

## Business Challenge

**A combination of the economic downturn and maturation of the Retirement Market had created three challenges for a large Insurance Company (The Provider) with over 2M participants:**

1. The cost to service the business exceeded the market-clearing price by approximately 50%.
2. Flat sales for three years and a lack of differentiation challenged sales effectiveness.
3. Past capital investments had not yielded expected results eroding confidence in large-scale initiatives.



## Our Approach

BridgePoint partnered with the Provider to:

- Validate the competitiveness of the product and service delivery model.
- Identify opportunities to reduce operating costs by 30% while improving overall client satisfaction and retention, through an efficient and competitive product and servicing model.
- Develop a credible, practical implementation roadmap to improve the organization’s confidence in their ability to deliver desired benefits.

## The Findings

- Cost Per Participant was 25% higher than it’s direct competitors.
- Product offering was competitive but undifferentiated. Provider was challenged to deliver new product features that had been committed to clients – primarily due to technical limitations.
- Due to an under investment in data and web/e-delivery strategies, the majority of costs were found to be in order capture and customer engagement functions such as implementation and call center management.
- Actual processing was relatively efficient, indicating that minimal benefits would be gained by offshoring operations (a strategy the Provider had been contemplating).



## The Solution

- **Markets.** Increase focus on target markets. Outsource small market plans and exit sub-scale businesses.
- **Product.** Standardize product and service offerings. Focus on variations that are truly valued by target customer segments.
- **Data.** Establish a robust Data Management and Control practice that provides formal data ownership, governance and management.
- **Operating Model.** Develop a “manufacturing mindset” that leads with process and is enabled through technology. Standardize processes and eliminate redundant operations between sites and books of business.
- **Engagement Model (Participant, Plan Sponsor, Advisor).** Build out web capabilities that are responsive to client needs, meet market demands and reduce cost.

*‘If you’ve taught me anything, it’s ‘technology last’.*  
- President of Retirement Division

## The Value Realized

- Capital improvements of approximately 20% of the annual operating budget over three years are expected to yield a reduction in cost per participant run rate of over 20% by 2014.
- Quick hit improvement opportunities are generating short-term expense relief and driving customer satisfaction improvements.
- Priorities have been significantly narrowed, thereby enhancing the Provider’s ability to focus and execute.
- New management processes were installed - reducing functional silos and promoting end-to-end engagement and increased transparency.
- Organizational disciplines were implemented to improve process and operating metrics first and then implement enabling technology.
- Employee engagement and morale improved from 2011 to 2012 with increased understanding and enhanced confidence in their ability to execute.

## About BridgePoint

BridgePoint Group was formed in response to escalating market dynamics, which have led retirement providers to face complex challenges. We specialize in helping organizations improve their business performance by better aligning efforts with what customers value - and are willing to pay - for services. Our associates bring an average of 20 years of hands-on leadership and deep industry expertise. Our strategists, advisors and practitioners represent the knowledge of dozens of industry leaders - from plan sponsors and recordkeepers to vendors and beyond. We provide the guidance needed to accelerate execution and deliver real results.