

## Norwich Union Life transforms Change and IT function by leveraging the IBM Practice Model

### Overview

#### The Key Challenges

- Costs for IT were higher than the industry norm
- Dissatisfaction across the business with the IT functions ability to deliver quality products on time
- Help desk and support services were poor
- Inefficient processes and working methods meant low productivity
- Low staff morale

#### The Solution

- IBM Global Business Services Assisted Transformation Programme
- Implementation of a new Practice Model including Capacity Management, Resource Deployment, Professional Development and Practices
- Infused IBM practitioners to drive sustainability
- Supported by a transformational change approach to deliver sustainable behavioural change

#### The Benefits

- Improved staff morale and productivity through the implementation of a consistent way to deploy, develop and support people. Examples include:
  - Designed, implemented and executed a series of practices / professions
  - Revamped and executed the annual appraisal cycle for all Professionals by the year end against a forced distribution
  - Restructured, implemented and executed objective setting
  - Engaged staff in driving new behaviours from the bottom up

*Aviva is the world's sixth-largest insurance group and the biggest in the UK. It is one of the leading providers of life and pensions products in Europe and has substantial businesses elsewhere around the world. Its main activities are long-term savings, fund management and general insurance. Norwich Union Life is its' UK subsidiary.*

#### There must be an alternative to Outsourcing

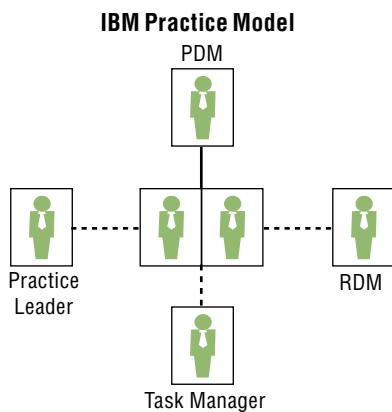
In common with many big organisations, Norwich Union Life (NUL) is formed from a number of predecessor companies. The result was a large, expensive Change and IT Function, known as Business Services, with staff distributed over five separate cities. NUL had tackled this issue by closing down three locations, off-shoring the majority of development and reducing headcount. The next obvious action was to consider outsourcing the remaining organisation, a step which the CEO was reluctant to take as he considered IT to be a strategic differentiator. However, since carrying on as before was not an option, the challenge was "How do we make the remaining organisation, a high performing organisation delivering real business benefit?" The Accelerated Transformation Programme was a radically different approach to the problem and was one that appealed to NUL.

#### Leveraging the IBM Practice Model

IBM has a Practice Model which it has developed over a number of years. This model was used as basis for designing the NUL solution. The model explicitly splits management responsibilities. Each Professional has:

- *A line manager who is known as a Professional Deployment Manager or PDM. PDM's are professionals who are seconded to the role for two years managing the careers and development of up to forty professionals with no additional delivery responsibilities*
- *A Resource Deployment Manager or RDM. The RDM is also a professional seconded to the role and their primary purpose is to ensure that resources can be moved across the organisation to fulfil resource requests. RDMs typically deploy about a hundred Professionals*
- *A Task Manager. The Task Manager directs and manages the professional on delivery activities. For project based staff this is normally a project manager*

- *A Practice Leader. All Professionals belong to a Practice (sometimes known as a Profession) and this is the community of people with similar skills, capabilities and interests. Examples would be Project Management, Architects etc.*



This is a tried and tested model that IBM uses worldwide to manage many thousands of professionals.

**Implementing Change**

NUL selected IBM Global Business Services as its development and implementation partner to help transform its IT people, organization and processes. NUL challenged IBM to do this in a manner that left the organisation able to deliver during the transformation and sustain the changes afterwards. The result was a new Practice Model adopted from the IBM one. This new model included:

- *A new organisation model which introduce the concept of fluid and static roles*
- *An Operations Function that manages and deploys all Professionals across the function in a common consistent manner.*

- *The operations function has a number of component teams including:*
  - *Professional Deployment Managers*
  - *Resource Deployment Managers*
  - *Capacity Managers*
  - *Practice Owners and Leaders*
- *New processes for managing, deploying, appraising and rewarding, and communicating with Professionals in a consistent way.*

**Organisational redesign was a key enabler**

One of the key enablers of the change was the organisational redesign. The redesign stripped away people ownership from the Directors, created shared resource pools and reshaped a silo organisation into a customer facing one. However, announcing the organisation is the easy step, getting the desired behaviours embedded and working is another level of challenge.

**The second time is always easier**

The unique aspect of the Accelerated Transformation Programme was the use of "Infused Resources". The IBM team consisted of IBM Consultants and Technical Specialists supplemented with Operational Specialists seconded from IBM. These Operational Specialists, known as infused resources, leveraged their expertise not only to design and implement the solution but to embed the change, coaching and supporting the NUL teams. Infused resources role modelled

the desired behaviours on a day-to-day basis so that people were able to "see what we mean" not just hear what was expected from them. This type of "apprenticeship approach" is critical in accelerating change and making it stick because it helps individuals cross the "theory to practice" gap. It brings to life on a moment to moment basis the real transformation.

The Infused Resources brought their professionalism, enthusiasm and passion to the project. Having "been there and done it" before, they were committed to developing the best possible solution for NUL making sure that NUL avoided the pitfalls and issues they had discovered undertaking similar exercises for IBM.

**"Magic carpet" drives consistent change**

Many transformations are unwittingly undermined by an inconsistent approach to change. Within IBM we have developed a holistic approach to change known as the "magic carpet". It is an easy to use tool which helps project teams ensure that behaviours are embedded into the new organisation.



**Change needs to be sustainable**

The third aspect of the programme that was different was the requirement for the change to be embedded into business as usual. Commercial arrangements gave focus to this aspect. NUL and IBM Leadership shared a joint scorecard with part of IBMs' Revenue being tied to sustainable change.

Thirty months into the programme, all of the changes have now been implemented and the infused resources have handed over their responsibilities to the NUL successors who they have helped develop and train.

Interest in the approach from elsewhere within the Aviva Group is high and IBM has been engaged to help develop similar solutions.

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**Business Services Improvement Targets**

Measure	Improvement	By when
Costs	33% reduction	In 12 months
Productivity	50% increase	In 30 months
Customer satisfaction	50% increase	In 30 months
Staff commitment	50% increase	In 30 months
Delivery of project portfolio	Top quartile performance	In 30 months
Service management	Top quartile performance	In 30 months

*All improvements to be sustainable over the longer term.*



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