



Case Study:

LV= General Insurance Foundations for growth

KEY METRICS (END 2015)

- 4.6 million policies
- £1.47 billion GWP
- 3700 employees
- 96.1% Combined Operating Ratio (COR)

“Altus’ engagement with our people was fantastic. It speeded up the process and resulted in quality output ”

Bill Miller, Planning and Change Director, LV= Insurance

BACKGROUND

With over four million customers and approximately four thousand staff, the General Insurance division at LV= is one of the UK’s leading insurance companies. With ambitious plans to be a top 5 insurer in their chosen markets, the business was preparing for the next stage of its already impressive growth story. This growth would be underpinned by a technology transformation programme delivering new policy, billing, pricing and MI platforms. It would be the largest transformation that the LV= Direct business had ever undertaken.

A key driver for the programme was to transform the business into a more flexible one in the face of future change. This meant them looking beyond just technology re-platforming, and reassessing their plans for the organisation as a whole - including processes, operations, capabilities, roles and responsibilities.

Altus were well positioned to help LV= thanks to their combination of deep domain knowledge in the General Insurance space and a rich in-house methodology for business architecture. Altus’ “picture-thinking” approach and powerful visualisations appealed to the exec team at LV=.

ALTUS ENGAGEMENT

Altus kicked off the engagement by working with the leadership team at LV= to agree the scope of the Target Operating Model (TOM). Having previously developed TOM for a range of firms across the financial services industry, the Altus team supported LV= by advising on the key elements to include in the TOM, and the best way of going about building one. With a programme of this size, the value in having a clearly articulated TOM up-front cannot be underestimated.

Find out more

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Altus initially ran workshops to capture the business layer from the perspective of the products, brands, markets and channels that were being targeted for the new platform. This content then informed the design of the operating layer – the people, processes, capabilities that needed to change and some key design decisions around technology and data.

Two key outputs in the TOM were the Altus Capability Framework and Process Framework - capturing ~950 capabilities and ~400 end-to-end process for the LV= Direct business. These assets provided the programme with the engineering and completeness needed to underpin the delivery workstreams and the wider business transformation exercise. The Capability Framework was used to assess requirements and programme benefits, and the Process Framework was used to drive out process design in the areas of major change.

As part of this engagement, LV= wanted to ensure there was a knowledge and skill transfer to their business architecture team. This team is a new function within LV= and they were keen to learn from the expertise Altus consultants brought to bear on the engagement. The methodologies and business architecture training that Altus have developed have been designed to persist in the business long after their consultants have left.



CHALLENGES

There were some key challenges on the programme around the complexity in the legacy book of business and also the move from an in-house development team to a number of external software suppliers. Altus were able to break down the complexity of these issues into simple, powerful visuals that allowed the leadership team to make decisions with confidence and speed.

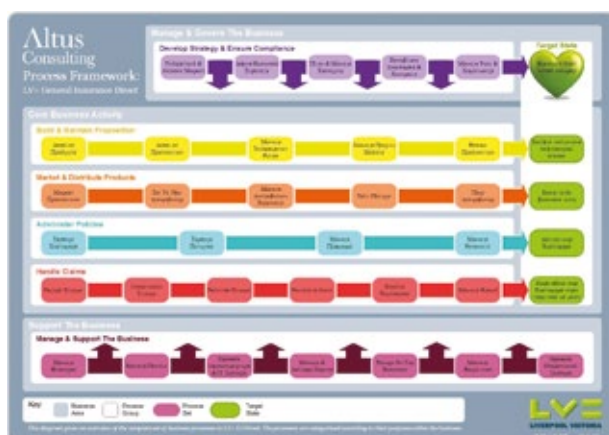
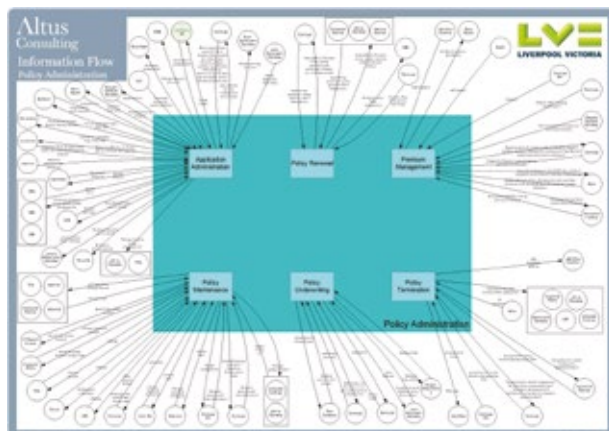
FOUNDATIONS FOR GROWTH

As a result of the engagement, LV= now have a thorough understanding of the people, processes and systems involved in running their core business lines and have a range of resources which articulate this.

The Target Operating Model was a key document in the sign-off for the programme by the LV= group board, informing them on how to take the transformation programme forward.

Thanks to the robustness of the detail contained within it, the Altus TOM provides clarity for the senior team and a roadmap of tangible deliverables and objectives for project teams.

In addition, the teams at LV= have an improved skill-set and a better understanding of industry standard methodology and Altus techniques which they can and do use within the business and change functions.



“Altus helped us to document our complex operating model in a very simple format which everyone can understand. A great job, thank you.”

Selwyn Fernandes, Managing Director, LV= Direct