

Business Process Management at CosmosDirekt

# Maintaining a Leading Position with Process Management

CosmosDirekt has been Germany's biggest direct insurer since 2003. Protecting and extending this leading position requires not only successful customer relationship management and smart pricing strategies, but also continuous monitoring of organizational structures and costs. Professional Business Process Management (BPM) is a key tool in this endeavor.

*Jörg Junges, head of business development at CosmosDirekt: „BPM has been enormously successful for us, generating overall resource savings of around 20 percent.“*



Source: CosmosDirekt

At the IDS Scheer ProcessWorld 2008 conference in Berlin, Jörg Junges, head of business development at CosmosDirekt, presented the BPM benefits achieved by his company, which is part of the AMB Generali Group. These included reducing customer wait times while processing life insurance queries and applications. In addition, the number of policies issued without the need for clarification or additional information increased by 28 percent. Complaints were slashed by 60 percent.

But let's start at the beginning: Between 1999 and 2006, CosmosDirekt achieved huge customer and sales growth, which was mainly handled by implementing comprehensive IT systems. The company identified Business Process Management as the ideal tool with which to manage its ongoing growth and extend its market position. After all, an organization's business processes are like the body's nervous system: healthy processes are essential if an enterprise is to survi-

ve and thrive. These processes need to be efficiently and effectively designed if they are to have a positive impact on the company's bottom line. To ensure that the customer promise was embedded in the processes, CosmosDirekt decided to develop its existing Business Process Management capability.

Jörg Junges: „You need the commitment of senior management right from the start to jump-start this kind of project and create the necessary awareness among staff. Without it, it will be difficult to overcome resistance within the organization. You also need to bring about a

general consensus – everyone has to pull together and be on the same wavelength.“ Continuous measurement of processes is also an important aspect of successful BPM, with the results providing a reliable, shared basis for ongoing optimization.

This also calls for the right organizational conditions and a system solution capable of supporting the identified requirements. For CosmosDirekt, the obvious choice was IDS Scheer's BPM solutions and ARIS Process Performance Manager (ARIS PPM).

However, it isn't simply a matter of installing software. There is



*CosmosDirekt woos customers with this image of the Heller family. The company has been deploying Business Process Management for two years to boost and maintain customer satisfaction into the future.*

Source: CosmosDirekt

always plenty of work to do before launching a BPM project, such as clarifying the process rules for design, planning, execution, and monitoring, plus defining the project objectives. „One of the main problems at the start is conflicting goals“, says Junges. „You have to focus on the really important problems, such as the time it takes to process applications – measuring real-world processes is a great tool here. If something only happens five times a year, though, there's little sense in spending time on it. While the objectives shouldn't be formulated too generally, it's also important to look beyond departmental boundaries and take a holistic approach to the business process, i.e., from the customer back to the customer.“

When the objectives have finally been clearly defined, a key requirement for successful process optimization has been achieved. And it goes without saying that the goals must be measurable and the success factors quantifiable. Implementation of ARIS PPM started in September 2006 in the “term life insurance” division. First to be defined were the strategy and objectives:

- ▶ Increase customer satisfaction.
- ▶ Cut customer wait times.
- ▶ Take more direct decisions.
- ▶ Establish clear responsibilities for processes.
- ▶ Improve quality.
- ▶ Ensure tight control.

The next aim was to achieve a common understanding of the processes in order to identify action areas for organizational change.

The measured processes repres-

ented an ideal basis for creating this understanding and transparency. Using the measured results, objectives, and strategies, it was possible to define the areas where action was required.

Next, the process was designed, based on the actual processes and starting with the creation of an overview of the target processes in the relevant division. It was also necessary to identify the higher-level processes involved and define the sub-processes. Measuring points were then defined in the process model to measure the effectiveness of optimization activities and ensure that improvement would be sustained. In addition, a process-oriented organizational structure was developed and implemented to support the new target processes. Process management was also improved.

A key requirement when implementing the new process organization was to ensure optimal interaction between general process management, process owner, and process manager. A clear definition of responsibilities was also vital here.

The next step was to develop a dashboard, which involved equipping the „life application“ core process with traffic light functionality to monitor the success of the new processes and take corrective action in the event of deviations.

The success of the project can be seen in the results mentioned at the beginning, with total savings currently running at around 20 percent. But that's not the end of the project, as Junges points out: “Business process optimization doesn't stop when the project is over – it's a continuous improvement process

that needs to be constantly monitored and extended. For example, we are about to apply this methodology to other processes and link it with Six Sigma methods to further enhance our processes from both a customer and company perspective. Our ultimate aim is to deliver comprehensive monitoring of all core processes, combined with a cross-process customer view. We believe we're heading in the right direction, which is borne out by our nomination for the 2008 Business Process Excellence Award in the Process Intelligence & Performance Management category.” *Erwin Ströbele*