

Norwich Union Life transforms its Business Change and IT organisation

Overview

■ Business challenge

To create a dynamic, flexible and professional Business Change and IT organisation, responsive to the needs of a fast-changing business.

■ Solution

An assisted transformation programme in which IBM Global Business Services consultants worked alongside NUL staff, transferring knowledge and skills, introducing best practice processes and methodologies and supporting key services.

■ Key benefits

- Creation of a dynamic, motivated, professional organisation providing quality service to 10,000 users
- A flexible resource model which can respond to the changing needs of the business
- Rapid application development and enhanced customer satisfaction – up 50% since the transformation programme.



Life assurance is a fast-moving, highly-competitive market driven by dynamic changes in customer needs and demands from industry regulators. It's a tough market, but Norwich Union Life (NUL) has grown rapidly through mergers and acquisitions to become a leading UK life and pensions business.

To sustain its leading position, NUL has ambitious growth plans. It needs to respond quickly to the market by being fleet-of-foot in developing new products, satisfying customers and adopting new channels to market.

Bringing together several businesses had produced a complex and expensive structure with multiple locations, disparate cultures and different ways of doing things. The NUL leadership recognised that the Business Change and IT organisation was key to progressing change throughout the business but, instead of leading the business forward, it was

starting to hold NUL back. Following a competitive tender, NUL chose IBM to collaborate in an Assisted Transformation Programme as one of few organisations with the depth of skills and breadth of experience it needed. NUL selected IBM as its partner because of its close cultural fit with the NUL community.

“We saw in IBM a partner which would work with NUL staff to share knowledge, source and develop skills, jointly transform processes and leave behind the capabilities, skills and resources to sustain the model and drive continuous improvement.”

– Carole Jones, HR Director at Norwich Union Life

Enhancing performance

Business benefits

- Creation of a dynamic, professional organisation providing quality service to 10,000 users
- A flexible resource model which can respond to the changing needs of the business
- Rapid application development and enhanced customer satisfaction – up 50% since the transformation programme
- Highly skilled workforce with professional, industry-recognised IT qualifications
- Enhanced opportunities for career and professional development.

“Prior to the transformation we undertook with IBM, we were finding that the ability of Business Change and IT to support the NUL business was limited. No matter how much money was thrown at the department, it had a finite capacity to deliver,” explained Ian Butterworth, Chief Information Officer, Norwich Union Life.

Transformation challenge

Business Change and IT is a big operation with over 1500 people including those in its third party offshore operations. As a result of mergers and acquisitions, the function operated in a siloed structure with little flexibility to re-align resources with the needs of the business and its growth objectives.

The offshoring of some application development and maintenance work to partners in India, had reduced the Business Change and IT headcount and sapped morale.

The challenge was to transform this large organisation into a dynamic, flexible function with the people, skills and processes to respond rapidly and effectively to the needs of the business.

A collaborative partnership

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The relationship between NUL and IBM was a collaborative one. The two organisations were ‘joined at the hip’ and shared commitment to a common vision.

It was important that the transformation programme was owned by NUL. Management was adamant that it did not want an external consultancy to come in, apply a change programme, and then leave NUL with an improved operation that was unsustainable.

The guidance, mentoring, training, skills and capabilities of IBM specialists were essential, but the transformation was a process that the two organisations went through together, not something applied to NUL by an external party.

Matrix management aligns resources with business need

IBM worked with NUL to replace the hierarchical structure with matrix management that was more adaptable and easier to flex with the changing needs of the business.

Business Change and IT people were put into a central resource pool where each became a member of one of seven cross-organisation professional practices. IBM specialists went into each practice to define roles, recruit for any skill gaps, assess

learning and development needs and define career structures. Staff were no longer restricted to local opportunities, but had a career path planned within their own discipline. For every 40 staff within a practice, there was a dedicated career manager mentoring and coaching.

The separation of task and career management was significant, since it enabled new People Development Managers to focus on career development and morale management, rather than the minutiae of everyday tasks.

Effective skills transfer and planning

IBM infused around 60 specialists into NUL's Business Change and IT function. Specialists sat alongside NUL staff, mentoring, training, transferring knowledge and encouraging buy-in. At the same time, they introduced proven, best-practice processes and methodologies, including a new structured demand management which enables analysis of skills required and the creation of an enterprise-wide resource plan.

As the IBM involvement drew to a close, consultants occupying key roles inside NUL identified, mentored and trained successors to sustain performance after the disengagement.

Maintaining morale through communications and networking

"It was important to keep management and staff motivated and engaged throughout the transformation process," said Carole Jones. "IBM was aware of that and the infused consultants supported us with innovative thinking and creative ways of securing staff buy-in."

Enthusiastic supporters of the transformation were identified within each practice and brought together for in-depth workshops before returning to their teams to promote the new culture from within.

Increasing staff satisfaction

Business Change and IT conducts regular staff surveys. These surveys have revealed a 50% increase in staff satisfaction since the transformation programme.

The infusion of IBM specialists required a high degree of trust between the two organisations. NUL values the Assisted Transformation process highly and is now adopting that approach in its finance function.

Measurable performance improvement

Accreditation is invaluable in meeting the demands of industry regulators. The Assisted Transformation Programme has given NUL a more highly capable and qualified team which, from no accreditation, has achieved CMMI Level 3 - demonstrating a consistent set of fit-for-purpose processes.

Key components

Services

- IBM Global Business Services
 - Strategy and Change
 - Human Capital Management
 - Application Management Services
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Norwich Union Life*

Transformation at a glance

IBM infused 60 specialists into NUL's Business Change and IT function to mentor, train and transfer knowledge to staff. A matrix management structure was deployed and internal capabilities elevated to sustain performance improvements after disengagement.

IBM continued to monitor activity in NUL after the main engagement and returned to validate that performance improvements had been sustained. They found internal business unit customers now trusted Business Change and IT to deliver, and were keen to work together to accelerate strategic developments.

“You have to work in partnership and agree how to go about a transformation,” Carole Jones concluded. “We did that with IBM and now have a Business Change and IT function that is much more efficient and effective, and with the confidence and ability to deliver significantly more in driving our whole business forward.”

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