

Norwich Union Life embraces culture of change with the help of IBM's Assisted Transformation Programme

Overview

■ **Business challenge**

To remain number one in UK life assurance despite increasing competition, a changing market, and rising industry regulation. Norwich Union Life seeks to deliver the broadest product portfolio and highest standards of customer service and needed to acquire the culture, processes and skills to manage change proactively now and into the future.

■ **Solution**

NUL contracted with IBM to deliver an Assisted Transformation Programme. IBM consultants developed and implemented sustainable business and IT change processes. Infusing IBM consultants into strategic positions instilled world-class operational practice into NUL and created a culture for progressive change.

■ **Key benefits**

- *Innovation and change projects aligned with business strategies*
- *NUL now self-sufficient in managing and delivering innovation and change*
- *Significant productivity improvements and cost savings in Business Change and IT.*



As the UK seeks to cope with an ageing population and fill a £30billion shortfall in long term savings and pensions provision, the UK life and pensions industry is experiencing an upsurge in business with exciting growth challenges.

As number one in the UK life and general insurance market, Norwich Union Life's strategy is to stay at the forefront of this growth industry despite the new challenges thrown up by the market.

The service convergence amongst bancassurance companies, and the expansion of global players in the UK have created new competitors intent on gaining market share. Customers are demanding more personalised

products, and expect to investigate and buy life assurance through a wider choice of sales channels. Overshadowing these market drivers is an increasing burden of regulation and legislation.

“IBM has helped us re-energise our Business Change and IT functions. The deployment of effective innovation and programme delivery is critical to our ability to drive forward competitive advantage.”

– Kevin Moss, NUL Director of Operations for Business Change and IT

Achieving value through business transformation

Business benefits

- Innovation and change projects aligned with business strategies
- NUL now self-sufficient in managing and delivering innovation and change
- Significant productivity improvements
- Projects and services delivered at considerably reduced cost
- Transformation achieved while sustaining ongoing change and IT delivery.

NUL set objectives to continue to deliver the broadest product portfolio in the market, and to provide the highest standards of customer service. The company also set out to extend its channels to cover IFAs, partnership with banks and other financial institutions, multi-tie panels, direct sales, and the Internet.

Capability for business transformation

NUL's Executive Board knew that in a period of rapid and substantial change, innovation would be a recurring theme. It recognised that to sustain and enhance its leading position, the company would need to transform its business and IT services – from products, processes, operational costs, distribution channels to customer service.

This programme of transformation would need to be undertaken whilst maintaining and improving delivery of ongoing commercially beneficial change to NUL and has been likened to “rewiring with the lights on”. NUL realised that it did not have the capacity, the skill-sets or the experience to create a culture and infrastructure able to embrace and manage change whilst sustaining existing operations.

“We looked for an external partner to help us transform our people, processes, skills, tools and management capability in Business Change and IT,” explains Kevin Moss, NUL Director of Operations for Business Change and IT. “Over two years, IBM conducted an Assisted Transformation Programme, to deliver a step change in our internal capability whilst simultaneously continuing to deliver a stretching portfolio of change programmes within NUL. With IBM's help, we are a revitalised and responsive business, uniquely equipped to address whatever challenges the market throws at us.”

A two-pronged approach

NUL's 1800-strong Business Change and IT Divisions are responsible for working with the rest of NUL to drive innovation, deliver business process improvement, launch new products and services, lead and deliver IT development and improve systems' service levels. The Assisted Transformation Programme comprised two IBM teams, one working on developing capability, the other on sustaining operations and pulling change through from inside the Business Change and IT organisation by infusing specialists into strategic positions within it.

IBM consultants developed and implemented sustainable business and IT change delivery processes designed to achieve world-class operational standards as defined by the Software Engineering Institute's Capability Maturity Model Integration levels.

“Working with IBM we have benefited from its expertise in business consulting, process design and innovative culture as well as its outstanding combination of industry skills, business transformation expertise and proven track record from strategy through to delivery.”

– Kevin Moss, NUL Director of Operations for Business Change and IT

Structured disciplines were introduced for the recruitment, training, motivation and management of Business Change and IT skills and capabilities, creating an effective model for resource sourcing and deployment.

World-class technology and architectural strategies created business constructs to align innovation and change projects with business strategies. Processes and business sponsor skills development programmes have also put business sponsors at the centre of every change initiative, giving them the management tools to fully define projects and ensure that delivery matches original objectives.

Embedded service and maintenance disciplines ensure that the changed processes and technology continue to deliver the highest levels of customer service to the business as a whole.

The entire programme was geared to instil a capability and culture for change that covered the spectrum of Business Change and IT's remit – people, processes, outcomes, business interaction, value for money, and service to business users and end customers. At the end of the programme, NUL is self-sufficient in sustainably managing and delivering innovation and change through its renewed internal capability.

Infused business professionals

“At the programme peak, we infused 75 IBM consultants in strategic positions within NUL Business Change and IT,” says Moss. “These experienced business professionals provided an invaluable service working on day-to-day activities alongside our own management and staff. Most importantly, they grafted world-class operational practice onto our operations and instilled a progressive culture into the NUL staff with whom they had contact.”

The IBM team worked closely with NUL's Business Change and IT management to communicate the rationale, value and progress of the transformation programme. Explaining the benefits that the improved capability would deliver did much to motivate staff, gain enthusiastic support and overcome any initial resistance.

Productivity improvement

The enhanced skills, motivation, processes and culture mean that Business Change and IT has delivered a significant improvement in productivity and quality of delivery. Many more projects are being delivered, more reliably at significantly reduced unit cost. The service to the rest of NUL and ultimately to NUL's distributors and customers has improved.

Key components

Services

- IBM Global Business Services
 - Strategy and Change
 - Human Capital Management
 - Application Management Services
-

Transformation at a glance

NUL's Executive Board knew that the life and pensions industry was in a period of rapid and substantial change, and that innovation would be a recurring theme in the coming years. It contracted with IBM to implement the culture, processes and organisation needed to sustain and enhance its leading position and transform its business and IT services – from products, processes, operational costs, distribution channels to customer service excellence. New business constructs ensure that innovation and change projects align with business strategies and NUL is now self-sufficient in managing and delivering innovation and change. Ongoing business operations were sustained throughout the transformation programme.

“IBM has helped us re-energise our Business Change and IT functions. The deployment of effective innovation and programme delivery is critical to our ability to drive forward competitive advantage,” concludes Moss. “Working with IBM we have benefited from its expertise in business consulting, process design and innovative culture as well as its outstanding combination of industry skills, business transformation expertise and proven track record from strategy through to delivery.”

“Our business strategy and objectives are constantly changing in line with our customers’ needs and market demands. The business ethos and tools that IBM has instilled into our Business Change and IT Divisions have made us much more adaptable to the changing marketplace. We are now able to innovate and transform our technology services and business processes profitably and at a pace that consistently meets our strategic objectives and, most importantly, our customers’ expectations.”

For more information

Please contact your IBM representative or IBM Business Partner.

Visit us at:

ibm.com/gbs/uk



IBM United Kingdom Limited

PO Box 41
North Harbour
Portsmouth
Hampshire
PO6 3AU

Tel: 0870 010 2503
ibm.com/services/uk

IBM Ireland Limited

Oldbrook House
24-32 Pembroke Road
Dublin 4

Tel: 1890 200 392
ibm.com/services/ie

IBM South Africa Limited

Private Bag X9907
Sandhurst
2146
South Africa

Tel: 0860 700 777
ibm.com/servicessolutions/za

The IBM home page can be found at **ibm.com**

IBM, the IBM logo and ibm.com are trademarks or registered trademarks of IBM Corporation in the United States, other countries, or both.

Other company, product and service names may be trademarks, or service marks of others.

References in this publication to IBM products, programs or services do not imply that IBM intends to make these available in all countries in which IBM operates. Any reference to an IBM product, program or service is not intended to imply that only IBM products, programs or services may be used. Any functionally equivalent product, program or service may be used instead.

This case study illustrates how one IBM customer uses IBM and/or Business Partner technologies/services. Many factors have contributed to the results and benefits described. IBM does not guarantee comparable results. All information contained herein was provided by the featured customer and/or Business Partner. IBM does not attest to its accuracy.

This publication is for general guidance only. Information is subject to change without notice. Please contact your local IBM sales office or reseller for latest information on IBM products and services.

IBM does not provide legal, accounting or audit advice or represent or warrant that its products or services ensure compliance with laws. Clients are responsible for compliance with applicable securities laws and regulations, including national laws and regulations.

© Copyright IBM Corporation 2007.
All Rights Reserved.