

Work sample — Scaling up robotics: portfolio, operating model and business case

Case summary, then the steering deck of 8 March 2018 as presented to the executive committee

Anonymised — client, people and partner identifiers removed

Advisory team

Problem

- The insurer had two isolated automation capabilities — batch robots in Employee Benefits and desktop automation in a digital lab — with different tools, operating models, governance and business-case logic.
- Core-system migrations made many processes viable for less than 24 months, while unstructured broker requests and unchanged manual habits limited robot adoption.
- Scaling required a credible funnel, a common operating model, and benefits executives could trust.

Action

- Screened 118 processes from 17 managers across 13 areas for quantified benefit, system stability and rules-based feasibility, narrowing them to 11 roadmap processes worth 20 FTE and grouping delivery by system.
- Established four-week sprints, signed process designs, UAT cases, six-week steering, and a hybrid CoE / vendor / SME model.
- Measured structured inputs rather than negotiating assumptions (96% agent, 45% broker), added a disposable PDF e-form workstream, and enforced cost-savings-only, de-duplicated business cases with auditable volumes and signed standard times.

Result

- By October 2018, six Non-Life processes were in production, two in development, and the Life sprint delivered before its autumn campaign.
- Management committed to 12 FTE freed across Non-Life and Life, revised down from 14; the first wave was costed at €650k for 10 FTE, re-forecast to approximately 8.7 FTE and holding.
- A scan of 849 FTE — 60% of the organisation — identified 27 further candidates worth 57 FTE and led to an RFP with four vendors.
- Benefits were transferred to operational tracking, though long-term durability still required an internal Head of Automation and executive sponsorship.

Scaling up Robotics in support of the 2020 strategic plan

Project proposal and business case to the executive committee

March 8th 2018

Anonymised work sample

Advisory team

So far there are two very different approaches to robotics at the Group

EB team did Robotics Process Automation in in-house set-up dedicated to EB
(EB management)

the Digital Lab does Robotics Desktop Automation in Managed Service
(Digital Lab lead)

Technology

- **Blue Prism** = Batch robot, driven by “trigger file” and leaving log files to be reviewed (RPA)
- **Contextor** = Desktop robot, interactive, user presses buttons (RDA)

Approach

- “Like an IT project but done by the business; needs significant design”
- “Lightweight, easier to automate parts of a process, user keeps visible control”

Experience so far

- 3 large projects of 3+ mths each, 3 small “throwaway” projects of 15 days
- 6 sprints of 3 weeks each

Benefits focus

- 2.6 FTE savings (mostly cost avoidance)
- Broker experience improvements, broker share of wallet (not quantified)

Operating Model

- Internal superusers (only building blocks require coding)
- Managed Service (requires Javascript coding)

Cost

- consultancy / RPA partner, 250 kEUR setup / division + internal superusers + SME + license cost 10k
- the managed-service partner, 10 kEUR/sprint + internal SME

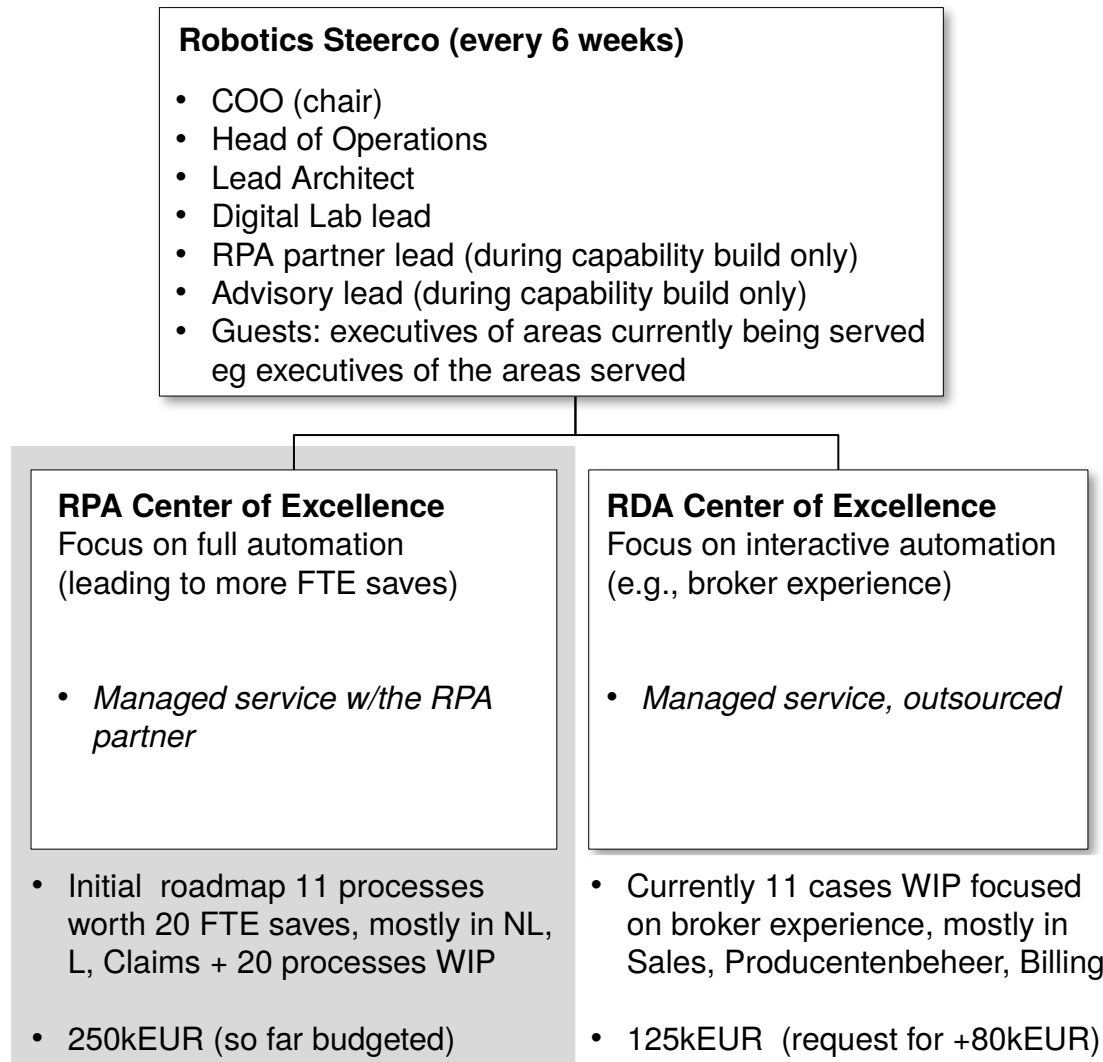
Pipeline

- “1 major process/year in EB” (part time use of super-user only – Hay 16)
- 250 kEUR for Claims in 2018
- Long pipeline of broker experience improvements planned, going cross-departmental (e.g., Billing)

Both seem successful and useful according to their agreed scope & objectives and seem complementary in the type of processes they tackle

Given there seems clear justification for both approaches, we propose to keep both capabilities, but under joint governance

Focus of the rest of this deck



Roles & responsibilities

- Set **top down targets** where necessary
- Agree “business cases” for next sprint (cost, revenue, service, timeliness,...)
- Align roadmaps of IT, RPA, RDA
- Review benefit realization
- Manage **central robotics budget** to facilitate buy-in
- Create awareness
- Identify & qualify bottom-up opportunities
- **Healthy dialogue** on which is most suitable tech (RDA or RPA), not restricted by vendor capability
- Prioritize pipeline
- Drive delivery
- Manage the outsourced capacity
- Track benefit realization

We analyzed 118 processes volunteered by the largest and most promising departments (for robotics) at the Group

Highlights

- 17 respondents
- 118 processes
- More than 65 FTE in scope (2018):
 - Only 90% of volunteered processes sized
 - Non-life sized using optimum times not average times
- Incomplete so far:
 - Accounting & BIS Closing (workshop now held, small benefit, synthesis pending)
 - HR (agreed to participate, but no time in agenda prior to deadline)

Details

Area	Number of processes	Baseline FTE 2018*	Main respondent
Non-Life (Auto)	14	12	• Area lead
Non-Life (non-Auto)	9	19	• Area lead
Billing	11	15	• Area lead
Claims (Non-Life)	4	18	• Area leads
Claims (Life)	11	2	• Area lead
Producer mgmt	20	13	• Area lead
Accounting & BIS Closing	TBD	TBD	• Area lead
Life	29	9	• Area lead
EB	2	0	• Area lead
ALM	4	1	• Area leads
Mortgages	7	17	• Area lead
HR	TBD	TBD	• Area lead
IT	7	1	• Area leads
TOTAL	118	109	

* Baseline grossed-up for training, vacation, holidays,...

We performed a number of screening steps to arrive at an initial roadmap of 11 processes saving 20 FTE

FTE 2018

Rest of baseline
Est. Savings

What we did

Homework:

- Benefit>0
- Cost Savings+
- Cost Avoidance

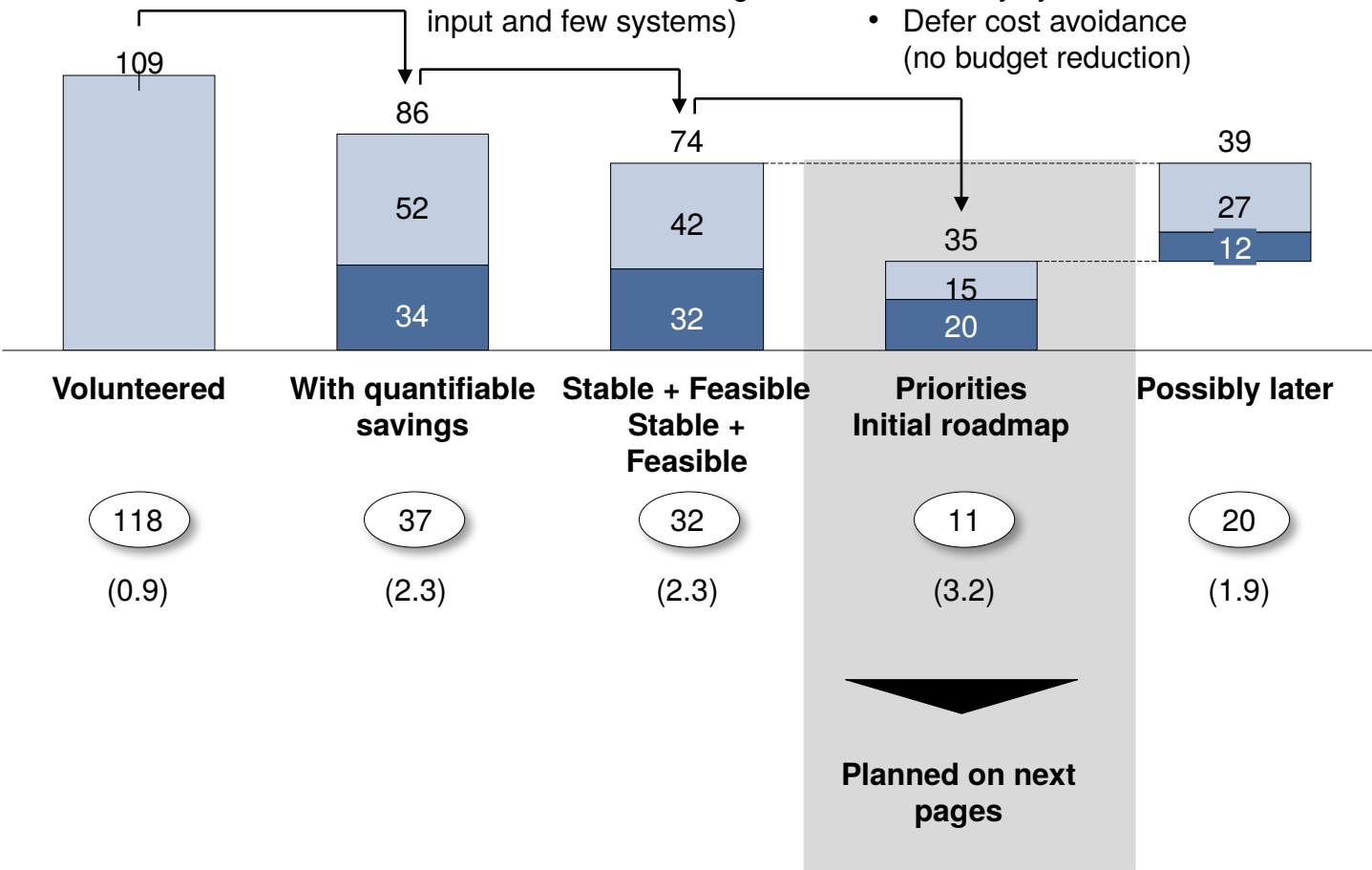
Two hour workshop per area:

- One time + Recurring with Horizon >=2020
- Med+High feasibility (mostly to do with structured/digital input and few systems)

Two days of deep-dives on largest 20:

- Do not start all areas at once due to fixed costs by system
- Defer cost avoidance (no budget reduction)

Grossed-up FTE



The initial roadmap focuses on NL, L, and Claims – (1/2)

Nr	Area	Department	Process Name	Baseline FTE 2018	Potential Saving FTE	Potential %	Feasibility	Description
1	Non-life	PME	Automated generation of the Excel pricing file based on Agent/Broker pricing request	8.4	5.1	60%	High	Reception and analysis of the pricing request data (sent via email and pdf), extract the pricing data and fill the appropriate fields in the Excel pricing tool
2	Non-life	PME	Underwriting new PME contracts following Excel price simulation	7.7	4.6	60%	High	Injection in the core systems (CICSP and VIVP) of PME contracts (Property, Liability and Accident) that were prepared in Excel for pricing and accepted by the customer
3	Non-life	Auto	Reconciliation of payments for collective policies (Fleets)	4.2	3.3	80%	High	Collective policies are not migrated to Guidewire. Collective policy premiums are calculated for the year and paid quarterly. The fleet might evolve during the year and the reconciliation is done manually at the term of the contract. The payment is recalculated for the past period and corrections are consolidated with the premium of the new term.
4	Life	Contract Management	Yearly increase of PLCI/VAPZ pension plan (independents)	2.0	1.2	60%	Medium	- Each policy can yearly increase its payment schedule to apply the new fiscal maximum. Requires signed approval by the client (on paper). Following process applies: (1) Completed template by client (2) Follow-up if not complete (3) Enter the new data once complete (4) Check if template has been signed (5) Send new payment request

The initial roadmap focuses on NL, L, and Claims – (2/2)

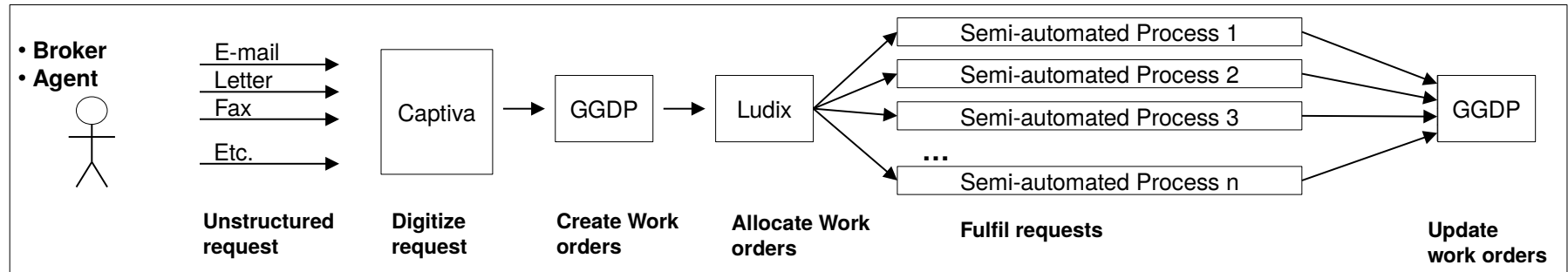
In next version will be replaced by another process in Claims worth 0.8FTE savings

Nr	Area	Department	Process Name	Baseline FTE 2018	Potential Saving FTE	Potential %	Feasibility	Description
5	Claims	Non-Life	Automate also final steps of management of car damage without counterparty	2.5	1.0	40%	High	Processing of claims for car accidents without third parties is automated in claims center (input broker/agent); after the claim is automatically handled robot to check documents are completed and issue cheque payment of franchise
6	Non-life	Auto	Send a rejection letter for the Bureau de Tarification	2.5	1.0	40%	High	Send a rejection letter to a driver - after receiving 3 rejections the driver can present it to the bureau de tarification
7	Life	Contract Management	Increase of capital on Capsil	1.8	0.9	50%	Medium	Increase capital or interest payments on the contract – similar to Process #4
8	Life	Contract Management	Client request for paid-up	2.9	0.9	30%	Medium	- Client requests a paid-up, following the process: 1) Receive paper contracts (pdf) by mail or info by telephone 2) Enter data in databases 3) Electronic files tbd 4) Perform calculations (Varia) manually or automatically (Capsil)
9	Non-life	Auto	Identification of the premium impact of the contract updates	1.0	0.8	80%	High	Automatic processing of contract updates for recalculating the premium (IO1), e.g., due to change of address
10	Non-life	PME	Cancellation of policy by policyholder (PME)	1.5	0.7	50%	High	Enregistrement des renons, executing client offboarding and final payments adjustments in all systems
11	Non-life	PME	Reporting PME	0.7	0.4	60%	High	Various financial and operational reporting for the PME market based on information displayed by the system but not stored in the database so cannot be easily extracted in any other way
TOTAL				35.3	20.0	57%		

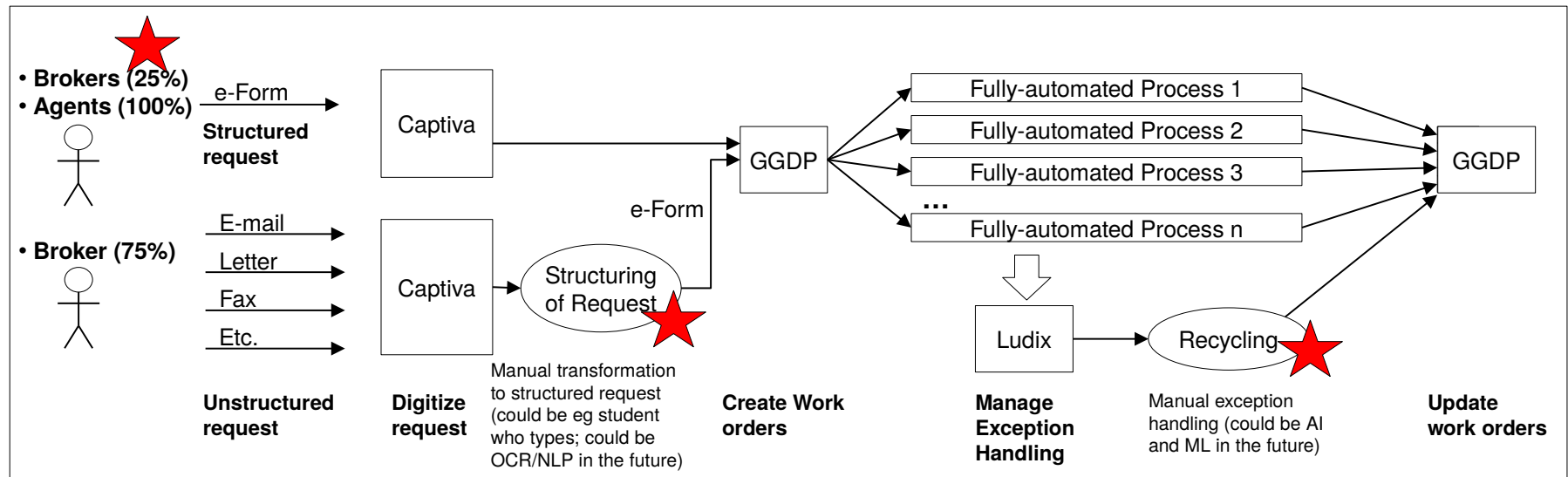
Almost all these processes follow a common robotics automation pattern, ideally leveraging some transformations in the Agent/Broker interaction

★ Areas of business transformation

Today



Processes automated with RPA



We recommend a Hybrid Managed Service operating model for RPA (Blueprism) at the Group in short-medium term

Three options for 18-24 month Robotics TOM for Blueprism robotics capability

● Favorable
◐ Unfavorable

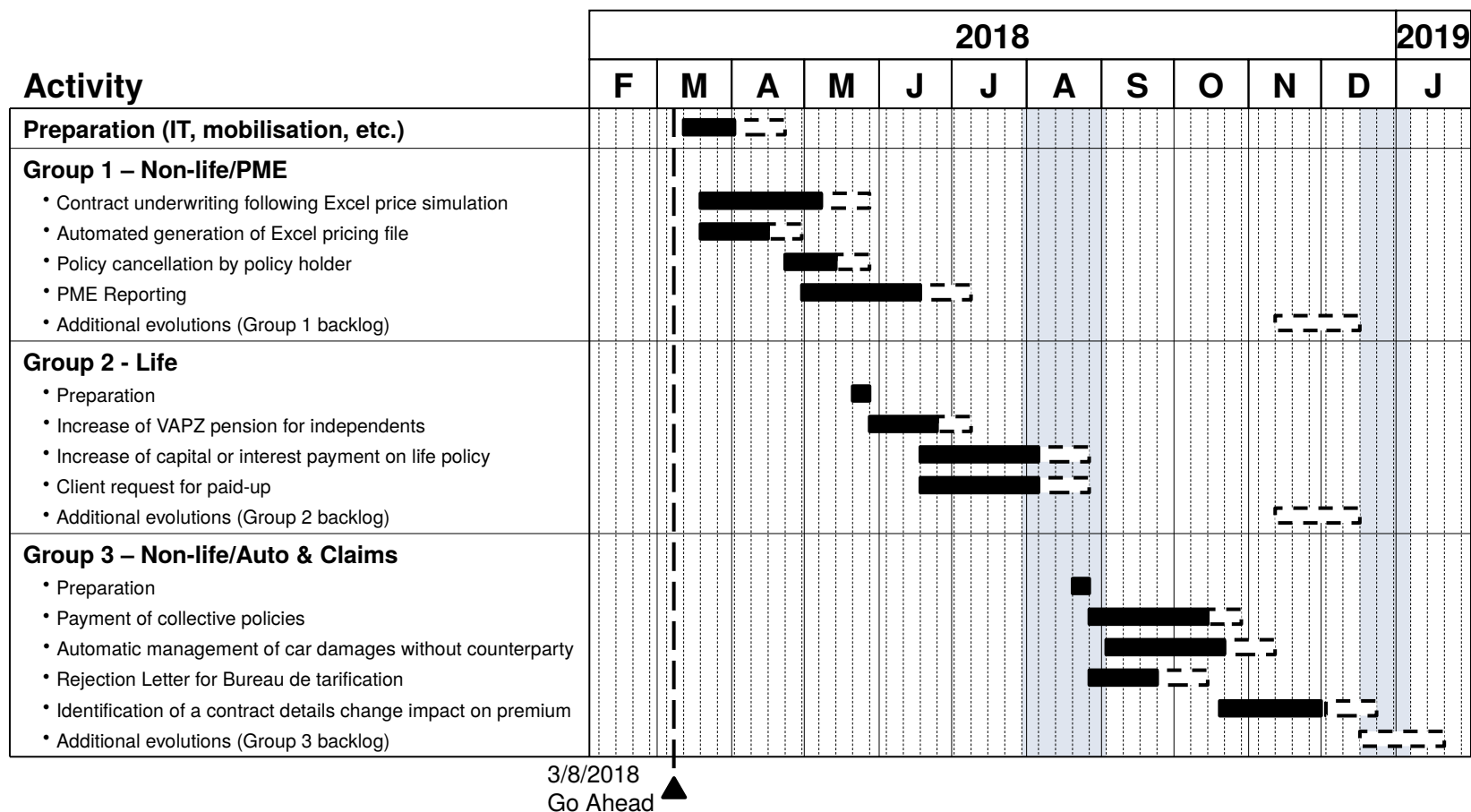
		A. Like EB in every department	B. Centralized In-House	C. Hybrid Managed Service
Option Definition	Governance	Local	Central	Central
	Roles			
	• Business SME	In-House / Local	In-House / Local	In-House / Local
	• Process Controller	In-House / Local	In-House / Central	In-House / Central
	• Process Analysis/BA	In-House / Local	(In-House / Mix)*	(In-House / Mix)*
	• RPA Consultant/Power-user	In-House / Local	In-House / Central	Mgd. Service / Central
	• CoE PM/Scrum Master	-	Ext / Central**	Ext / Central**
	• IT Architecture	Informed	Informed	Informed
Option Assessment	Responsiveness/Buy-in	●	◐	◐
	Scaling up and down	◐	◐	●
	ROI	◐	◐	●
	Recurring cost	◐	●	◐
	Recruit/Update/Retain	◐	◐	●

Key point: recruiting, training, retaining in all relevant technologies is probably not feasible in short term, and in mid term there is the chance to change your mind

* Only for larger processes will there be a dedicated PA/BA – for other cases this role will be filled also by the RPA Consultant/Superuser

** Can likely be added to existing manager somewhere (TBD)

As a first planning assumption, we believe the initial roadmap can be tackled in 10-11 months starting with largest potential fist (PME)



Proposed next steps

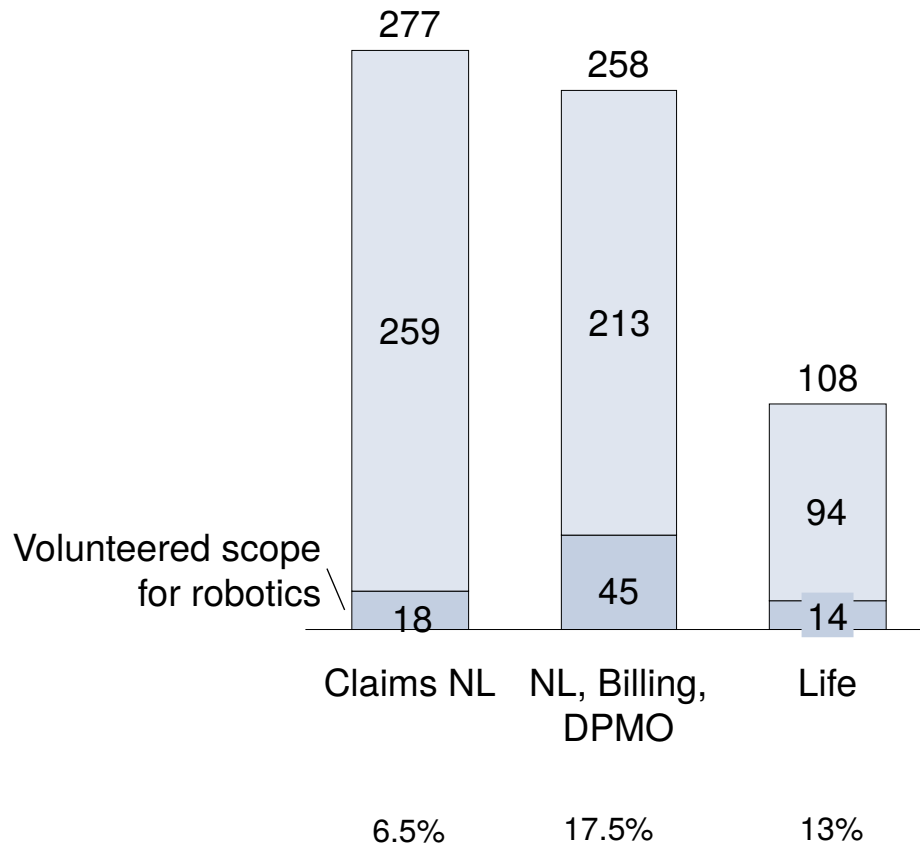
- Today: **Obtain CD commitment for Slice 1 (till end July 2018), which is expected to have limited net impact on 2018 budget**
- Next week: Finalize logistics
 - Draft LOI with the RPA partner (not on critical path)
 - First steerco to review Business Cases at process level
 - Week-by-week SME capacity confirmation (PME already confirmed availability)
 - Decide who will build electronic forms (PDF templates)
- 19 March: Start of gradual the RPA partner ramp-up
- 26 March: Start working with Business SME on wave 1 processes (Mostly PME area)

Appendix

The volunteered processes represent 6-18% fraction of Group core activities

FTE 2018, rough estimates

ILLUSTRATIVE



Commentary

- The volunteered scope represents 6-18% of Group core activities
- Peer experience with robotics seems to suggest there should be at least double this applicable scope:
 - Some peers see 15-25% applicable scope already today
 - Theoretic potential double again this number
- In case of the Group Claims NL this seems to have been a policy choice: desire to see what can be done with Claims Center before investigating robotics

Source: Mindfields; Interviews of the Group executives

We can understand that some scope is less addressable with robotics at the Group than at peers, especially in the next two years

Themes	Description	Why deprioritize for robotics?
Collect 360 view	Present a 360 view of the customer pulled from different systems	Already going to be covered by Salesforce
Next best action	System proposes a next best action to call center/agent based on 360 finding	Too advanced, not suitable for Blueprism (more Pegasystems)
Systems migrations Type A	First migration of 80% of the cases by specialized ETL tools	Robotics is likely not the most performant tool for automated migrations (TBC)
GDPR	Extract, update, or delete all data on customer request across all systems	This should be done manually before automating (check volumes, do the analysis) and even then automating might be better with MDM or normal IT scripts
Reporting Type A	Creation of recurring reports and analyses such as BRM, Comm Reporting, BIS,...	First of all a standardization problem (eg common data team and models), and then SAS might be more performant automation solution
System-wide updates	Updating a single field	Convenient and popular but does not have impact this program looks for

Many of these themes are higher potential at other companies than the Group

- Stable systems (legacy or new)
- Fewer systems
- More performant legacy systems*
- Larger scale
- SME less a bottleneck

* Important for Contextor, not Blueprism

However, we suspect additional potential is hiding in following themes – in a next meeting we need to decide when and how to confirm this

Theme	Description	Illustrative cases
Repetitive Service Tickets	Automate part or all of time consuming tasks that occur very frequently	Rejection letter writing & sending (because self serve hard to build on legacy)
Reengineered parts of e2e processes	Administrative <u>parts</u> of tasks, often requiring minor process <u>reengineering</u> to batch them	Yearly increase of VAPZ
Double encoding (ONE TIME)	In last three months before renewal, update avenant both in new and old system	Change of address in CICS and in Guidewire
Reporting Type B	System displayed info not available for dumping from DB	PME Operational report
Systems migrations Type B (ONE TIME)	Parts of migrations that cannot be automated with more performant ETL tools (see Type A)	- Migration of policies three months ahead of renewal is more than just data migration, needs enrichment and repricing - Long-running Claims still in CICS

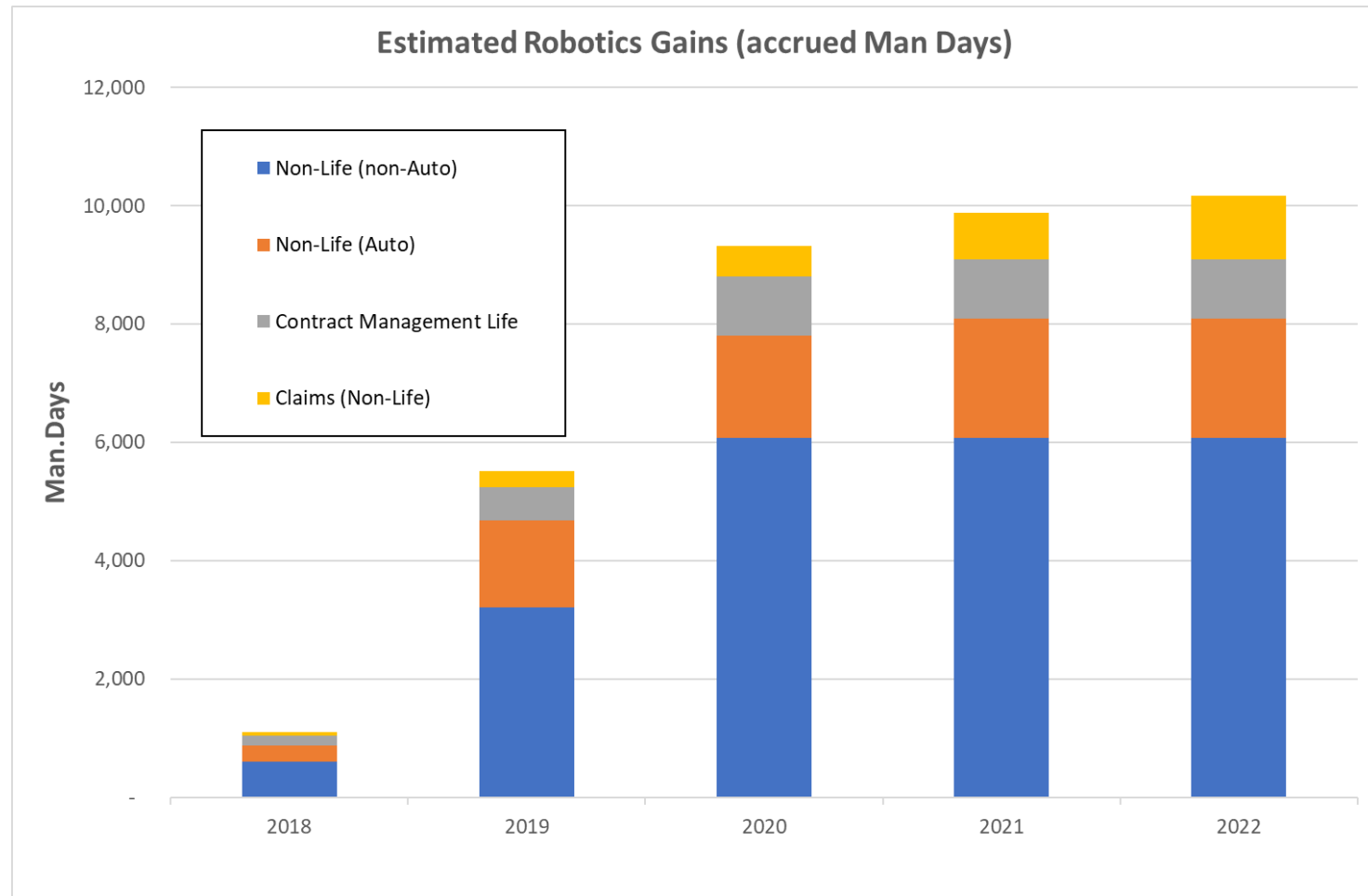
What is the best way to confirm whether there is additional potential?

For migration, need dedicated analysis

For other themes, following approaches have been suggested:

- Awareness
- Training
- Showcases
- Wildcards
- ...
- ...
- Analytics
- Walkthroughs by area

The cumulative gains based on the automation of the selected processes clearly evidence some real and recurring benefits



- These benefits stall in 2020, due to the replacement of existing platforms with NLBT and LBT
- The refresh of the robots on the new technologies (not estimated) would enable to continue increasing the savings over the time

In next version, the Claims process #5 will be replaced by another process shown here in red

Nr	Area	Department	Process Name	Baseline FTE 2018	Potential Saving FTE	Potential %	Feasibility	Description
5	Claims	Non-Life	Account Claims and rejects (fiches fiscales, IMA, Carglass, Recovery)	1.7	0.8	50%	Medium	Manual processing of the "Account Compta" Processes for the partners (Fiches Fiscales 281.00), and corrections of the accounts (accounts number 492020, 492031 and 492040)
6	Non-life	Auto	Send a rejection letter for the Bureau de Tarification	2.5	1.0	40%	High	Send a rejection letter to a driver - after receiving 3 rejections the driver can present it to the bureau de tarification
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TOTAL				34.4	19.8	57%		