

# TRANSFORMED BPO PROGRAM YIELDS SOLID BENEFITS

New Outsourcing Approach Gives Insurance Leader Enhanced Visibility, Lower Risk and Access to Innovation



Challenge  
**Transform current  
BPO program**



Solution  
**Phased implementation  
approach leading to future  
innovation**



Benefits  
**Improved transparency, lower  
risk and projected millions in  
cost savings**

A leading insurance company saw an opportunity to significantly advance its current business process outsourcing (BPO) program. The company had been working with a managed services provider that was delivering a variety of document management services. Over a period of years, the program had grown dramatically but lacked important controls. For example, the services vendor was not providing the insurance company with any meaningful visibility and insight into what services were actually being delivered, including costs and number of employees working in the program.

## ACCESS TO VITAL DATA

Consequently, the insurance company wanted to gain greater command of the program so that it could improve performance currently and in the future. This meant obtaining access to such vital information as what work was in fact being delivered; how many employees were under contract and working at the company's numerous sites; and what the insurance company was actually paying for the program. Additionally, the insurance company wanted a BPO program that was less concentrated on just providing labor and more focused on leveraging innovation and automation to enhance operational efficiency and contain costs.

It was time for a change. The company decided to team with a new managed services partner that offered the expertise to transform the program and over time, deliver innovation enabling the insurance leader to be better prepared for the future. With these and other goals in mind, the insurance leader issued a request for proposal (RFP) and invited Canon Business Process Services to submit a plan for turning things around.



## **CANON'S IMPLEMENTATION TIMELINE**

There were many elements that enabled Canon to successfully respond to the RFP and win the contract, but three were critical. One was that Canon created a detailed services implementation timeline. This was based on a Canon team visiting all of the site locations in order to determine, as accurately as possible, the scope and complexity of work being performed. The research enabled Canon to create an efficient implementation plan and establish appropriate service level agreements.

The plan entailed Canon implementing services in a phased approach. Essential steps included taking over existing document management processes spanning such areas as mail, print and office services at approximately 75 sites across the country within 90 days. This included completing knowledge transfer (documenting responsibilities and workflows) as well as developing and finalizing standard operating procedures and statements of work.

The next phase, about six months into the program, would comprise exploring automation opportunities in areas such as document imaging and leveraging Canon's Digital Intake Center solution (i.e. digitizing and distributing mail electronically so organizations can virtually eliminate fine mail-sorting and distribution costs).

The third phase, to be implemented in about 12 months, included considering such innovations as robotic process automation (RPA) and consolidating operations into regional hubs, potentially utilizing the flexible onsite/offsite/offshore service delivery capabilities of Canon's Business Processing Centers.

## **ENHANCING VISIBILITY; MITIGATING RISK**

The second important element of Canon's plan was visibility into all of the critical program information that the insurance leader needed; data that had previously been unavailable. Canon's approach includes open book pricing, which enables the company to understand exactly it is paying for today and into the future. The insurance company has the ability to audit the Canon program payroll system and determine how much Canon is paying an employee

and how many hours that employee worked. These and other vital details are visible on every invoice. With this arrangement, the insurance company's program evolved from one in which it had virtually no visibility into services and costs, into a partnership that is about as transparent as any can be.

The third important feature of the implementation plan was that it addressed how Canon would reduce risk, easing any fears the insurance company might have about transitioning to a new services provider. This included offering a new hire bonus that would be designed to help retain the best employees from the previous vendor.

## **CANON'S SOLUTION**

Canon's comprehensive solution currently spans a wide range that includes providing claims processing and underwriting support. Claims processing involves managing data entry and related activity for hundreds of processing tasks that include indexing medical bills, scanning and indexing claims and processing explanation of payment (EOP) statements and W9 forms.

Other services include mail and print management as well as office services such as reception and conference room coordination. One special project in progress involves moving the insurance company from its current arrangement of numerous desktop printers to a centralized printing system managed through four regional print centers that serve multiple company locations. The regional centers will be focused on printing specialized documents such as claims and underwriting files. Because the files are large, often comprised of thousands of pages, employees will have the ability to submit them digitally via an online portal.

For another current project, Canon is implementing site assessments to measure the feasibility of implementing Canon's Digital Intake Center solution. As spotlighted earlier, this would enable the insurance company to leverage the benefits of a digital mail system. The need for this is being driven by the company moving to a more agile work environment, in which seating and desk space

are often unassigned, provided as needed when employees are in the office. The goal is to attract the best talent, encourage collaboration, provide an engaging work environment and improve efficiency. One challenge of an agile workspace is managing mail for employees who may come into the office only a few times during a span of month. Digital mail helps solve that problem.

In addition to these projects Canon is also launching a performance reporting system based on BusinessInsights, Canon's analytics and reporting tool. The system provides the capability to monitor a variety of metrics such as volumes and trends. This is critical information for the insurance company to track so that together with Canon it can initiate improvements and make informed decisions. Additionally, Canon put a scorecard in place for 90-day implementation KPIs (key performance indicators) and is doing the same with the ongoing management of the program. This includes regularly reporting on Canon's progress to groups within the insurance company including the company's information governance unit.

## **FORGING A NEW PATH**

With these and many other initiatives in play, the insurance company and Canon have worked together to forge a new path to operational excellence and continued growth. Projected cost savings are expected exceed millions of dollars annually due to workforce centralization and optimization approaches. Improving the efficiency of business process workflows has yielded such results as trimming a claims process from 17 to five days and significantly reducing the document processing cycle time for many insurance activities. Transparency is now a reality. The insurance company has visibility into the services it is receiving; projects it has approved; costs it is paying; the number of people working at its sites and much more.

The insurance company has stated that its mission includes helping people preserve and protect what is important to them. Keeping this promise means that the company will be there when its customers need it most. Similarly, Canon has demonstrated a commitment to being there when its client needs it most, now and in the days ahead.

## **ABOUT CANON BUSINESS PROCESS SERVICES**

Canon Business Process Services helps enable business agility and digital transformation. We accomplish these goals by applying our workforce management expertise, Six Sigma methodologies and best-in-class technology. With professionals across the U.S. and in the Philippines, we have been named a Global Outsourcing 100 leader by IAOP for 13 straight years. Canon Business Process Services is a wholly owned subsidiary of Canon U.S.A., Inc. Learn more at [cbps.canon.com](http://cbps.canon.com) and follow us on Twitter @CanonBPO.