

## Business Challenge

**What is the definition of “done” for a retirement plan onboarding process? For many providers, the end is defined as assets = records, with the plan going “live”. Given the amount of pain that retirement providers and their customers typically experience with onboarding, we have teamed up with several of our clients to “raise the bar” on this increasingly important process.**

Few process excellence initiatives start with stating the business problem you are trying to solve or what outcome you are trying to achieve. In order to ensure this was not just another efficiency exercise we set out to first expand the definition of onboarding success. As the significance of the function has grown exponentially in recent years we suggest the new definition of success should include the following:

- Ensuring that the sales assumptions equal financial reality once in production
- Optimally translating the plan sponsor’s needs, into the providers operating environment
- Making certain that every “first” a customer experiences (all the way through the first plan year-end) reinforces the providers brand promise
- Maximizing the onboarding process as an opportunity to sell prospects into the preferred services and product options.
- Establishing the participant or sponsor as an asset of the provider firm

Working with our clients, BridgePoint’s capability of combining traditional Six Sigma and LEAN tools and techniques with deep practical industry knowledge led us to identify three core challenges:

1. **Defining the Timeline of Onboarding:**  
Many organizations define the start as when the client said “yes” and the end as when assets = records, and the plan is turned “on” in production. We would submit that onboarding starts with the initial sales process and continues through the completion of every “first” of the plan in operation; the first contribution, first statement, first compliance test, etc. This does not mean that the “onboarding department” owns making every “first happen”, but that a measure of their effectiveness includes responsibility for the downstream impact of their work.
2. **Determining the Effectiveness of Functional Silos:**  
It indeed “takes a village” to install a plan (we typically see 15+ departments involved). While we often find that small innovations within functions have occurred, the larger, horizontal end to end opportunities for improvement remain untouched.
3. **Capturing the Entire Order as Early in the Process as Possible:**  
We define “capturing the order” as identifying the answer to every question necessary to complete the conversion. There is a large amount of waste due to constant “rediscovery cycles” embedded in most processes. Additionally, most implementation processes lack a goal of influencing the client into preferred services and standard product definitions – a key goal of our process was to align the need for scale in the provider organization with the process.



Our client is a major insurance company with the typical challenges – years of “flexibility” and “yes” as a sales strategy, and now staggering under the weight of complexity, non-differentiation and average service levels. As part of a broader engagement, we were asked to complete an end to end review of their onboarding process. During 6 weeks of discovery, we identified several key facts, which are strikingly similar to those we have identified with other providers:

### Case Study Key Facts:

- Over 1200 Process Steps
- In excess of 15 departments involved
- Over 100 points of rework
- 9 weeks to capture plan provisions and fund mappings – to define “the order”
- Approximately 50 manual quality checks
- Definitions of success:
  - Transfer of assets on the agreed upon date
  - Blackout period lasting no longer than 5 business days

### Our Approach

Armed with an understanding of the current state, detailed end to end process maps, task time data and process performance data, we facilitated a three day offsite comprised of subject matter experts from all departments involved. In the offsite, we were able to identify over 20 key opportunities to dramatically improve the process.

To understand the impact of the identified opportunities, each were clearly defined with the benefit quantified in terms of improved client experience, cycle time reduction and/or work time reduction (both which lead to reduced cost).



While many process improvement exercises are “academic”, our focus was on was the “implementability” of recommendations. As industry experts, we were able to categorize the “most desirable” options (no technology, negative election by clients, minimal change in associates roles or processes) to the “least implementable” – (required a change in a client’s plan document, large technology spend, required changes to client behaviors, uncompetitive market policies).

### The Solution

A roadmap was developed based on the benefit/impact and implementation difficulty for the opportunities identified. The overall goal set for the project, was to improve productivity by 30% and reduce discovery time by 50% (from 9 weeks to 4.5 weeks).

To facilitate successful execution, we organized the 20 plus opportunities into 5 project groups, based on type of work (process, product, enhancement), the skill set needed to implement the opportunity and the inter-dependencies of the opportunities. Dashboards to measure the results from each implementation, were created to track and quantify actual improvement, and to ensure that the results will be sustained over time.

### The Value Realized

Our results? The targets identified exceeded the initial goal, with the team projecting a 52% increase in productivity and a 65% reduction in cycle time. The final recommendations are now in the process of being implemented with a high degree of confidence in ensuring that future business will meet financial, customer experience, and efficiency targets.

Previous State	Improved State
Success defined as successfully transferring assets and records	Definition of success broadened to include implementing profitable business in alignment with standard product definitions
9 weeks for discovery, to complete plan design and investment selection	3 weeks to complete plan design and investment selection
Employees from over 10 departments involved throughout entire onboarding project	Following the sales hand off, only employees from 3 departments were involved
75 days of applied time per client onboarding project	35 days of applied time per client onboarding project
Limited management reporting and measures of success	Robust management dashboard and comprehensive measures of success
Functional goals	Shared end to end process goals
Deflated team	Empowered, energized team

## The Findings



- The first step in reengineering a process is ensuring you have a broad understanding of the business problem you are solving for AND have the right definition of success
- “Implementability” is key – we have all been a part of these efforts where the idea list gets generated, but the results aren’t actually achieved
- It’s about the detail and the data. Having “one version of the truth” helps get teams aligned and focused on the facts.
- Sustainability is key – processes are living, and change every day. You need to have controls to ensure that you aren’t doing the same re-engineering activity a year from now

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## About BridgePoint

BridgePoint has extensive experience in process re-engineering to improve operational efficiencies. We provide the guidance needed to accelerate execution and deliver real results. BridgePoint was formed in response to escalating market dynamics, which have led retirement providers to face complex challenges. Our team specializes in helping organizations across the industry improve their business performance by better aligning efforts with what customers value.