

A man and a woman in professional attire are in a server room. The man, with a beard and wearing a white shirt and tie, is looking down at a laptop. The woman, wearing glasses and a dark blazer, is looking at the laptop with her hand on her chin, appearing thoughtful. They are both wearing blue lanyards. In the background, there are rows of server racks with various components and cables.

# What if you could realize the full benefits of your IT investment

How an insurance company learnt the hard way that only by engaging people in the implementation process will technology deliver the benefits it promises.





**When a large medical plan company in the United States decided to install a new system to manage its customer enrolment process, the future seemed bright. Like most companies, embracing new technologies to streamline a heavy admin process, was an exciting prospect.**

Fast forward four years, and \$30 million later, and the company was about to throw the entire project away. They had made multiple attempts to make it work without success. The initiative was 33% over budget and had failed to meet its financial targets.

So, it was not surprising the CFO was having a tough time justifying why needed to invest more.

The company decided it needed expert help to move the implementation along. More than 20 years ago, and when working somewhere else, an employee of the medical plan company had worked with Proudfoot to successfully transform that business. And so they sought out Proudfoot to help again.

### Get the people experts in

Proudfoot has proven time and time again, that while millions are spent on new technologies and systems, it is the people in the business that are the real drivers of change.

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**"It is very difficult to design something when the work processes are not clearly defined."**

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In this case, it immediately put teams on the ground. They started working closely with the client's employees not only in information technology but across the various business functions.

One of the first things the teams did was a Digital Readiness Assessment to gather analytics to better understand the situation as it stood.

### Analyse and understand first

"They had tried to go from the old platform to the new platform but they really didn't do a very good job on aerial mapping all the interfaces – people, processes, inputs and outputs" explains Ted Binkoski, Proudfoot's Senior VP of business excellence in the US. "It is very difficult to design something when the work processes are not clearly defined."

### Identify opportunities

Over 100 "quick sprint" opportunities were identified. Importantly, these were not IT fixes, but rather training or behavioural related.

Some 25 of these ended up saving the client hundreds of thousands of dollars.

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

## Engage the users and break down barriers

In addition, “there was minimal collaboration between the IT group and the business functions,” says Grace.

And so, while work continued on understanding the various processes and symptoms of the problem, Proudfoot began to recognise that the ultimate solution lay in breaking down silos and barriers by involving the user community, the business functions, in the work. As a result there were more than 600 people involved.

“The mapping process and user workshops helped develop the appropriate KPI’s that would be used to monitor success, along with daily ‘huddles’ to involve the end-to-end community in the process.”

From the client’s perspective, the change was exponential with barriers between business functions seemingly melting away.

“I saw the behavior of my people change before my very eyes,” - Vice-President Sales Shared Services and the Proudfoot sponsor at the client.

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“I saw the behavior of my people change before my very eyes,”  
– Client Vice-President

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## Put better processes in place

From an IT perspective, one of the hot buttons was tackling the backlog of over 500 work orders (also known as Jira’s) for fixes within the IT platform created by its users.

“There was no real methodology for approving Jira’s or prioritising them, based on the work effort it takes to implement them, the time and the ultimate return for its implementation,” explains Grace.

Proudfoot went to work putting a process in place which helped prioritize these work orders based on benefits to end users, customer experience and impact on sales.

“Before this was put in place it basically came down to whoever yelled the loudest went to the top of the prioritisation list,” he adds.

## Apply learning elsewhere

A pattern quite common when working with Proudfoot, is that clients tend to realise the remarkable solutions uncovered from a project in one part of the business can often be extrapolated across the business. And this case was no different.

Sitting on the shelf within the company, were another 146 capital projects, mostly IT related, that had not been prioritised, and totalled millions of dollars in expenditure.

“Because of the work on the Jira’s, we were asked to educate and coach people in the company on how to further prioritize the future IT projects,” says Binkoski.







Directors and VPs from various parts of the business were trained in the prioritization process, helping them to better prioritize projects totaling about \$30-\$35 million annually.

In addition, the process mapping stage highlighted opportunities to improve the sales process.

"We found the way they tracked new sales had too many stages, was way too bogged down in administration and wasn't working effectively. Six weeks into the initial engagement, we were invited to address the sales process," said Binkoski. "A clear sign that we were already affecting change and making improvement happen, was that we earned the right to

expand our scope and provide further value by way of real benefits".

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While the combined Proudfoot and client team trained, coached and guided some 300 people directly involved in

the system, the engagement affected as many as 600 people throughout the organization, changing ways of working and the mindset toward the technology. This was particularly important given the earlier failed attempts at implementation.

"One of the main reasons for our success was that we were able to work very closely, hand-in-hand with the client's people" said Binkowski.

The client has subsequently retained Proudfoot to address further areas of opportunity including the development of a Centre of Excellence on Transformation. This will enable the client's team to develop their capabilities to make change happen long after Proudfoot consultants are gone.