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Extending Automation in Insurance Operations Beyond RPA

Enhance Work and Task Automation with Workforce Automation

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Enhance Work and Task Automation with Workforce Automation

Digital transformation in the insurance industry has primarily focused on the customer-facing departments of the organization. However, customer support functions such as Underwriting, Claims, and Policy Management have been quietly and incrementally automating workflows and digitizing processes for decades.

In many cases, they have been able to achieve straight-through processing for simple, rules-based processes with automated business process management (BPM) solutions. More recently, insurers have been adopting robotic process automation (RPA) to automate rules-based tasks within more complex processes, but the experts agree the incremental benefits from RPA and BPM are starting to plateau. Employees are now left with the more complex, variable work that requires critical thinking and human judgment.

According to Forrester Research, 60 percent of insurance jobs are considered highly skilled—up from 42% in 2012. This is due largely to automation of lower skilled tasks.[1]

To continue to improve efficiencies as well as customer and employee experience, leading insurers are starting to invest in human-centric automation to help improve employee productivity, effectiveness, speed, and accuracy.

1 - A Top 2022 Insurance Industry Trend: Employee Effectiveness, On-Demand Webinar, Ellen Carney, Forrester Research, TechTalk presentation, January 25, 2022
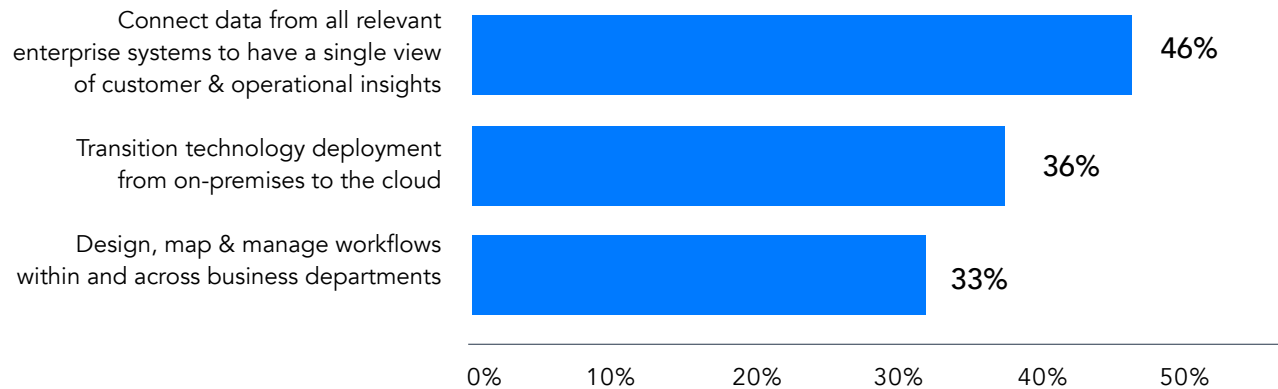
One approach is to extend the workforce engagement solutions they use to improve contact center agent performance into their back-office support functions. Best-in-class organizations realize the importance of integrating front and back-office service groups to drive efficiencies and customer engagement.

According to a 2021 Aberdeen Research survey, the top digital transformation priority of respondents was to: "connect data from all relevant enterprise systems to have a single view of customer and operational insights (46 percent)," **across front and back office.** And this need to connect data, work, and systems across teams and departments was echoed in the third top priority: "design, map, and manage workflows within **AND ACROSS** business departments (33 percent)."[3]

Let's explore how organizations can integrate data, systems, and processes across front and back office to improve performance of the highly skilled workforce.

Top 3 Enablers Driving Benefits from Back-Office Digital Transformation Activities

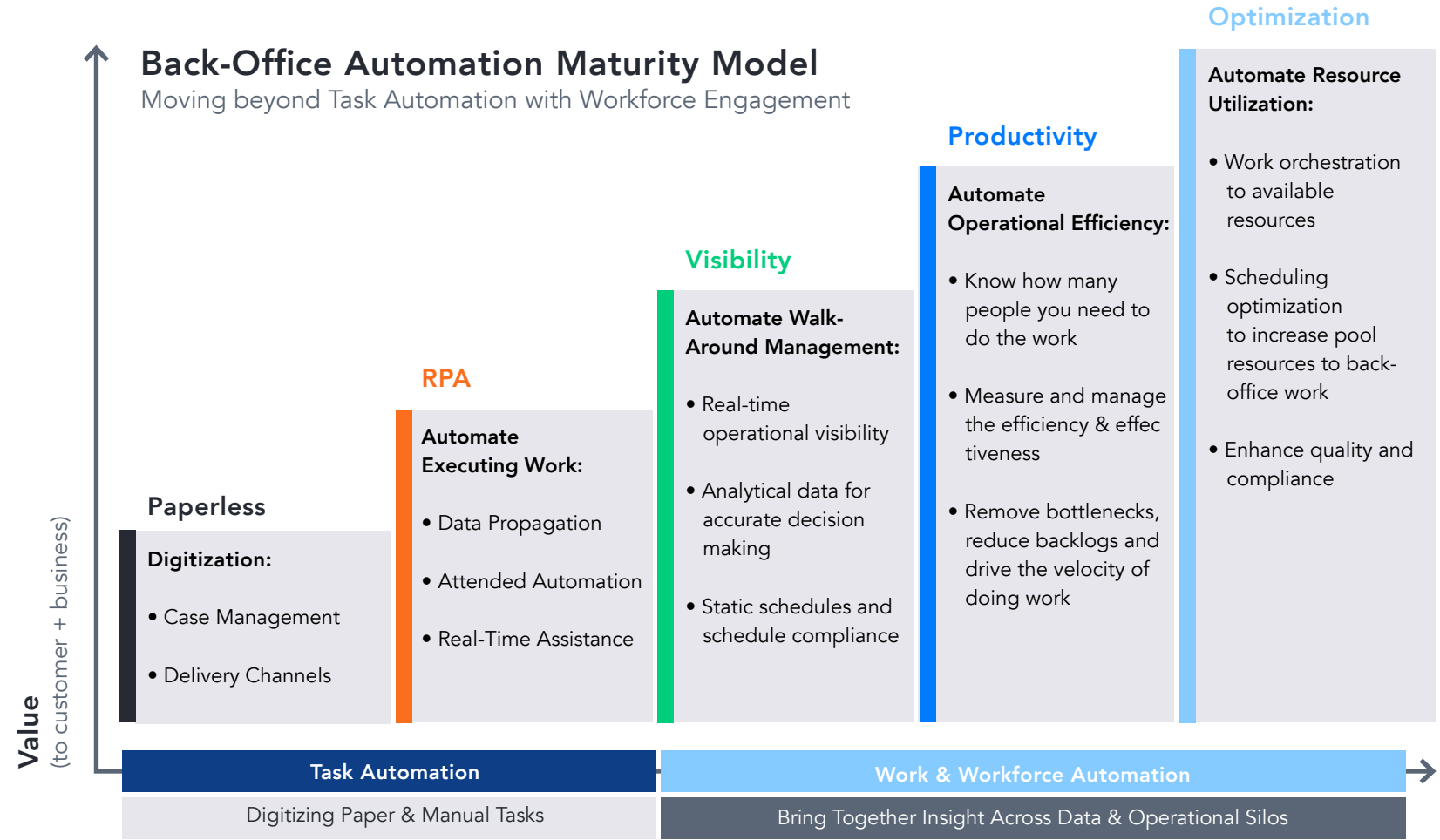| Enabler	Percent
Connect data from all relevant enterprise systems to have a single view of customer & operational insights	46%
Transition technology deployment from on-premises to the cloud	36%
Design, map & manage workflows within and across business departments	33%

Workforce Engagement Automation

Workforce engagement (WFE) solutions focus on helping employees and managers do their jobs more effectively and consistently. WFE solutions work in tandem with BPM solutions such as Guidewire, ServiceNow, Fineos, Pega, Appian, and RPA to improve operational efficiencies and processing speed.

We recommend a three-phased approach:
• Visibility
• Productivity
• Optimization

This approach creates value at every step in the journey and builds capabilities in a way that's easier to manage.

Back-Office Automation Maturity Model
Moving beyond Task Automation with Workforce Engagement

Value (to customer + business)

Paperless

Digitization:
• Case Management
• Delivery Channels

RPA

Automate Executing Work:
• Data Propagation
• Attended Automation
• Real-Time Assistance

Visibility

Automate Walk-Around Management:
• Real-time operational visibility
• Analytical data for accurate decision making
• Static schedules and schedule compliance

Productivity

Automate Operational Efficiency:
• Know how many people you need to do the work
• Measure and manage the efficiency & effectiveness
• Remove bottlenecks, reduce backlogs and drive the velocity of doing work

Optimization

Automate Resource Utilization:
• Work orchestration to available resources
• Scheduling optimization to increase pool resources to back-office work
• Enhance quality and compliance

Task Automation	Work & Workforce Automation
Digitizing Paper & Manual Tasks	Bring Together Insight Across Data & Operational Silos

Consider this example: Joe is a business process and RPA expert at an insurance company. He designs the optimal claims process for items stolen from cars, automating as many steps as possible. The new process has three touchpoints that need a human touch or judgment call. The company trains its employees on the new process and system, launches an RPA bot to execute the simple, rules-based tasks, and the process goes live. By Joe's calculations, the process should now take 35 minutes, and the organization should be able to process 11 claims per day.

How does the company do against its target of 11 per day? Not as well as Joe had hoped. When he digs deeper to learn the cause, he discovers:

- An employee training session was scheduled for two hours, reducing their time in production.
- Two employees were on vacation, and one called in sick, so the work sat in their queues.
- Because process steps weren't performed by the missing employees, the robot had unused capacity.
- There was a spike in applications, and there weren't enough employees to handle the volume.

What do all these variables have in common? The employee.

Visibility

To start your workforce automation journey, you need to understand all the activities your back-office customer support staff perform. But Underwriting, Claims, and Policy Management departments are often complex, made up of different teams and functions, spread across many sites. This makes it extremely challenging to create a complete picture of all the work being performed. And it is nearly impossible to understand how employees are spending their time in these different groups, not to mention the growing number of remote employees.

According to Gartner, by 2022, 25 percent of the global knowledge workforce will choose to work from home as their primary workplace, and 45 percent of the workforce will be working from home two to three days per week.[3]

Insurers need a digital means of understanding how employees are spending their time. Employee productivity tools such as Verint® Operations Visualizer™ can capture real-time data on application usage directly from the employee desktop. Managers now have objective data on time spent on production-related work, non-production activities, idle, and inactive time.

Breakdown of Employee Time
Illustrative
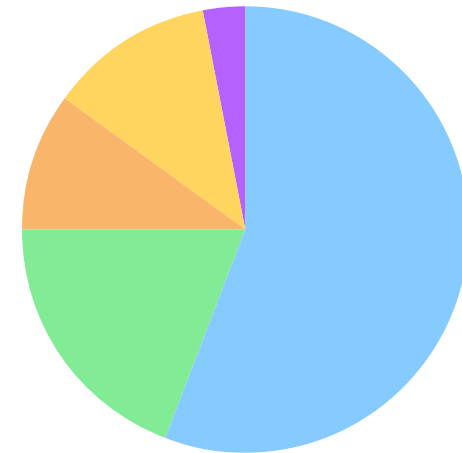
- Production-Related Activies
- Admin/Role-Specific
- Breaks, Absences
- Special Projects
- Off-System Time

VERINT. The Customer Engagement Company™ \

Real-Time Employee Activity Data

Armed with this data, managers can compare application usage against scheduled or actual productive work time to identify:

- Whether too much time is being spent on non-production-related activities (such as meetings or project work)
- Opportunities to increase productivity and capacity, reducing costs and the need for overtime
- Employees who are struggling and need coaching to improve performance
- Best practices of top performers to share with others

Highly skilled knowledge workers such as claims processors and underwriters might balk at having their time analyzed. But what we've seen time and again is that while they perceive themselves to be highly productive, when you compare their assessment of how they spent time against the actual system data, the data tells a different story.

For example, one mutual insurer was experiencing significant service delays in their Life Service and Operations group. What they found was that employees were spending almost 40 percent of their time on special projects instead of direct customer support activities. They were doing what was being asked of them, but the group had lost sight of the priority—the customer. By readjusting expectations and employee focus, they were able to decrease service delivery time by 60 percent, from eight days to less than five.

Another insurer was able to reduce claim processing time from receipt to payment from 16 days to three days by analyzing how claims processors were spending their time and using that insight to change behaviors.

Productivity

Once you have visibility into employee activity, you can compare employee activity against their actual schedule. If an employee shows little time spent in production-related activities, it might indicate a "will issue." If an employee shows ample time in production, but is not producing the desired results, it likely indicates a skill issue. Being able to see these discrepancies gives managers a starting point for discussions with employees on how to improve their productivity.

The next step in improving employee productivity is to factor in the volume of work, by work type, and the handle times for each of the work types processed. Verint Operations Productivity™ provides operational dashboards or a "mission control" that brings together all these disparate data points into a single source of operational truth. This mission control:

- Integrates with or accepts data feeds from your processing systems, so you have one source for all work volumes.
- Captures handle times for each work type or process, so with work volumes, you can calculate the number of hours needed to execute the work.
- Factors in employee availability and skills, so you know how many hours are available for processing the work items.

Once you have all work volumes, time to complete, and employee availability (and skills), you can calculate "earned hours" and employee effectiveness.

What do we mean by earned hours? Let's take a closer look.

Calculate Employee Effectiveness

Earned hours are the number of hours of production work an employee "earns" based on the number of items processed and the time standard for those work types.

Here's an example: Jane is an account services specialist at a property and casualty insurer. She works a 9 to 5 shift. After paid breaks and unpaid lunch time, Jane is expected to spend 6.5 hours on customer service-related activities.

Jane is one of the team's top performers. She is always busy and always hits her production goals. However, the company has been overestimating how long it took to process work items. Because she was using multiple systems, her boss is unable to create an accurate picture of her availability and processing capacity.
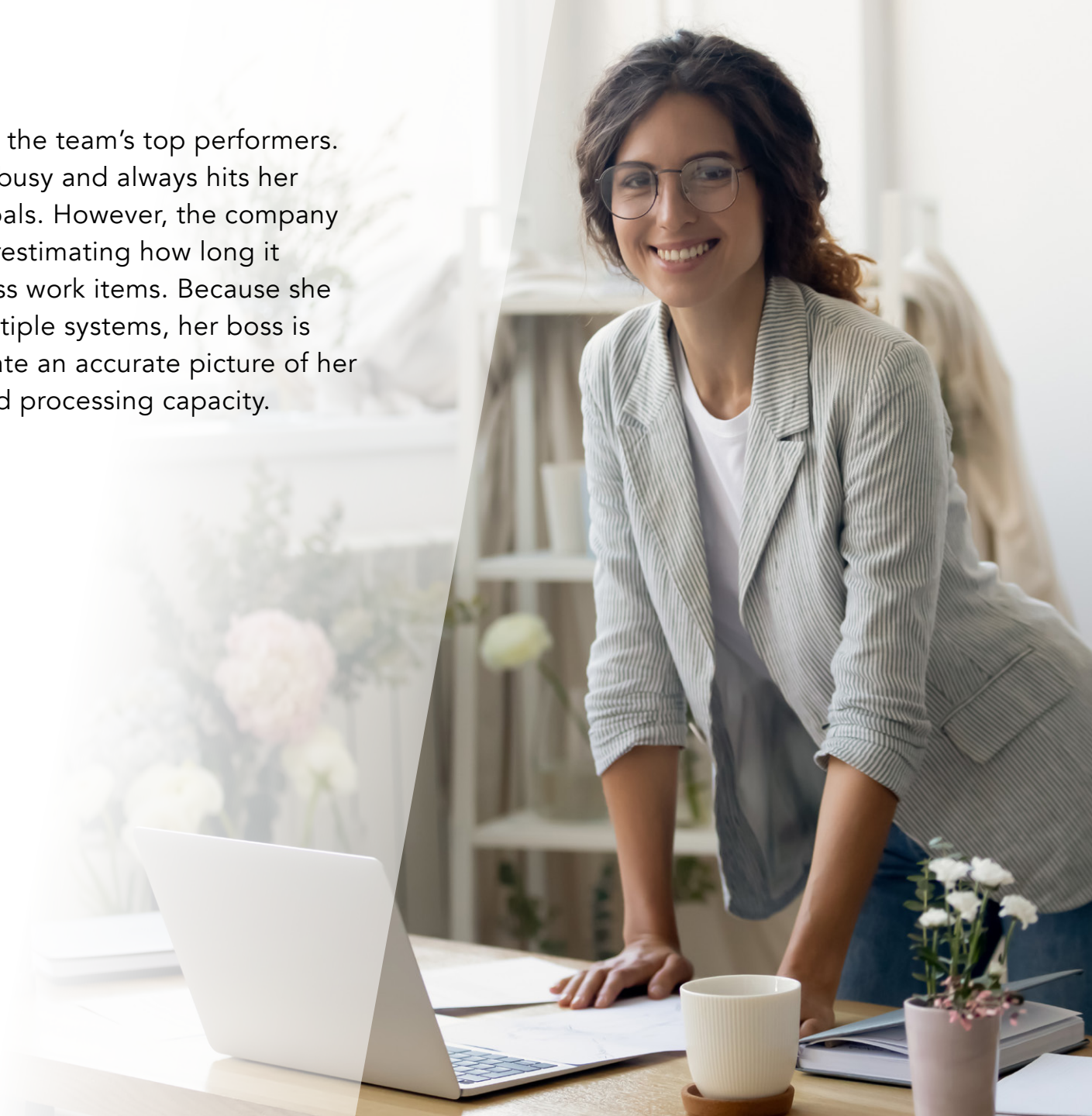
On a typical day, Jane processes the following:

Activity	System	Completed Volume	Average Handle Time (standard)	Earned Minutes	Earned Hours	Worked Hours	Effectiveness Score	Paid Hours	Utilization
Review and triage claims expectations	BPM 1	3	20 minutes	60	1.0				
Review policy to validate correct coverage	BPM 2	26	7 minutes	182	3.0				
Update existing policies with changes in amount of coverage, beneficiary, or type of insurance	CRM	10	4.5 minutes	45	0.8				
Jane's Typical Day Totals:				294	4.8	6.5	74%	7.0	64%

We can see above that Jane has at least 45 minutes more additional capacity to meet an 85 percent productivity goal for a back-office position. This will also increase her utilization (Earned Hours / Paid Hours) from 64 to 74 percent.

|					
Volume Completed	**X**	**Time Standard**	**=**	**Earned Hours**
Earned Hours	**÷**	**Worked Hours**	**=**	**Effectiveness Rating**
Earned Hours	**÷**	**Paid Hours**	**=**	**Utilization**

After implementing Verint Operations Productivity™, the insurer was able to consolidate work from multiple systems and teams. They could also understand the true handle times for each work type and the amount of work processed by team members.

When they adjusted the handle times, they also adjusted team member production goals. So, in addition to a quota or production goal for the day, Jane also now has an effectiveness rating. Jane is scheduled for 6.5 hours of production time.

She "earned" only four hours and forty-eight minutes of production-related activity, so her effectiveness rating is 74 percent.

Jane is still a top performer, but she has adjusted her work habits to execute more work during the day to meet her new goals.
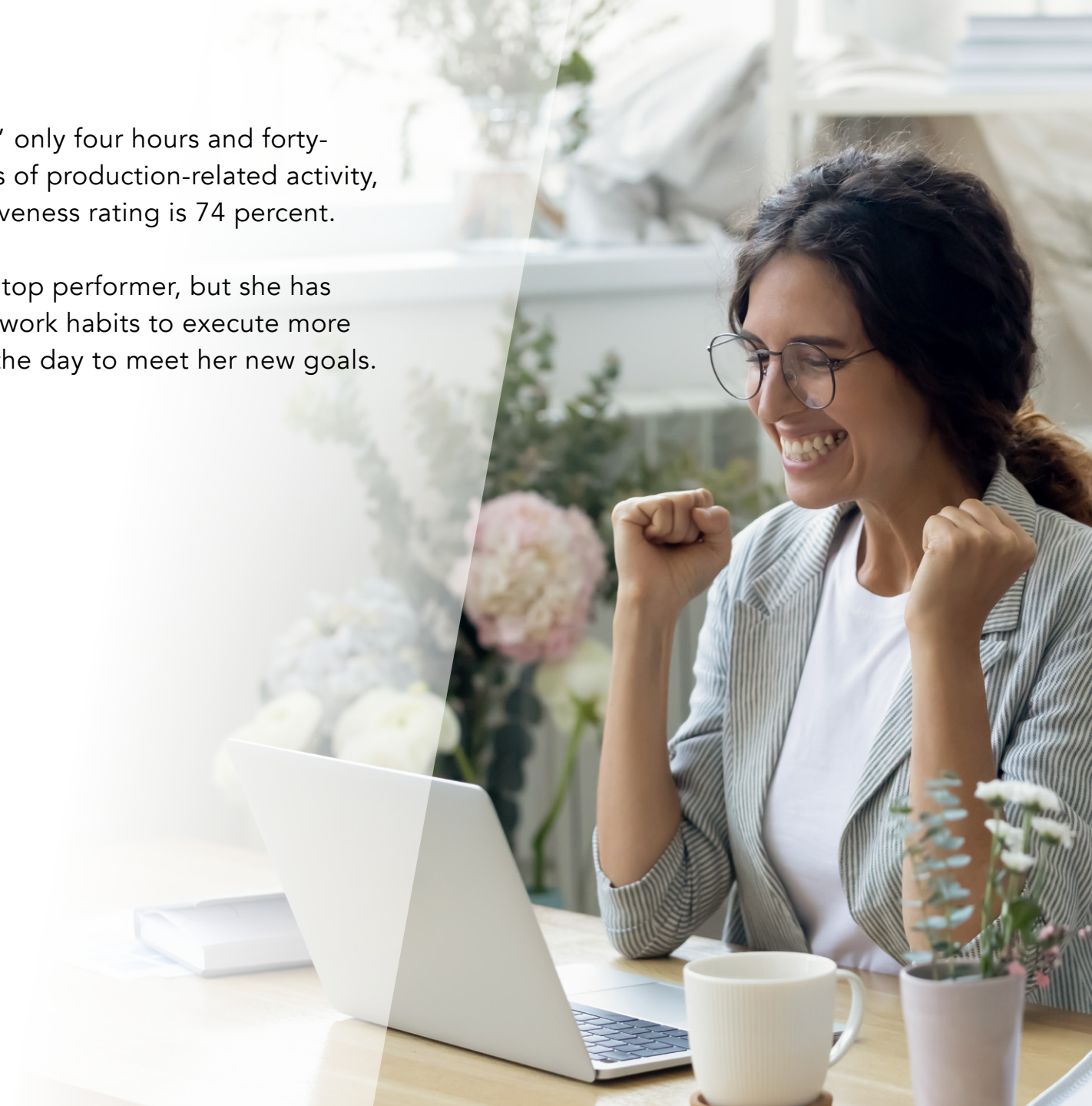
Build Comprehensive Resource Capacity Plans

Let's recap. With automated workforce engagement, you've created operational visibility. With real-time insight into how employees are spending their time, you can focus and increase time in production. By calculating earned hours, you are also able to improve the effectiveness of your employees while they are executing the work.

Now, your employees are focused and processing work effectively. But do you have enough skilled resources to do the work? To answer this question, you need an accurate capacity plan, but creating one in complex insurance operations isn't that easy. Challenges include:

- Capturing work volumes and types from multiple source systems.
- Understanding actual handle times and employee proficiencies at each task/process type.
- Factoring in varied service goals or turnaround times by work types.

A new study by Aberdeen Research found that best-in-class back-office operations are able to "connect data across relevant systems in the back-office and service departments into a single source of truth to have a complete picture of customer and operational activities." These firms are 25 percent more likely to forecast future workload and resource needs than peers.[4]

Read the Aberdeen report: Back-Office Agility is Pivotal for Differentiated Customer Experiences.

BACK-OFFICE AGILITY IS PIVOTAL FOR DIFFERENTIATED CUSTOMER EXPERIENCES
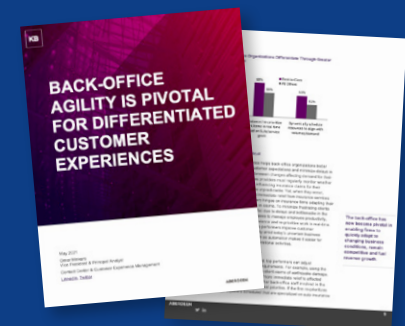
Read the Report

4 - Back-Office Agility is Pivotal for Differentiated Customer Experiences, Aberdeen Strategy & Research, 2021

Verint Operations Productivity can provide a holistic, accurate capacity plan for your operations. The solution captures data feeds from your existing BPM systems, the desktop, and even manual activities. It also factors in employee skill profiles and task proficiency, as these can impact processing times. Insurers also experience peak seasons, such as open enrollment periods and weather cycles (for example, hurricane season in the south/southeast US). The capacity plans and resource needs must factor in seasonality. In addition, most claims take days, if not weeks or months to process. The capacity plans must account for end-to-end process SLAs as well as individual steps. With all this data, the solution can accurately forecast how many people you will need, when, and with what skills, to execute the work to meet your SLAs and customer expectations.

With a robust, accurate capacity plan, you are better able to:
• Proactively minimize over- and understaffing scenarios.
• Quickly visualize the impact of changes on staffing requirements prior to making any decisions.
• Build the business case to justify new resources to support work volumes, speed the process of resource allocation, and reduce the risk of missed SLAs.

Learn how Wesleyan, a specialist provider of personal and commercial insurance, was able to reduce underwriting costs by 20 percent while increasing team satisfaction scores by 20 percent.

"Verint helps our team managers to optimize the use of their resources to achieve excellent customer outcomes. They have their eye not only on the day-to-day operation but are forward looking to ensure any concerns on the horizon are identified and appropriate strategies are implemented quickly."

Keith Harris
Planning and Reporting Manager, Wesleyan

Optimization

We've all heard the phrase, "the best laid plans…" Even with a robust, accurate capacity plan, things happen. A power outage or storm in one geography might mean work needs to be shifted to another site. Or if a system upgrade takes longer than expected, you might face a backlog of work.

In these cases, you need to be able to reprioritize and shift the work to available resources in real time.

Work Prioritization and Allocation

Modern BPM, claims processing, and workflow solutions can prioritize work items based on their end service goal. Yet, there are many other factors that can impact the prioritization of a work item. These include the work type, the customer it's being done for, the overall value of the item, and other custom parameters based on your organization or industry.

Verint Operations Manager™ acts as a real-time mission control. You can automatically or manually reprioritize work items across your systems, teams, and locations, based on multiple work item characteristics. It assigns work to employees with the availability and skills to execute the task. Aberdeen found that best-in-class back offices are 13 percent more likely to rebalance and reprioritize work items in real time.[5]

5 - Back-Office Agility is Pivotal for Differentiated Customer Experiences, Aberdeen Strategy & Research, 2021

Real-Time Management of Work Items

When the unexpected happens—a hurricane, a wildfire, a pandemic—you need accurate data to make informed decisions. Predictive data enables you to proactively take action to lessen the impact of unplanned events. Unfortunately, underwriting, claims, and other back-office customer support functions rarely have comprehensive, real-time activity data. In fact, in a 2019 Aberdeen Research survey of contact center and back-office leaders, only the top 20 percent of organizations had real-time, back-office activity data.[6]

Real-time activity data enables flexible load balancing of work across teams based on resource availability. Even with accurate forecasts, there are peaks and valleys during the day. Real-time data, in a comprehensive operational dashboard, lets you see where inventory may be building or sinking in work queues compared to your forecast. Verint Operations Manager gives you this dashboard and enables you to drill down to granular detail to understand the cause and take corrective actions intraday.

Flexible Scheduling to Align Work with Employee Schedules

As we mentioned in the previous example, understanding your work arrival patterns and adapting schedules around those can help improve efficiency and employee utilization. Prior to the pandemic, many insurance company employees worked in the office with standard 8 a.m. to 4 p.m. or 9 a.m. to 5 p.m. schedules. Employees now are demanding more flexibility in their schedules, which gives back-office leaders the opportunity to optimize schedules to better align with work volumes and arrival patterns.
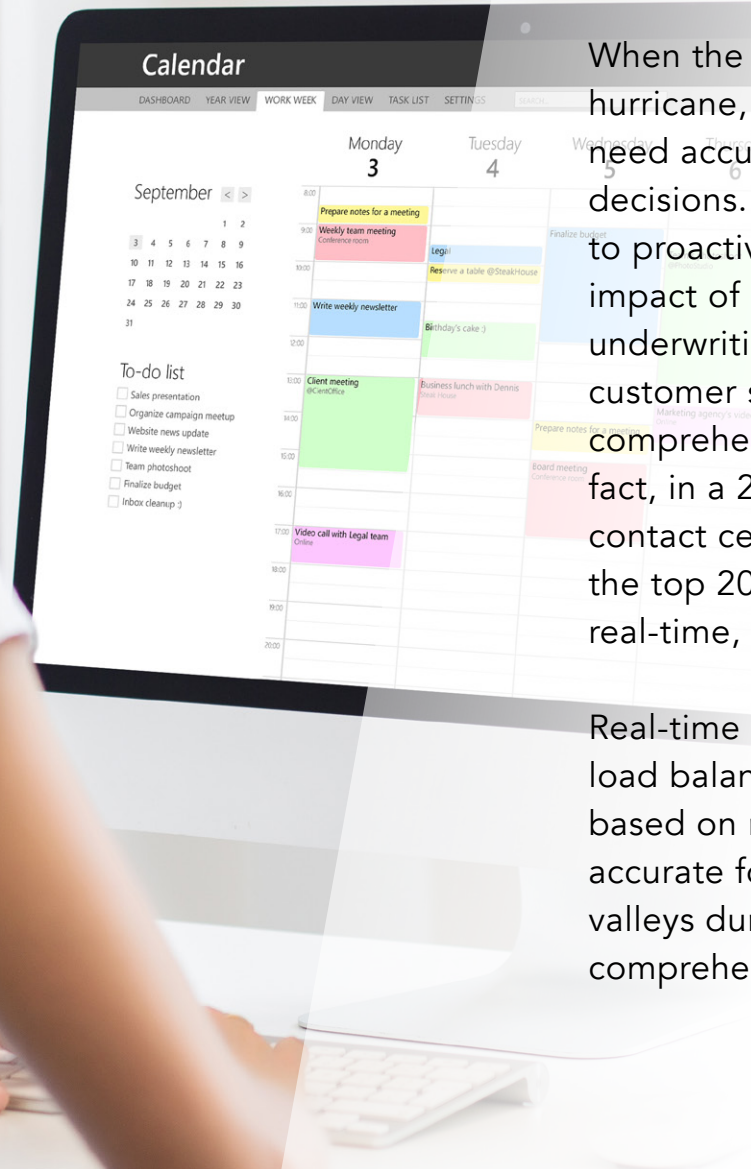
Verint Workforce Management™ can generate optimized schedules based on workload, employee skills, availability, and schedule preferences. This is different from work allocation, because the solution looks at the history of when work arrives during the day and by day of week. It then provides the best schedule for meeting service goals. Now, employees can be more productive because their schedules align with work arrivals. Work can be allocated in near-real time because employees are ready to do the work at the right time of day.

The solution also provides a mobile app that helps employees self-manage their time. It gives the flexibility today's employees expect. Staff can submit time-off requests, request shift changes or swaps, or even volunteer for overtime, all through the app.

"The Verint solution allows us to maximize the efficiency and effectiveness of our employees and their time, so we can run our organization as effective and lean as possible while supporting the customer's expectations."

Director of Workforce Planning, Guardian Life

Watch this video for a great customer success story: Guardian Life Dramatically Improves Capacity and Reduces Overtime in the Back-Office with Verint.

Watch Now

Opportunities to Transform Your Back-Office Operations

We've established that for true transformation in your back-office operations, you need to optimize the work and your processes, and add solutions to help improve the efficiency and effectiveness of their people.

What would it look like if you could capture 15 percent more capacity in your existing operations? Here's an example:

500 back-office FTE*	@	**15%** Increase in Capacity	=	**156,000** hours of capacity	=	**312,000** more items processed
						or
						$4.12 million in cost savings

* $26.44 fully loaded hourly rate of $55,000 annualized salary. 30 managers and supervisors at ~$36.06 fully loaded hourly rate or $75,000 annualized salary.

Does this sound fanciful—unattainable? It shouldn't. Time and again, we have helped customers capture 10, 20, and upwards of 40 percent capacity with Verint Workforce Management for Back-Office Operations.

Listen to UK insurer RSA describe how they achieved a 20 percent lift in capacity with Verint Operations Manager.

Listen Now

"We gained complete insight into process inefficiencies, true volumes, skills, capacity, and demand by the second. We use this unrivalled insight to improve performance and more effectively plan and balance workloads. For the first time, the leadership team felt empowered."
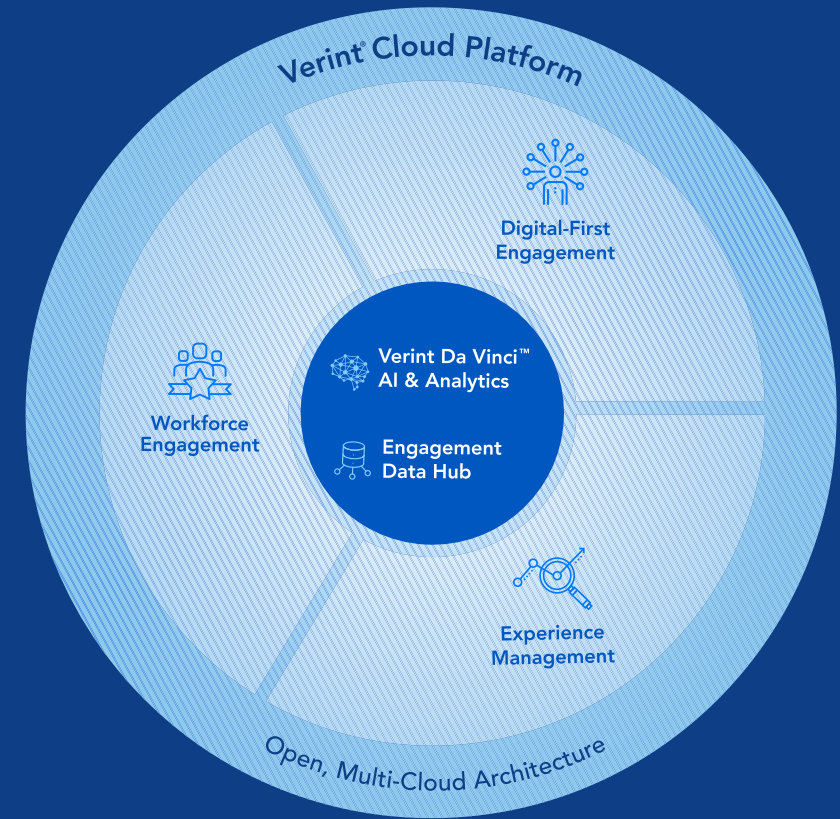
Rebecca Henry
Operations Director, RSA

Verint Cloud Platform for Back-Office Operations

Verint Cloud Platform includes workforce management and other solutions that can enable you to move along the back-office automation maturity path. These solutions work right alongside your existing BPM, CRM, ERP, RPA, Guidewire, ServiceNow, Fineos, Pega, Appian, and legacy systems to connect your work, processes, systems, and people. Together, they create a single source of truth for your operational data. This mission control can help you launch the next phase of your back-office transformation.

When you are ready to expand your back-office workforce automation beyond WFM, Verint Cloud Platform enables easy adoption of other workforce engagement capabilities, including:

- **Desktop and Process Analytics:** Automate the mapping of processes using actual process steps taken by employees; analyze for handle times and opportunities to streamline and automate processes.

- **Performance Management:** Consolidate data from disparate systems into actionable KPIs that enable managers to track and deliver performance-based coaching and eLearning.

- **Quality Management:** Evaluate all attributes of a transaction across business systems on a single screen against metrics and processes to help employees develop and extend their skills.

- **Knowledge Management:** Display just-in-time, contextual knowledge resources to help improve quality and efficiency of each transaction.

Verint® Cloud Platform

Digital-First Engagement

Workforce Engagement

Verint Da Vinci™ AI & Analytics

Engagement Data Hub

Experience Management

Open, Multi-Cloud Architecture

To learn more about Verint Operations Manager and our other back-office operations solutions, contact us at info@verint.com or visit www.verint.com/backoffice.

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