Zurich Life Assurance, Ireland: Self-Management At Scale

Who They Are

Zurich Life Assurance is one of Ireland's biggest and most successful life insurance companies, offering a full range of Pension, Investment and Protection products. They operate out of offices at Blackrock near Dublin, where their investment team is responsible for funds under management of €21.9 billion.

What We Helped Them Achieve

- *Developed self-managing multidisciplinary teams at scale, providing a one stop service to customers and brokers.*

- *Established peer review and coaching systems to support effective self-management.*

- *Improved business resilience through systematic cross-skilling within teams.*

- *Developed each team as a lab environment, transferring QI skills to team members and supporting them to establish the roles, responsibilities and routines that would sustain continuous improvement.*

- *Established new customer focused measures and governance.*

- *Supported the development of an integrated business strategy, putting focus on creating frictionless service to customers and brokers while utilising the new lab environments to conduct cycles of A/B testing.*

- *Developed the organisation's Programme Management Office (PMO) and project delivery methodologies to complement this and to support the organisation's digital programme.*

- *Leading to Zurich Life Assurance, Ireland winning "Overall Financial Broker Excellence Award 2017".*

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How We Helped Them Do It

This programme of work was delivered over 4 phases (Discovery, Informed Choice, Prototyping and Hardwiring). We operated in close partnership with the executive team throughout while coaching and mentoring staff and leaders at all levels of the organisation.

PHASE 1: DISCOVERY

Frontline and back office staff, managers and senior executives from across the business were supported to study their organisation as a system, from their customer and broker partners' perspectives.

Over a 4 week period, this process created greater understanding of the size of the opportunity to improve and an appetite to explore how achieving this may require people to think and behave differently.

OUTPUTS

Based on the group's learning, the leadership team developed a set of principles intended to govern future action. These were:

1. Focus on the end-to-end; not your own patch.
2. Act positively by applying 'I intend to' and 'how might we'.
3. Do the right thing; don't just avoid the wrong.
4. Predict > Test > Learn.

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PHASE 2: INFORMED CHOICE

Small scale service experiments were set up across the business and ran for 4 weeks. Their purpose was to discover how putting the new principles into practice might challenge the fundamentals of the organisation. This would equip senior leaders to make an informed decision about whether and how to continue.

OUTPUTS

Each experiment surfaced underlying causes of friction that made working to the new principles harder than it could be and that would be likely to inhibit their adoption at scale unless acted upon.

For example:

1. Customer and broker facing teams were organised by specialism and this inclined people to focus on negotiating compromises between departments rather than pursuing optimisation across them. *(See: principle 1).*

2. Silo management responsibilities were reinforcing this by creating accountability for the efficiency of each department and not their end-to-end effectiveness. *(See: principles 1 and 3).*

3. Objective setting, appraisal and performance related pay were also reinforcing this narrow improvement focus, through measures that tracked individual and departmental performance. *(See: principle 1).*

4. These mechanism were inclining a limiting perspective on the role of measures, leaving people preoccupied with what the numbers were, not what the numbers were helping them to understand. *(See: principle 4).*

5. Responsibility for the efficacy of management controls remained with support functions not frontline teams, leading to compliant but unsafe practice and a 'computer says no' attitude to legitimate customer and broker requests. *(See: principles 1-4).*

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Faced with these concrete examples of how committed staff had struggled to bring the new principles to life, the senior leadership team were supported to reflect with those that had led experimentation.

They recognised that each team was enthusiastic about tackling the issues that they had surfaced and so invited them to work together on a proposal for how their learning could be converted into practical next actions.

PHASE 3: PROTOTYPING

The teams determined to enter a prototyping phase, creating 2 new multi-disciplinary service teams, pulled from across specialisms and providing a one-stop service for customer and broker requests. Each team would be self-managing, wholly responsible for their own performance and free to make changes within the constraints provided by the four principles.

The teams would be supported by a small pool of staff who had skills from support areas like finance, service planning, risk and compliance, IT and so on. These people would be available on a "pull when required" basis using *the advice process*[1].

Each team would also have a coach; someone responsible for helping them to hold each other to account for working to the new principles and using the advice process.

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[1] *A process which places responsibility on individuals and self managing teams to seek advice from others - especially those who may have greater knowledge or a differing perspective - before executing a decision. The decision remains with the original individual or team but is informed by the advice process.*

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OUTPUTS

Over a 6 week period the new prototype service teams:

- Reduced an inherited backlog of work from over 600 in-process requests to less than 50.

- Handled all new requests submitted by the bank of brokers and customers that had been assigned to them.

- Increased throughput (volume of requests completed per day) by over a third.

- Increased capability to deal with requests at the first point of contact from less than 10% to just over 30%.

- Reduced cycle times for requests that could not be completed one stop from a 14 day average (40 day upper control limit) to a 3 day average (10 day upper control limit).

- Substantially eliminated progress chasing and other forms of surplus demand.

Connecting to and supporting what was being learned throughout the process, the senior leadership team noted that these uplifts in service and efficiency were bringing associated benefits to staff morale.

In addition, a number of previously unnoticed individuals had started showing significant leadership potential, being willing to take responsibility for initiating action and improvement and being proactive in helping others to do the same.

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PHASE 4: HARDWIRING

The leadership team now had sufficient confidence to change the fundamentals of their organisation. To do this, specific areas for focus were identified and lead responsibilities were allocated. Each lead was supported through hand-in-glove coaching and mentoring support.

OUTPUTS

- An integrated business strategy, putting focus on creating frictionless service to customers and brokers through cycles of A/B testing in multidisciplinary teams.

- Customer focused measures and governance, linking strategy and day-to-day delivery.

- Self-managing multidisciplinary teams at scale, providing a one stop service to customers and brokers and providing a lab environment for A/B testing and continuous improvement.

- Transfer of QI skills to teams and coaches to support this.

- Development of new roles, responsibilities and routines within each team to support continuous improvement and effective self-management.

- New peer review and coaching systems to sustain this.

- A new Service Quality team, located in Operations and supporting systematic cross-skilling within teams. This team also reconfigured the approach to risk and compliance, bringing it into Operations and amplifying front-line responsibility for effective - not just compliant - risk management.

- Development of a Programme Management Office (PMO) and project delivery methodologies to complement the new ways of working and to support the organisation's digital programme.

Since We Left Them

The new levels of performance seen in the early prototype service teams have been mirrored and sustained at scale. Work in progress (WIP) volumes, which had been running at around 10,000 items at the start of the change have reduced to less than 2000 items - a position that has been sustained since August 2016 despite doubling business volumes; also a position that is less than half the previous lowest WIP ever achieved by the organisation.

Cycle times across the organisation have reduced in line with the benefits achieved during Prototyping and, in the first year following full implementation of the new service teams, Zurich Assurance Ireland took the Overall Financial Broker Excellence Award 2017 for the first time.

The benefits of the new model were also celebrated during the 2017 "pension season" - a period at the end of September when there is a flood of customer requests to make lump sum investments before the tax year ends. In previous years the demand during this period had outstripped Zurich's capacity to handle it, leading to significant delays that typically lasted into January of the following year. In 2017, through improved cross-skilling and forward planning, pension season was concluded within the same working week as it started and without impacting the organisation's WIP or cycle time data.

In Their Own Words...

"They brought exceptionally clear thinking and an ability to translate insights into practical solutions. We are much better off as a result."

Peter Gough, Chief Operations and Technology Officer
Zurich Ireland

"They got us focused, helped us to improve and then equipped us to make the benefits last; all while making work a better place to be."

Niamh Bernard, Operations Director
Zurich Life Assurance Ireland

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