period: 2014-2015. The substantial reduction in July and the important increase in August, was due to an issue in collections. In August, there was a collection process for the pending auto parts from July, which reflects in that month's behavior, as shown in fig. 4.

6.3 Quality Improvements

- **Standardized customer service**: tight integration means consistent information given at any point of contact, whether by client, agent or intermediary

Seguros Universal, Dominican Republic

- **Faster query resolution:** as a result of the above, Call Center agents are able to provide quality feedback on any area within the claims process

- **Less rework in the parts inventory**: customization of the parts quotation system creates a formal nomenclature for spare parts, reducing errors and guesswork

- **Reduction in errors and better decisions:** using BPM has resulted in a consistent process and delivered all the necessary information for decision-making.

- **Fewer duplicate cases**: BPM system automatically checks for similar cases with the same policy and date of occurrence

- **Swifter resolution of delays**: tool enables Universal to see where delays are occurring within the process and to take corrective action

7. BEST PRACTICES, LEARNING POINTS AND PITFALLS

7.1 Best Practices and Learning Points

- *Gain the commitment of the top management team to ensure momentum during the development and production stages*
- *Create a consulting group to translate business needs to automation projects*
- *Involve internal staff in the development process to ensure the appropriate knowledge transfer post-production*
- *Recognize that you may need to move up a version between the start of the project and Go Live, and build time in for validation and testing*
- *Involve users and process owners in the testing period to gain a better understanding of process flows and to uncover errors. This guarantees their commitment to the test process.*
- *Understanding where BPM adds value and where it does not.*

Learning lesson experience

During the first months of BPM implementation stage, the delivery time of auto parts increased 160% above the goal, this was due to execution issues of the users, new definitions and technological adjustments. After in-house monitoring along with development and implementation of minor technological adjustments associated to the delivery, this time was reduced in 50% from the starting goal. This improvement was achieved without changing the application.

Details:
- *Original delivery goal: 5 days*
- *During implementation: 13 days*
- *After adjustments: 2.5 days*
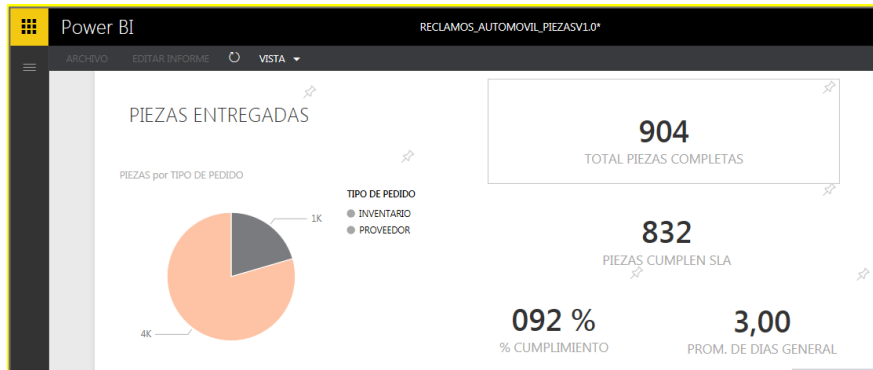
Seguros Universal, Dominican Republic

Fig. 5: Vehicle insurance claim. Parts delivery time.
Period: Jun-Sept 2015

7.2 Pitfalls

✗ *Don't let your key users fall by the wayside once development takes place. Keep them actively involved to retain their commitment and avoid delays at the testing stage.*

✗ *Don't be tempted to deliver a 'BPM Big Bang'. Develop projects step-by-step to gain short-term results.*

✗ *Overcome any version issues by reviewing the viability of the BPM version available at development with the one available at the start of production.*

8. COMPETITIVE ADVANTAGES

BPM Auto is the first of its kind in the Dominican insurance industry, which provides competitive advantage as it gives Universal greater control and stronger customer relationships through service excellence.

The automation allows the organization to increase its ability to define, deliver and adapt to processes quickly, which results in greater satisfaction for both customers and partners.

BPM was included in the organization´s strategic plan as an operational efficiency indicator.

The company revised all the processes in order to establish the prioritization of those to be automated. To this date we have a long term plan for this implementation.

Seguros Universal, Dominican Republic

9. TECHNOLOGY

Technology implemented for BPM Auto include:

- **Web applications:** enabling data input outside the BPM

- **Integration of applications**: Seguros Universal and Propartes core applications, both subsidiaries of Grupo Universal.

- **BPM as flow manager:** manages the whole process, indistinctly of the applications involved.

- **EDM:** to store and manage all documents relating to Universal´s organizational processes and documents supporting claims made using BPM Auto.

10. THE TECHNOLOGY AND SERVICE PROVIDERS

BPM Auto was delivered using several technologies and suppliers, achieving an effective synchronization for automation:

- **Bizagi BPMS**: developed in conjunction with internal staff and consulting team. The internal team was composed of functional and technical personnel.
  www.bizagi.com

- **Intergrupo Dominicana**: provider who handled the development of web applications for vehicle insurance claims.

- **Grupo Universal IT team**: for the development of web services connecting the core application of Seguros Universal with BPM, and web applications for the vehicle insurance claims with its technical counterpart, Bizagi.

- **PKM**: provider of the images, tools and application development for the safeguard and consultation of the images relating to vehicle insurance claims.