



Colpensiones chose Bizagi to deliver the world's largest BPMS



Customer:

Colpensiones

Industry:

Public Sector - Government

Location:

Colombia

A new state pension unit, Colpensiones, was created by the Colombian government to reduce costs, automate processes and improve the quality of service offered by the old state pension system.

118 processes went live in a record time of **9 months** to administer the contributions of **6.5 million citizens.**

Today, the new system performs **28 million activities** and manages **900,000 cases each month.**

Objectives

- ✓ Create a customer-centric operation based on transparency and visibility of all activities from inception through to completion
- ✓ Define procedures to ensure timely responses and meet commitments to the members and general public
- ✓ Deliver positive financial results to ensure fiscal sustainability of the system in the long-term
- ✓ Supervise and control to ensure quality service, measured by KPIs
- ✓ Raise the general public awareness on how the pension system works
- ✓ Generate national savings schemes to allow more than 9million Colombians of low socioeconomic levels to have access to the financial benefits
- ✓ Obtain cost reduction and efficiencies through centralized processes that are monitored, controlled and measured
- ✓ Process in a timely manner all benefit claim applications ranging from disability, old age, and death payments through to funeral expenses

“With nearly **1M cases and 28M activities performed in a month supporting \$4bn financial transactions in total, Colpensiones is recognized as one of the largest BPM projects in the world.**”

Pedro Nel Ospina, ex-CEO,
Colpensiones

Achievements

- ✓ A successful design and implementation of the new entity, Colpensiones, in its entirety from a process perspective; modeling and automating all core and non-core processes with a BPM solution
- ✓ Completed in a record time of 9 months and during the first month of the operation, the team timely responded to over 118,000 customer queries
- ✓ The new operation performs more than 1 million monthly payments
- ✓ In 2012, geographical reach increased from 65 to 92 offices in 49 cities
- ✓ Colpensiones deals with over 41,000 cases per day, at its most busy period 138,000 cases were created in one day
- ✓ Automation of business processes delivered a consistent level of service as well as standardized business rules
- ✓ Centralized information system successfully delivered quality decision-making based on accurate and timely information

Overview

The 60 year old Colombian government state pension system suffered poor quality of service, as it was managed by 60 databases which contained the job histories of its members, most of which were not digitized but filed manually.

It was also facing 84,000 lawsuits and nearly 100,000 complaints, resulting in high costs and delays in delivering efficient services.

The Colombian government decided to replace the old state pension unit, and create a process-driven entity, Colpensiones, which was tasked to improve the services provided to its members, contributors and the public.

Challenges

The challenge was huge as in record time Colpensiones had to take over the monthly payment for nearly one million pensioners and administer the contributions of 6.5 million

affiliated workers, reliably, quickly and efficiently through agile process management.

The decision was to transform the system from mainly a paper based structure to a truly process-oriented paperless organization. While the previous pension entity rarely answered its members or took a long time to resolve the outstanding queries, the new entity was focused on customer service guarded by ambitious SLAs.

The BPM Solution

To tackle the challenge, Colpensiones was designed in its entirety from a process perspective. Operationally, all decision-making processes were centralized including the management and control of business procedures and legal proceedings, to ensure consistency and transparency across the board.

Cultural changes were required to remove local autonomy and local decision making habits; this was accomplished through comprehensive management coaching workshops and a change management program.

Major business process obstacles were presented at the definition stage due to the number and diversity of areas and stakeholders involved. It was important to define the transition plan from the existing pension schemes and get the agreement of all stakeholders. This was achieved by the gradual design and deployment of the BPM solution and a phased delivery.

The new business strategy was based on process standardization and well-defined business rules and procedures. This strategy required the unification of information, the clean-up and reconciliation of job history data, the use of robust technologies for digitizing and documents transfer, thus achieving transparency and reliability when building new relationships between pensioners and Colpensiones.

The technological and business challenge was to ensure the integration of all databases and legacy systems in parallel with on-going clean-up and reconciliation of information, as well as the automation of all business processes, standardization of procedures for each application and a definition of ambitious but achievable SLAs and KPIs.

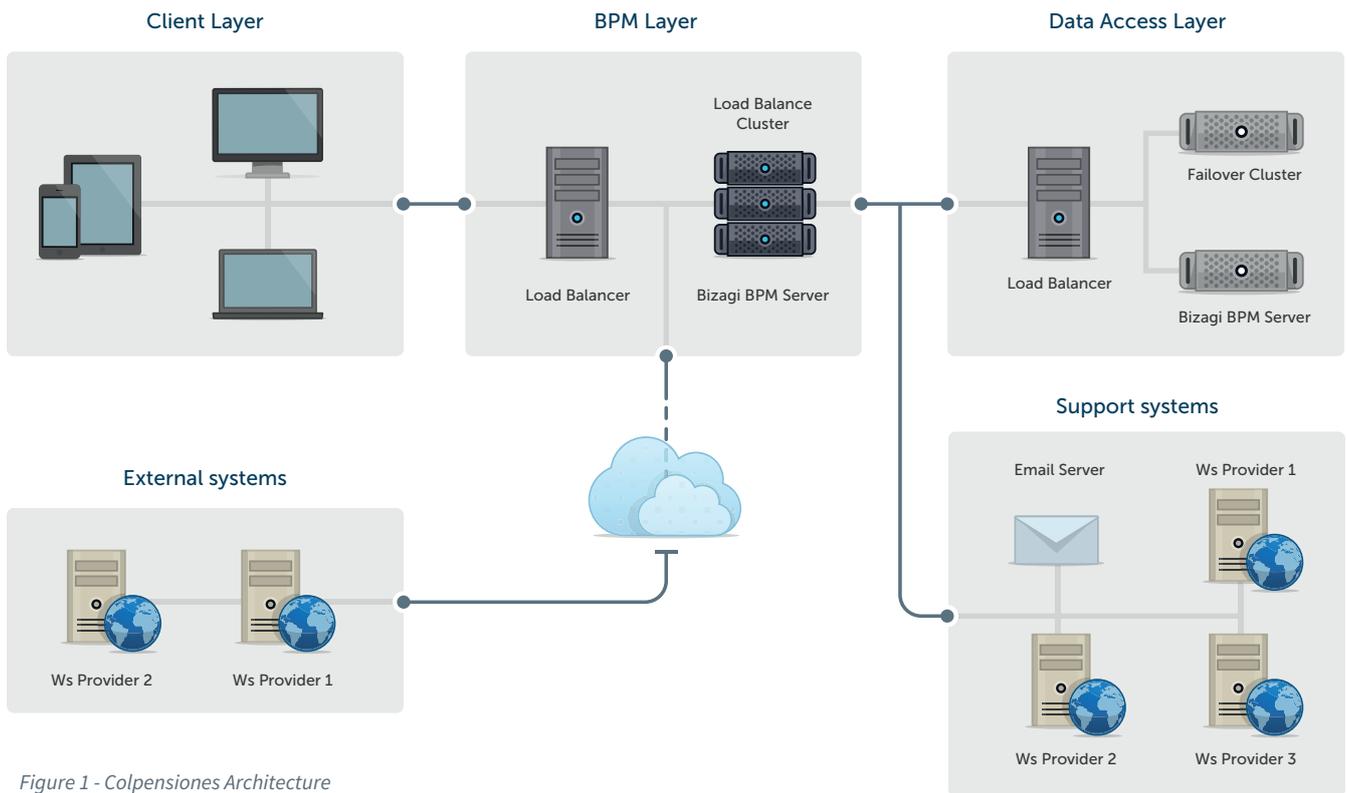


Figure 1 - Colpensiones Architecture

Results

Colpensiones implemented Bizagi's BPMS among other solutions to automate more than 118 business processes in the first stage and 200 at a second stage.

The key project objectives to reduce costs, streamline the processes and improve the quality of service were all met in a record time. As a result, 184,000 citizens were served by the new system over a period of 6 weeks in the autumn of 2012.

There were also evident reductions in the execution time frames of the processes and sub processes; new processes were streamlined and lean while information was easily accessible which improved customer service and response times. The effective integration of the BPM solution and the pension system brought out business agility and improved problem resolution.

Best Practice

- ✓ Involve the whole organization especially senior management and key representatives of all major departments that require process automation.
- ✓ Develop and deliver the project in clearly defined phases.
- ✓ Focus on key processes and add new ones once the main processes are fully tested.
- ✓ Focus not only on processes but the way they are used internally.
- ✓ Be always mindful of the organizational culture and address these challenges with 'change' management workshops.