BLUE HORIZONS



BLUE ADVISE™ CASE STUDY

Transforming ICM Ecosystems

Challenge

A large U.S. health insurance provider was struggling with inefficient ICM processes and systems, making it difficult to keep up with their evolving sales and incentive compensation needs.

Engagement

To improve their overall Incentive Compensation Management, the client enlisted Blue Horizons Group as strategic advisors to transform their ICM systems and processes.

BHG used the proprietary **Future State Design Workshop**™ framework to examine the whole picture and design solutions that address all parameters that are critical to success.

Outcomes

$2M annual savings in IT spend

80%+ reduction in IT operating spend

10x improvement in sales credit visibility timing

3+ month reduction in plan performance reporting

The Client's previous ICM system had limited flexibility and lacked inherent capabilities to support the needs of a rapidly growing and changing organization. The rigidity and the accumulating technical debt caused multiple disparate solutions, system overrides and manual processes that were inefficient and disjointed. Additionally, it did not provide end-user perspective visibility into their administration processes, limiting the insights required to catch and address issues or gaps.

The Client needed an end-to-end enterprise Sales Performance Management (SPM) solution that provided a cohesive, holistic, and efficient approach to replace their aging and inadequate platform.

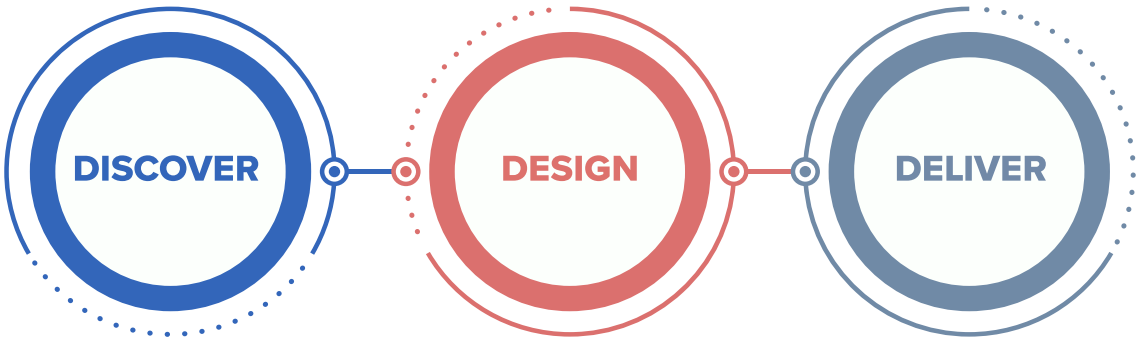
THE WORK

Blue Horizons Group provided a fresh and innovative perspective on implementing a solution that could meet their current requirements and scale with their growing needs.

BHG kicked off this initiative for their Retail line of business (largest business unit which accounts for 70% of Client's revenue, 85% of their earnings, has 40+ compensation plans and has 3000+ plan participants).

The BHG team conducted a deep dive into the understanding of the client's business model and requirements. This was augmented by a discovery of the processes that were handled by disparate systems and the identification of gaps. We did a tremendous amount of work developing a data strategy for the migration to the Cloud by analyzing and assessing data received from multiple upstream systems, performing data reengineering, and creating new processes for better data management for higher quality.

BHG used the **Future State Design Workshop Framework**™ to develop holistic solutions to overcome the client's challenges. The process consisted of the following phases:



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DISCOVER

The BHG team conducted a deep dive into the understanding of the client's current state. Our team conducted in-depth stakeholder interviews across relevant business areas. We used techniques such as active listening and challenging with the '4 Ws' (Why, Who, What, When) to determine and document current:

- **BUSINESS OPERATIONS**
- **BUSINESS PROCESSES AND GAPS**
- **DATA CHALLENGES**
- **ORGANIZATIONAL STRUCTURE INEFFICIENCIES**
- **VISIBILITY GAPS IN ICM ADMIN PROCESSES**
- **DESIRED FUTURE STATE REQUIREMENTS**

We also used similar techniques to comprehensively understand and document the desired future state and requirements.

DESIGN

Using the deep understanding of the client's business, current state, and the desired future state from the Discovery phase, our team developed a comprehensive transformational design for a holistic ICM solution that was adaptable, scalable, and tailored for the client's growing needs. The BHG ICM domain experts developed:

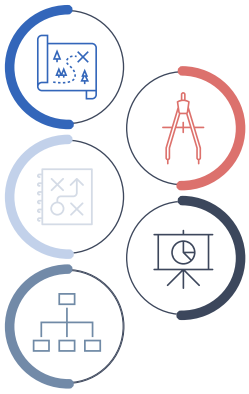
- **A comprehensive plan for transitioning disparate ICM systems to a single platform to support all ICM processes and stakeholders**
- **An updated organizational model that eliminated role and functional redundancies**
- **Business processes that were reengineered and optimized to support end-to-end ICM functions**
- **Processes to expose timely pertinent data at all relevant stages of the sales cycle**
- **A data strategy for migrating accurate and higher quality data to the cloud**

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DELIVER

As a result of this transformative effort the client received the following:

- Transition roadmap that details timeline of cross-functional activities
- Playbooks for relevant business operations and processes
- Detailed RACI for the new organizational structure
- Data architecture strategy
- Field, operational, and administrative reporting design for timely end-to-end view of pertinent data



OUTCOMES

The client reduced manual overhead and process redundancies leading to a saving of approximately $2 million dollars annually in labor and technical infrastructure costs. By implementing our recommendations, the client has achieved:

- 80%+ reduction in IT operating spend
- 10x improvement in sales credit visibility timing
- 3+ month reduction in plan performance reporting



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A Strategic Partnership

The client is undergoing a massive transformation in its sales compensation business operations. The client has successfully used our approach and framework to modernize Incentive Compensation Management for multiple business units.

BHG has been their strategic advisor and facilitator during this journey. Our unparalleled expertise in the client's business, the sales compensation domain, and technical expertise has delivered a solution that meets current needs and scales as needs evolve and grow.

> ***Blue Horizons Group is a true partner which is critical when selecting an organization to assist you in transforming your incentive compensation solutions.***
>
> – Associate Vice President, Compensation

