Sutherland Analytics Center of Excellence (CoE) helps a leading Insurance Group drive measurable business transformation via a multi-year phased journey.

To identify, demonstrate, develop, establish, and harness cross-functional processes, knowledge, and expertise to drive tangible benefits for the business.

Guardian Group, a large Caribbean Insurance Group, embarked on a digital journey for transforming their business through analytics to enhance their operational efficiencies and effectiveness. The business knew their data quality varied across their business units and had concerns around the current state of other data management components (data architecture, data security, data privacy, etc.). They wanted to empower their key stakeholders across the different business units using operational reports based on standardized data to manage their day to operations, and with ML and AI powered predictive analytics based on cleansed and integrated data supporting better financial and strategic decisions. Sutherland helped Guardian Group build an Analytics Center of Excellence to achieve the desired goal in a phased manner.

Context and Challenge

The insurance market is undergoing rapid changes in terms of shifting customer needs/expectations and increasing regulatory mandates. These changes mandated Guardian Group, an integrated financial services organization with a focus on life, health, property and casualty insurance, pensions, and asset management, to be more customer focused, agile, and leverage available internal and external data to derive insights and learnings to meet the ongoing and future needs, as well as drive measurable business impact to maintain their market leadership.

Guardian also realized they had several operational challenges that made it difficult for them to meet the market needs. These challenges included:

(a) Data residing in multiple source systems with limited documented metadata

(b) Absence of data governance model and poor data quality

(c) Business units operating in silos and poor alignment with IT

They realized the urgent need for data and analytics foundational capabilities to enable a robust data-driven decision making process to support their target operating model. Guardian turned to Sutherland to establish a Center of Excellence to deliver analytics at scale and realize their goal of driving dynamic growth to sustain their leading market position.

Sutherland Transformational Solution

Sutherland adopted a phased roadmap to set up and build a Center of Excellence supporting analytics driven digital transformation for Guardian Group. The key phases of the transformational roadmap were:

Phase 1: Problem Identification and Value Demonstration

Sutherland initiated the transformational journey by identifying and addressing a long-standing pain point: the Client had a challenge with suspense amounts for their Life products. Total life suspense experienced 40% growth and the trends showed no signs of decreasing. The Client wanted a data-driven granular understanding of the key drivers of the suspense and insights on how best to programmatically mitigate the same.

Sutherland leveraged their big data analytics capability to benchmark and dashboard the incidence of addressable suspense that was on the books and that was originating from new polices and provided actionable insights to mitigate the same. We managed to reduce a total of $1M suspense that was on the books in the first year and a substantial 90% reduction of originating suspense. Sutherland continued to develop monthly tracking dashboards to help the business identify suspense pools that could be mitigated on an ongoing basis.

Phase 2: Assess and Address Foundational Capabilities

The Client lacked a clear and transparent governance model, without which there was confusion on who was responsible for what and how different businesses and IT aligned and worked together. They knew that their data quality varied across business units and had concerns around the current state data management components (data architecture, data security, data privacy, etc). They wanted to better understand the people, process, and technology gaps as well. Sutherland leveraged their Analytics Big Data Maturity Framework to drive current and future state assessment, identify gaps, and develop an aggressive plan to prioritize and bridge the gaps. Sutherland identified eight data management components across people, process, and technology dimensions from these analyses.

The prioritized plan identified two immediate areas of focus: Data Governance and Data Quality. The plan also addressed the people, process, and technology impacts of bridging the identified gaps. Focusing on these two top areas will create the foundation for driving enterprise customer centricity, competitive differentiation via predictive customer interaction, and data monetization.

Phase 3: Build the Analytics CoE to drive Operational and Benchmarking Reporting and Dashboards

The Client had several hypothesized opportunities across the enterprise that they were unable to address and monetize as they lacked a data-driven analytics capability to address these opportunities in a systematic and structured manner, and were therefore unable to realize value. The Client wanted a long term strategic partner to work with them to monetize these opportunities, who had the necessary business expertise and analytical competence to meet their expectations for speed and scale.

Sutherland created and validated an enterprise-level business case for reporting and analytics and identified a list of opportunities to pursue in the first year. Sutherland set up an Analytics and Reporting Competency Center (ARCC) to provide overall direction and oversight for the Analytics and Reporting capability and monitor implementation via three committees. The ARCC Governing Council provides strategic direction, resources, and monitors the implementation and value realization. This committee consists of the Steering Group members, from businesses and Sutherland Analytics. The ARCC Operational Committee focuses on the planning and execution of initiatives per agreed upon plans and reports on key insights and recommendations. The ARCC Delivery Committee is responsible for flawless delivery. The delivery team leverages Sutherland's Big Data Analytics Platform to complete the execution of the different insights. The initial results have been very encouraging and the ARCC is positioned to drive $2.6M in annual revenue and significant opportunity to drive value in other areas like customer segmentation, smart customer interactions, lapse analytics, and agent performance management.

Phase 4: Scale and Harvest the CoE capability with Predictive and Prescriptive Analytics to drive ongoing Business Impact

Now that the Analytics CoE has been established and validated, the Client wanted other lines of business to leverage the capabilities to drive growth and profitability in their respective areas.

The process started with detailed business benchmarking analyses to ensure Sutherland understands the business and regional nuances. Sutherland created a data portal with a dynamic dashboard capability for the Client to explore data and perform root cause analytics.

Sutherland identified several opportunities for cross-sell, upsell and retention for the Client to pursue in their P&C business. The business case, based on predictive and prescriptive modeling, suggests a US$4M-US$5M in opportunities that can be leveraged and monetized. Sutherland is also working to build an integrated customer view across businesses to facilitate broader cross-sell and retention initiatives.

Overall Business Impact

The partnership allowed Guardian Group to access custom-built analytics driven by Sutherland AI solutions to monetize its data assets rapidly to meet their business needs.

- ✓ **Strategic Operational Analytics Capability for Suspense Discovery and Mitigation**
  Identified suspense mitigation opportunities with a **value of US$1M** for realization in the first year with associated significant revenue and profitability impact.

- ✓ **Strategic Assessment for Enterprise Data Management and Governance**
  Identified top focus areas which could create the foundation for driving enterprise customer centricity, data monetization, and competitive differentiation via predictive customer interaction.

- ✓ **Enabled an Enterprise Analytics Capability**
  Conceptualized, implemented, and demonstrated the value of an enterprise analytics capability with required data and processes to support a target operating model delivering a projected **annual recurring benefit of over US$2.6M**.

- ✓ **Enabled ongoing opportunities from Cross-sell and Up-sell activities for P&C business**
  Supported an ongoing **business impact of US$4M-US$5M** from predictive and prescriptive analyses for the P&C businesses in two countries where it is being implemented.