

Case Study:

Outsourcing: Getting the shape right

AEGON UK

KEY METRICS

- 2 Million customers
- 4,000 staff
- £506 Bn Life Insurance Gross Premium
- £66M New Life Sales

“The Altus Framework gave us a great head-start to scope and explore outsource options. The Altus consultants hit the ground running and added real value in a very short time.”

Mike Baker

Head of Customer Services

BACKGROUND

When Aegon made the decision to outsource the servicing of its protection business, it was faced with the complex challenge of shaping that outsourced service to be self-contained whilst still ensuring the smooth flow of processing with retained functions.

It was a challenge that required a complete and rigorous understanding of the whole operation but which could be presented simply enough to engage a broad range of potential suppliers quickly.

ALTUS ENGAGEMENT

Having previously invested in customised Altus models to provide a detailed view of the component parts of its UK business, it made good sense for Aegon to reuse these models to shape the protection outsource deal.

With a one-page summary picture built on comprehensive models of almost 2000 information flows, the Aegon Capability Model provided an ideal shortcut. Our job was to use this to define the scope of the outsourced service and to make sure nothing was forgotten in the move.

Find out more

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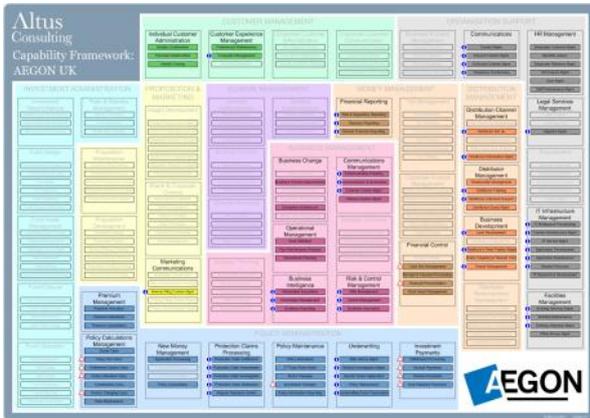
+44 (0)1225 438020

enquiries@altus.co.uk



GETTING THE SHAPE RIGHT

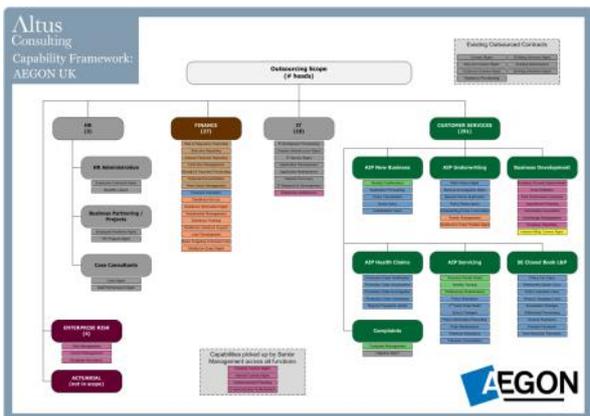
The first step was to identify, at a high level the components of the business which were potentially in scope. Altus models helped frame debate around areas such as proposition, marketing, pricing and distribution as well as the nitty-gritty of servicing.



This broad brush picture was then progressively refined through lower levels of the models with the impacted information flows double-checked at each layer to ensure no awkward gaps were left.

THE PEOPLE DIMENSION

Having established what services were required from the outsourcer, the next step was to identify where in the business those services were currently delivered. Using the detailed capability definitions, Altus was quickly able to identify which teams were responsible and mapped this visually to the organisation chart to highlight the impacted areas.



SHARED SERVICES

One of the complications that emerged from the shaping phase was that some services which were integral to the end-to-end Protection proposition were actually shared with other areas of Aegon UK; a result of good business design previously.

Whilst detailed solutions for these shared services would need to be ironed out with the selected partner, Altus did ensure that each one was highlighted and the nature of the overlap was spelled out for debate during evaluation of the responses.

PULLING IT ALL TOGETHER

The last step in the process was to pull all the various parts of the analysis together into one cohesive tender document.

Having helped shape much of the functional content, Altus played a key role in ensuring the end product was comprehensive enough to satisfy Aegon stakeholders whilst simple enough to encourage bidders to respond.

“Altus helped us produce an RFP which worked for a wide range of audiences and enabled us to select our outsource partner with confidence.”

David Beattie
Customer Services Director