

Business Process Improvement with Predictive Analytics

Vertical

| | | | | | | | |
|---------------|----------------|------------|-----------|-----------|-----------|------------|-----------|
| Manufacturing | Pharmaceutical | Healthcare | Portfolio | Logistics | Financial | Government | Insurance |
|---------------|----------------|------------|-----------|-----------|-----------|------------|-----------|

Genre

| | | | |
|------------|----------------|-------------|-------------------|
| Case Study | Project Review | White Paper | Value Proposition |
|------------|----------------|-------------|-------------------|

Business Environment Pressures

The banking, financial and insurance industries are facing extreme pressure to reduce transactional costs while simultaneously maintaining or improving service levels.

The same pressure is being felt in the rest of the private and public sectors within functions such as Accounts Payable/Receivable and Customer Service.

Multiple forces are creating this environment:

- Competition
- Mergers and acquisitions
- Consolidations
- Customer expectations
- Increasing regulatory compliance
- Desire to reduce operational expenses



Customer Before BPI with Predictive Analytics

Critical Business Issues

The risks associated with these not meeting or exceeding Service Level Agreements include:

- Lost revenue and reduced profit margins
- Lost customers or patients
- Lost market share

Common Challenges to Consistently Meeting Service Levels

While each organization has its unique aspects, there are some common challenges faced by those engaged in Business Process Improvement:

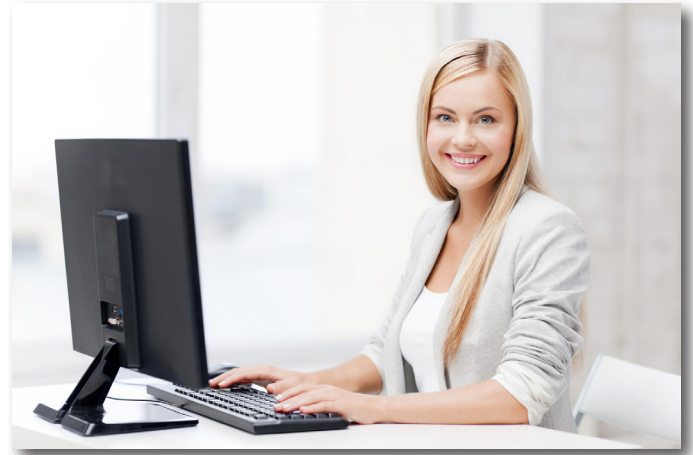
- Reducing the risk of change
- Understanding the actual system behavior of processes which comprise transactional costs (processing costs and manpower costs)
- Identifying exactly where the process breakdowns are occurring
- Determining precisely how to correct the breakdowns
- Losing resources and not sure how to prevent reduced service levels
- Proving to your prospective customers that you can guarantee Service Level Agreements which will win their business
- Meeting and sustaining compliance requirements
- Accelerating implementation time to achieve improved performance

Simulation-Based Predictive Analytics Helps Overcome the Challenges

Often the processes and systems delivering these services are complex, have a good deal of variation or uncertainty, and are interdependent. This makes isolating precisely where the problem(s) are and then testing potential business process improvements very difficult without disrupting the live environment.

Predictive Analytics with Simulation Allows You to:

- Validate improvement ideas and get buy-in from stakeholders with no risk or service interruptions.
- Add reality through variability and interdependencies over time
- Get more out of the data you already have
- Reduce risk, eliminates waste, accelerate time to improvement
- Determine true process capacity
- Reduce process cycle time
- Optimize resources especially staffing levels and schedules



Customer After BPI with Predictive Analytics

Customer Applications/Successes

Banking and Finance

- American Express Call Center – Agent Skill Strategy and Resource Allocation Analyses
- Fleet Bank – Optimizing Item Process Operations prevents unnecessary \$5.6 million expense
- Chase Manhattan – Business Process and Service Level Improvement
- Leading National Bank – Branch Labor Cost and Customer Service Analysis

Insurance

- Mid-Atlantic Region Insurance Company – IT Staffing Assessment and Workflow Optimization
- Leading National Life Insurance Company – Integrated Six Sigma with Simulation Training

Back Office/Off the Floor Operations

- Leading Defense Manufacturer – Accounts Payable Process: 7.5% more throughput; 83% less WIP 7% reduction in cycle time; more consistent process
- United Space Alliance – Doc Scanning: \$250k cost avoidance and met NASA deadline
- United Space Alliance – Discrepancy Report Process: 39% reduction in cycle time
- FAA Call Center – Call volume capacity analysis
- Office of Secretary of Defense (OSD) – Equal Employment Opportunity (EEO) complaint process in all military branches
- Medical Device Manufacturer – Engineering Change Notice (ECN) and Quality Notification Process (QNP)