

AGRiP
2020 GOVERNANCE
CONFERENCE

IMPROVING MEMBER SERVICES WITH A MODERN CORE SYSTEM

Presented by Chad Noland
& Kevin Sesock



Chad Noland

- SVP of Business Strategy at FPOV
- 20 years as a BA, PM, & EA
- MBA Strategic Management
- Expertise in Insurance: P&C, L&A, MGA/MGU, Risk Pools, & Oil & Gas



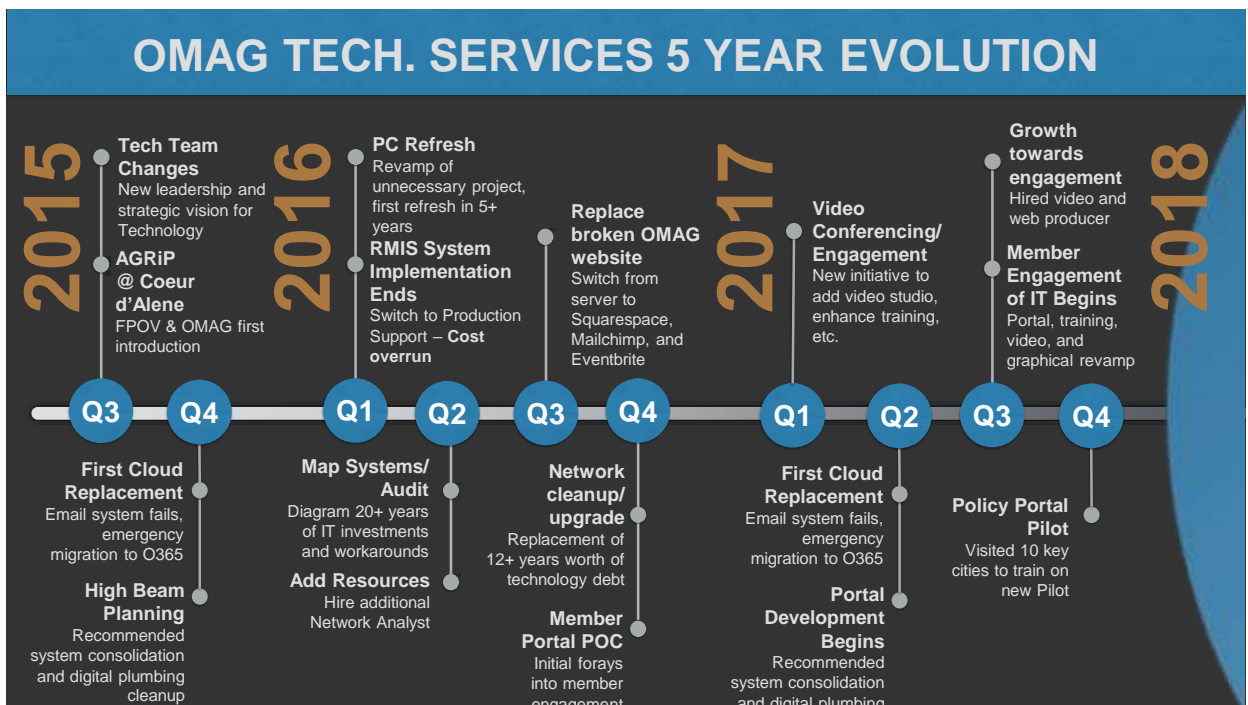
Kevin Sesock

- CIO at OMAG
- 20 years in IT, 17 in Government Tech.
- Expertise in Cybersecurity, Enterprise Architecture,



- **OKLAHOMA'S PREMIER PUBLIC ENTITY RISK POOL**
- **OVER 500 MUNICIPALITIES**
- **PROPERTY & CASUALTY, BROKERED BUSINESS**
- **42 STAFF**

OMAG TECH. SERVICES 5 YEAR EVOLUTION



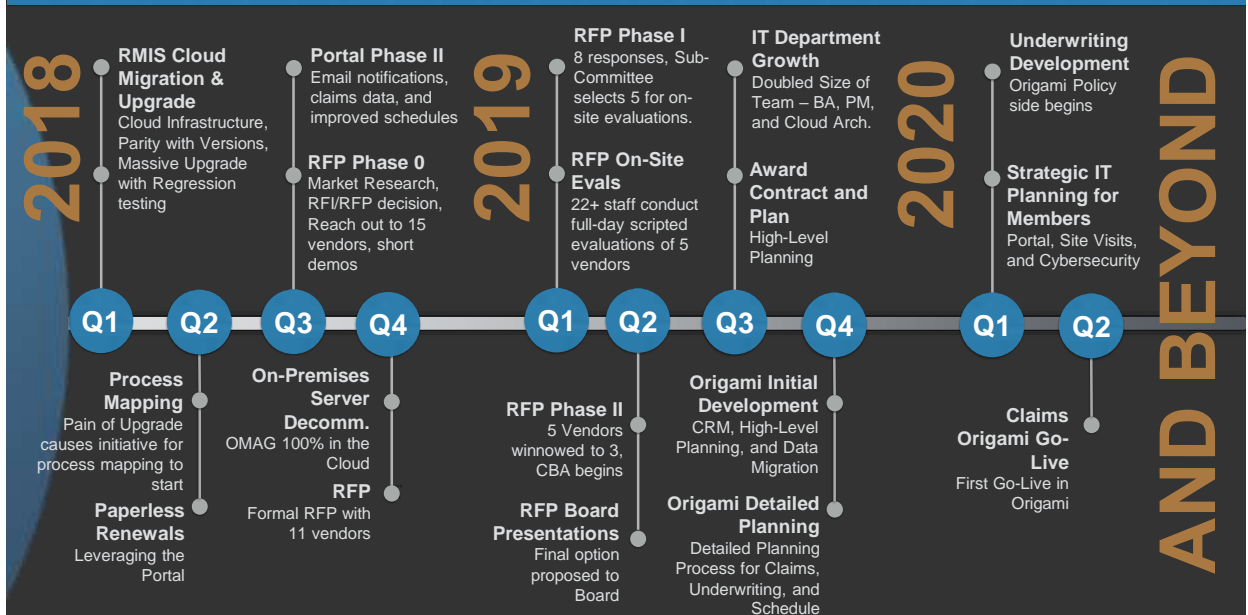
OMAG TECH. SERVICES 5 YEAR EVOLUTION

2018: TECH. SERVICES PIVOTS TOWARDS MEMBER ENGAGEMENT



— STRENGTH — CONSISTENCY — STABILITY —

OMAG TECH. SERVICES 5 YEAR EVOLUTION



New Technology typically Changes Processes

Business Capability: Pay Employees



How did the process change with each new wave?

With each new wave of digital systems, your processes should change to optimize employee productivity

Full Demos & Scoring

21 OMAG employees sat through five full-day demos of software.

Each participant scored the software's functionality through the demonstration of more than 300 demonstration points provided by OMAG.

Scores were averaged and weighted in each department.

Scoring

0	Does Not Meet
1	Partially Meets
2	Fully Meets
3	Exceeds

WEIGHTING

<u>SYSTEM FUNCTIONALITY (Features/Scenarios)</u>	<u>45%</u>	<u>TECHNOLOGY</u>	<u>15%</u>
UW	30%	Security	20%
Claims	25%	Configurability	15%
Insured Portal	15%	Maintainability	10%
Billing/Accounts Receivable	15%	Flexibility	10%
Reporting/Analytics	10%	Compatibility	10%
CRM	3%	Product/Release Management	20%
Loss Control	2%	Architecture/Technology Stack	15%
IMPLEMENTATION	12.5%	CULTURE	12.5%
Timeline	50%	Support Relationship	60%
Methodology	25%	Reference Checks	30%
Training	25%	User Conference/Support Groups	5%
PRICE	15%	Financial Health	5%
Annual Run Rate	50%		
Implementation Cost	50%		

	<u>WEIGHTED SECTION AVERAGES</u>				
	<u>Guidewire</u>	<u>Sapiens</u>	<u>Origami</u>	<u>Majesco</u>	<u>OneShield</u>
CRM:	2.50	2.00	2.50	0.90	1.83
UW:	2.18	2.03	2.06	2.02	2.01
Finance:	2.43	2.31	1.86	1.96	2.00
Rating:	2.00	2.15	2.14	1.97	1.54
Claims:	1.98	2.21	2.19	2.01	1.60
Portal:	1.80	1.90	2.60	2.30	0.90
Doc Storage:	1.89	1.94	2.50	2.00	1.56
Doc Config:	1.58	2.00	2.63	2.08	0.25
Workflow:	1.87	1.81	2.23	1.97	0.46
Reporting:	2.17	2.27	2.33	2.67	1.33
TOTAL:	2.04	2.06	2.30	1.99	1.35

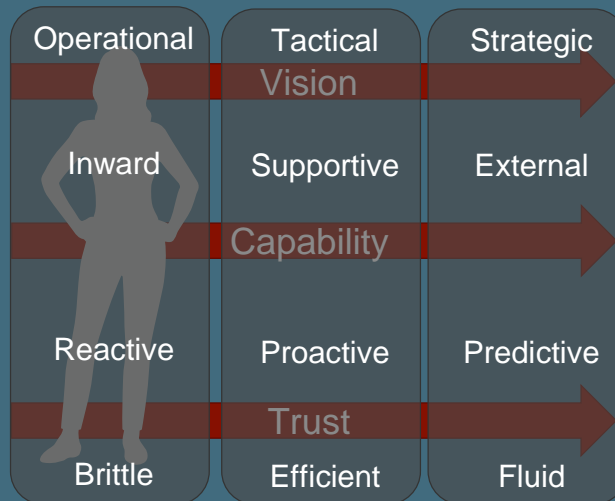


Question:

How do you improve the productivity of your workforce with modern tools and more efficient processes?

Core Platform Features	Priority Totals				Current State Score			
	Must	Should	Could	Won't	Exceeds	Meets	Poor	Missing
1. Claims Management	9	7	4	0	0	6	0	13
2. Attachments/Document Management/Mail Merge/Notes	20	12	2	0	0	13	5	12
3. Underwriting/Exposures/Renewals Management	23	0	0	1	0	11	3	10
4. Finance	29	4	4	1	2	16	11	10
5. Administrator/Configuration/Security	12	12	2	1	0	8	5	18
6. Dashboards-- Interactive	4	1	3	1	0	1	0	4
7. Loss Prevention (Have not completed interviews)	18	2	0	0	0	0	0	0
8. Member Information	6	0	0	0	0	0	0	0
9. Mobile app availability/Member Portal	11	16	11	1	0	6	1	16
10. Reporting	17	10	1	0	0	5	11	12
Totals	151	64	27	5	1	66	36	97

IT AS A STRATEGY

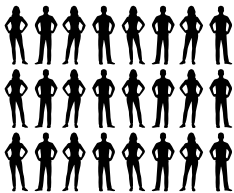




CEO, CIO & Exec
Staff

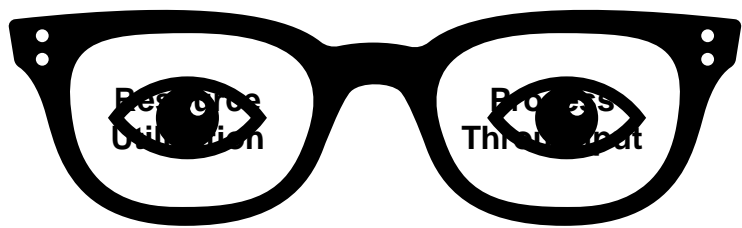


Managers



Staff

Question:
How do you measure the Productivity of
your Organization?



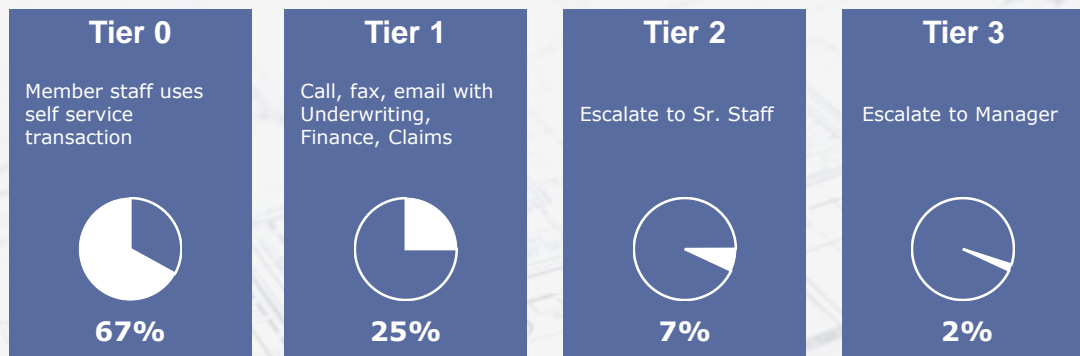
Efficiency

Effectiveness



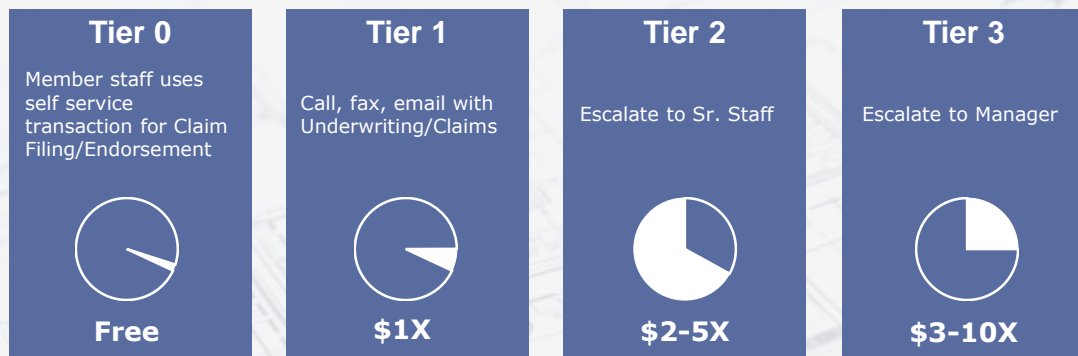
Tiered Service Delivery and the 4 Types of Work

Tiered Product/Service Delivery



- Common in banking and financial services
- eCommerce and the best SaaS design around this model
- Office365, Salesforce and ServiceNow are good examples
- Why can't lines of business use this model too?
- The pie charts represent the relative number of service requests or inquiries coming through all channels. They do not represent the relative effort of requests by tier.

Tiered Product/Service Delivery

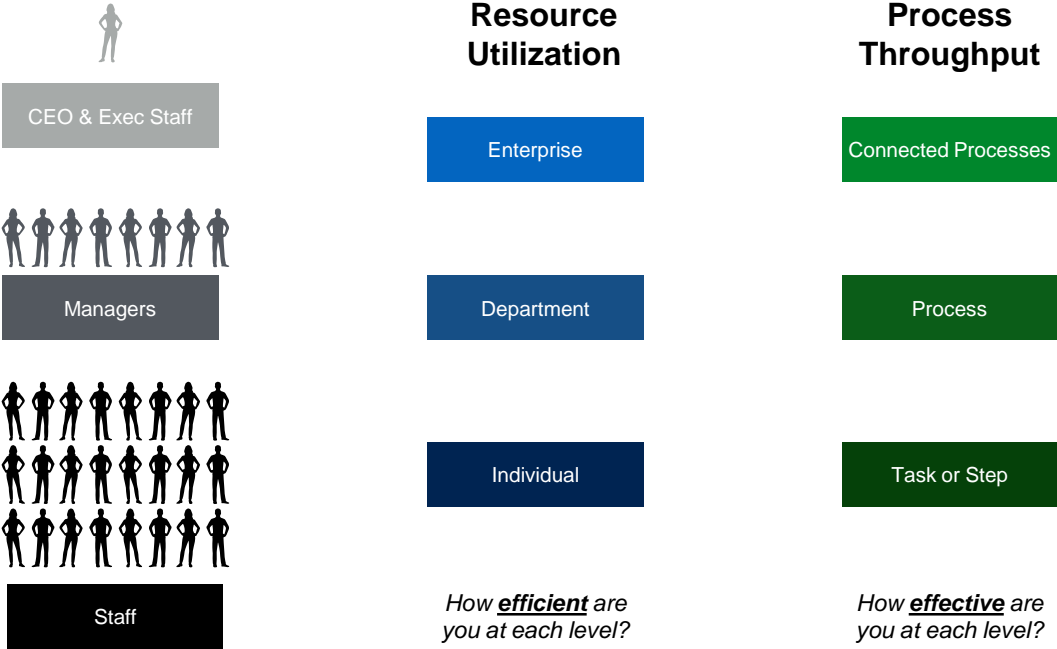


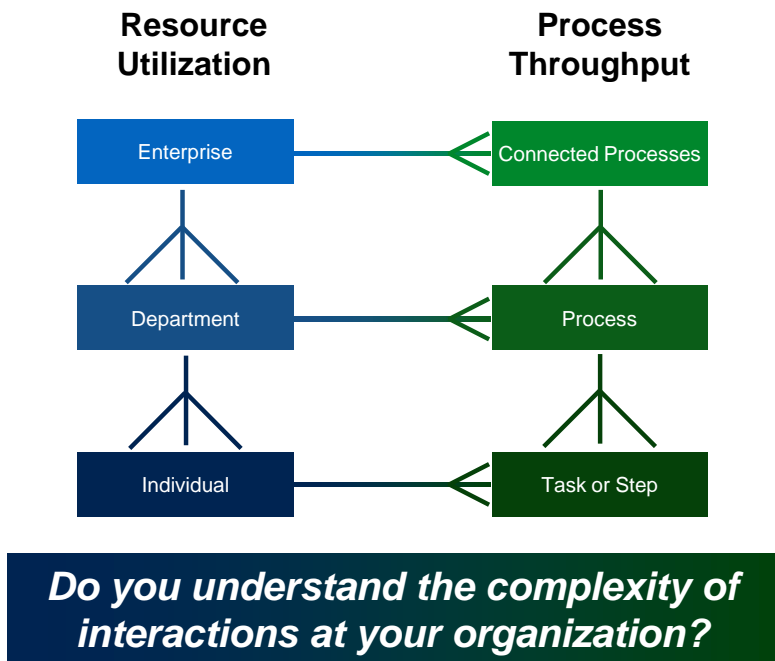
- When tools are lacking, work falls on higher tiers
- Too much work on higher level tiers is noticed by customers
- Too much work that should be delegated or automated
- Prevents highest cost resources from working on new capabilities and platforms

Tiered Product/Service Delivery



- Connect all customer facing and support platforms
- Does not mean all work is self-service, the right users will select
- Integrated model makes each higher tier more efficient
- Higher efficiency for higher tiers comes from offloaded work and semi-automation



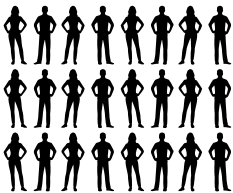




CEO & Exec Staff



Managers



Staff

Do you understand the complexity of interactions at your organization?



Are you improving your profit margin?



Is Technology working for you or against you?



What old ways of doing business no longer make sense?



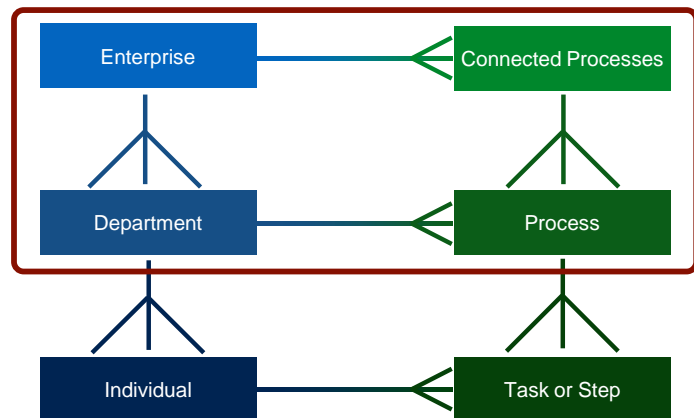
What are your most expensive resources doing what should be automated?

How to Capture Complexity

- 1 Inventory & Prioritize Processes
- 2 Interview Process Owners
- 3 Map Processes
- 4 Waste Walk
- 5 Identify Issues, Risks, & Opportunities
- 6 Agree as a Team for Short Term vs. Long Term Solutions

Resource Utilization

Process Throughput



Risks of Not Seeing the Truth

If you skip this:

You will not:

1 **Inventory & Prioritize Processes**

Find the biggest opportunities and avoid wasting employee time

2 **Interview Process Owners**

Hear how users really use technology or follow processes

3 **Map Processes**

See how consistent processes are, gain agreement

4 **Waste Walk**

Get business ownership & understanding of processes

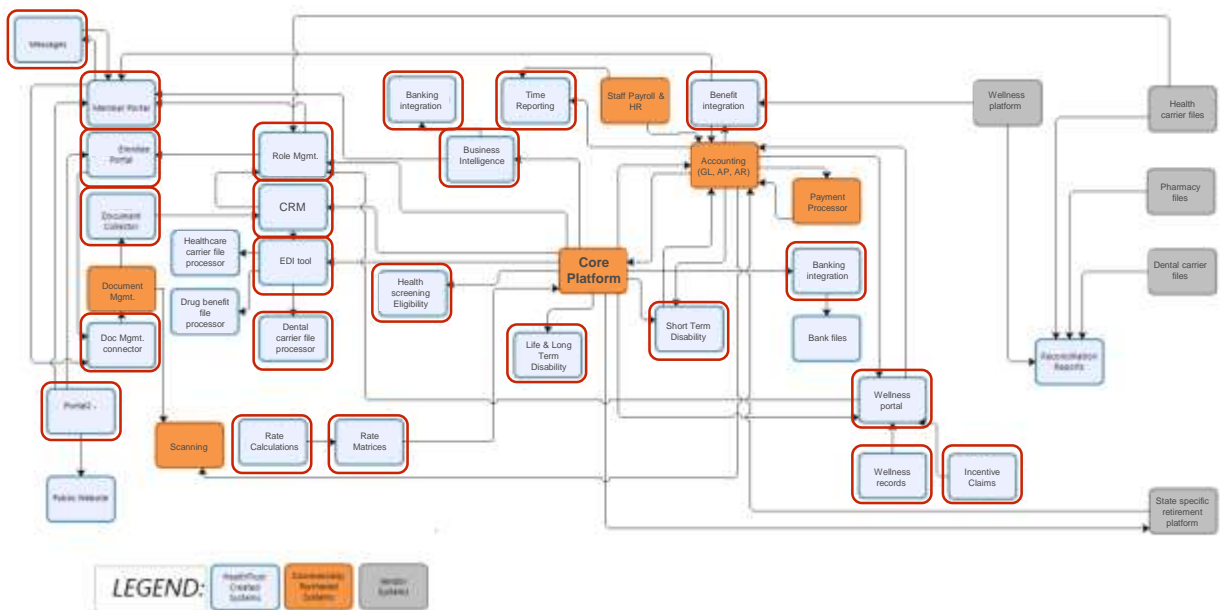
5 **Identify Issues, Risks, & Opportunities**

Uncover the right needs for your business

6 **Agree as a Team for Short Term vs. Long Term Solutions**

Determine the right solutions to your problems

Current state Technology



Cost of Ownership Analysis

Value Summary



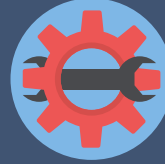
Member Web Portal
Included



Workflow & Automation
Capabilities



Advanced Dashboards
and Analytics



Configuration
Management



Integration & Attachment
Capabilities

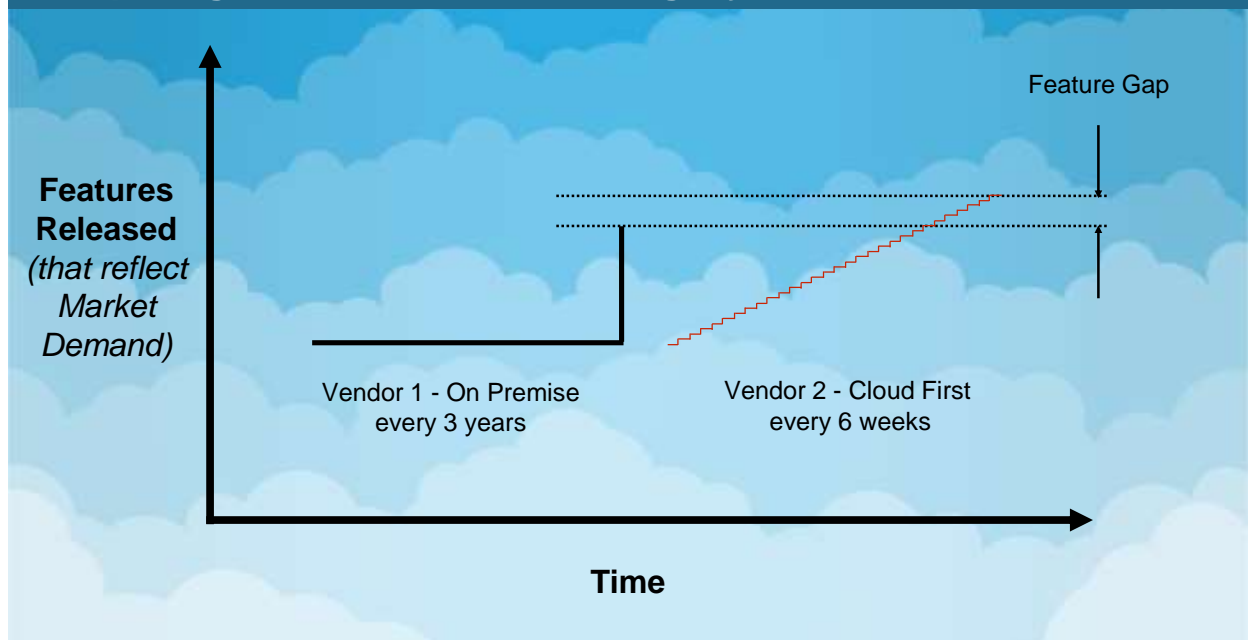
• Email Correspondence

**REDIRECTION OF TIME AND EFFORT TO
IMPROVE SERVICES TO OUR MEMBERS**

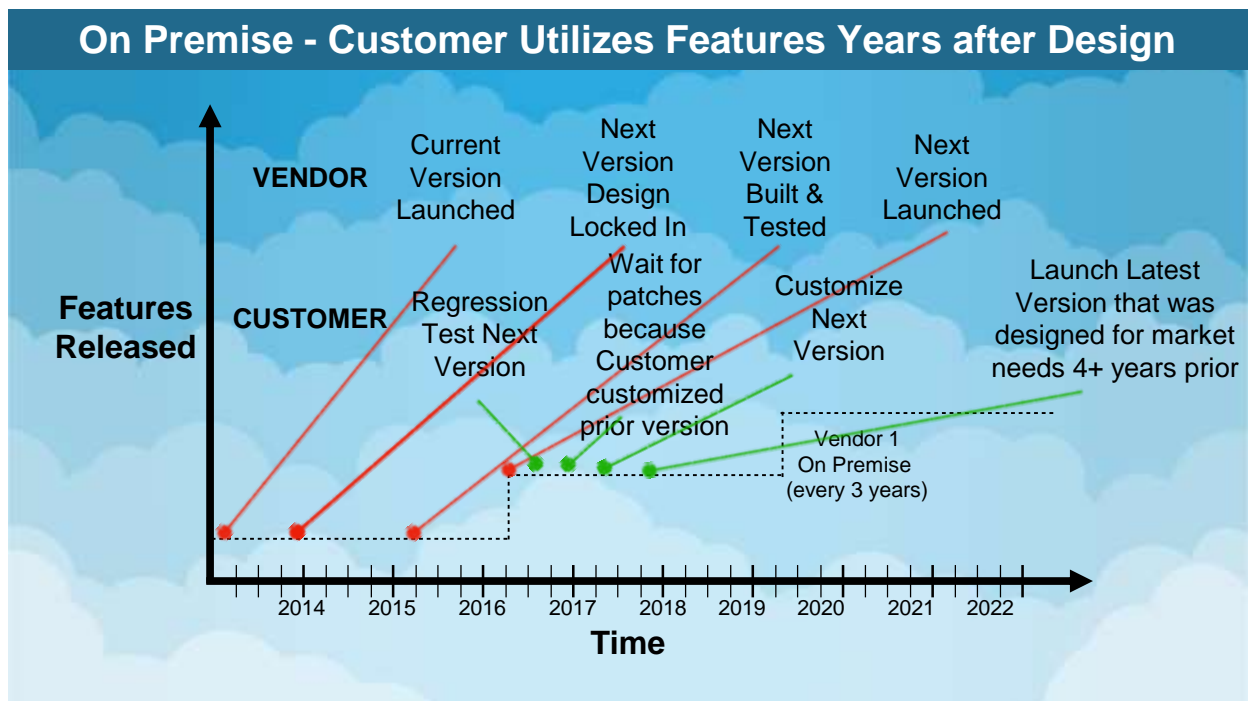
www.omag.org

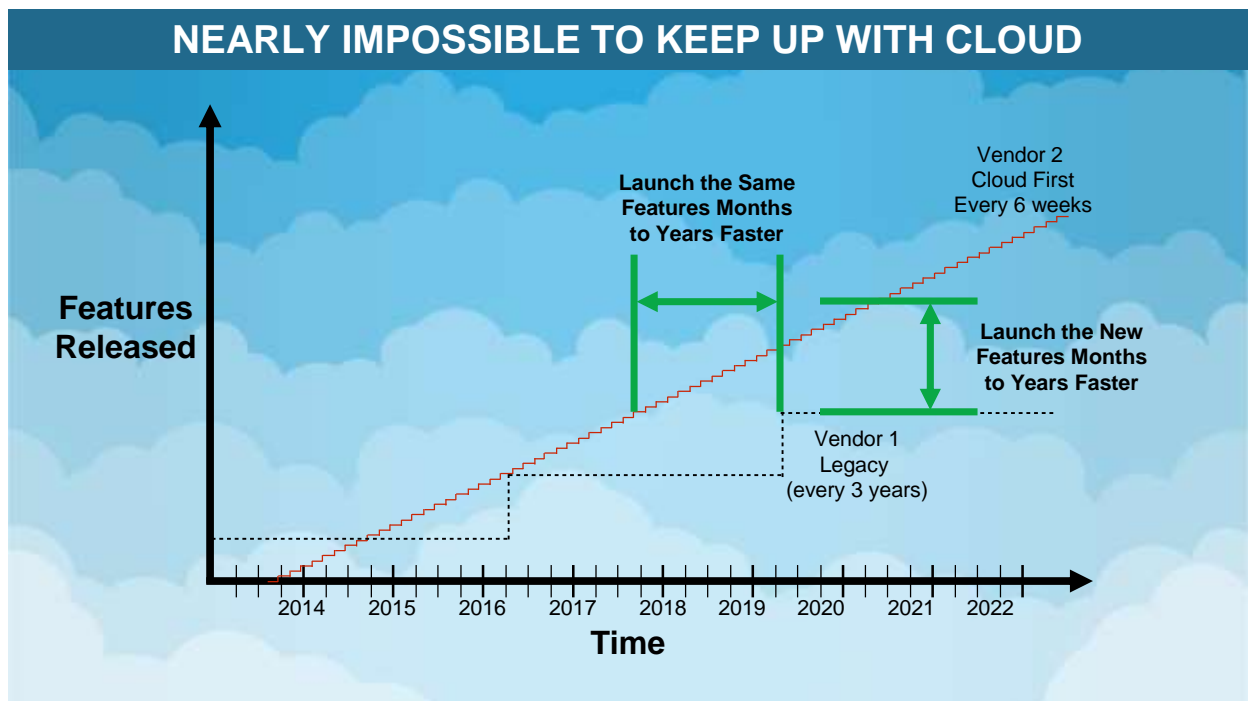
OMAG

Comparing Feature Releases of Legacy vs. Cloud First Software

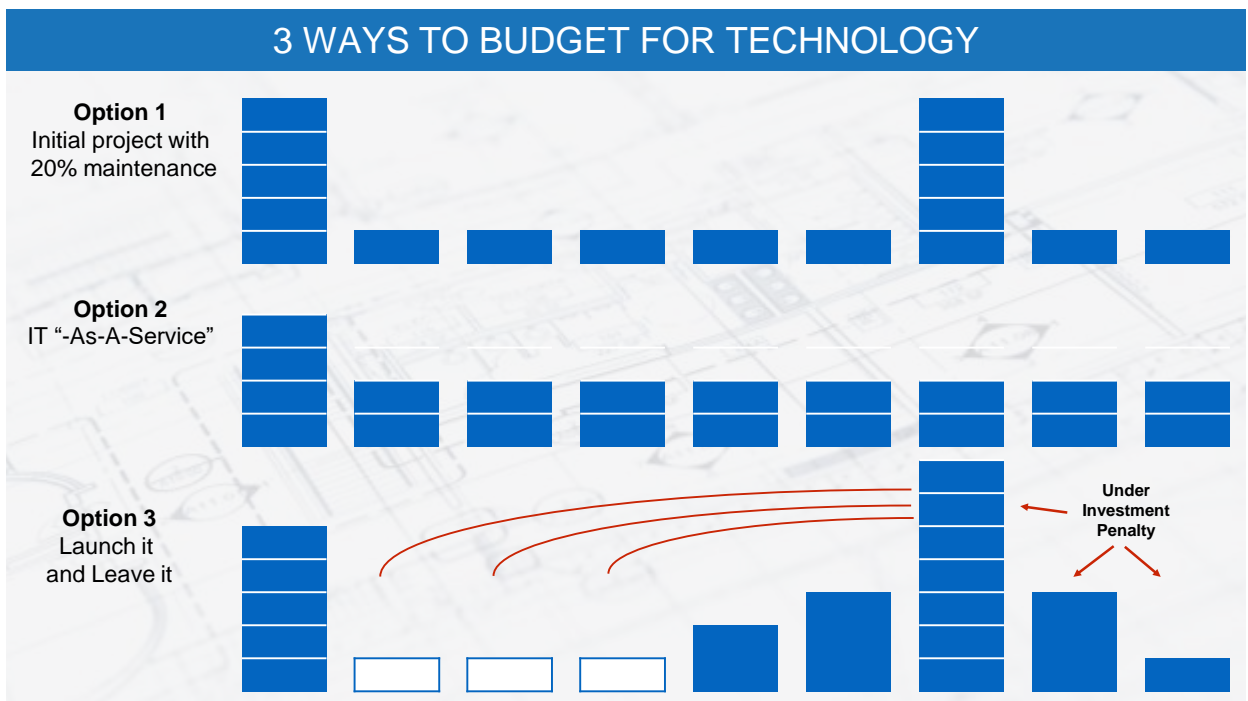


On Premise - Customer Utilizes Features Years after Design





3 WAYS TO BUDGET FOR TECHNOLOGY



Service Amplification

Increase Service

- Expand reach
- New product/service rollout
- Customer nurturing/retention
- Self-Serve services

Lower Operating Costs

- Process re-engineering
- Automation
- Outsource or rent



Cost of Ownership Analysis

5-Year Projection
\$2,350,000

Year 1	Year 2	Year 3	Year 4	Year 5
\$470,000	\$470,000	\$470,000	\$470,000	\$470,000



5-Year Projection
\$3,273,164

Year 1	Year 2	Year 3	Year 4	Year 5
\$1,193,609	\$923,055	\$385,500	\$385,500	\$385,500



Partnering for Success
5-Year Projection
\$XXXXXXX

Year 1	Year 2	Year 3	Year 4	Year 5
\$XXXXXXX	\$XXXXXXX	\$XXXXXXX	\$XXXXXXX	\$XXXXXXX



5-Year Projection
\$YYYYYYY

Year 1	Year 2	Year 3	Year 4	Year 5
\$YYYYYYY	\$YYYYYYY	\$YYYYYYY	\$YYYYYYY	\$YYYYYYY

Cost of Ownership Analysis**5-Year Projection****\$3,273,164**

*Several factors could change the amounts in the future: change in DWP, system enhancements or integrations, etc.

Year 1		Year 2		Year 3		Year 4		Year 5	
\$1,193,609		\$923,055		\$385,500		\$385,500		\$385,500	
Testing Environment	\$35,000	Testing Environment	\$35,000	Testing Environment	\$35,000	Testing Environment	\$35,000	Testing Environment	\$35,000
Origami License/Data	\$350,500	Origami License/Data	\$350,500	Origami License/Data	\$350,500	Origami License/Data	\$350,500	Origami License/Data	\$350,500
Implementation (2/3) + Travel + 10% Contingency	\$541,109	Implementation (1/3) + Travel + 10% Contingency	\$270,555						
DXC Concurrent	\$267,000	DXC Concurrent	\$267,000						

*Cost to run DXC during implementation is lower than the DXC run-rate on the previous slide. When switching systems, we will not be working to enhance DXC, only keep it running.

Smaller members switch to savvy startups
who can quote and onboard new business much
faster than you

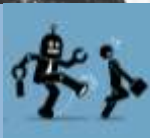


Larger members leave you
because you cannot prove you mitigate risks better
than anyone else



*Risks to pools
and associations
of not embracing
modern platforms
and member
needs*

Cannot attract or retain talent needed
to speed internal operations, improve relationships,
and make decisions based in real data



Likely to make even larger mistakes
trying to catch up by making even bigger bets



LEADERSHIP AND THE MANAGEMENT OF RISK



It is very important to invest time mitigating the risks that are the most likely to occur!!

Call or Email with Questions



Chad Noland

405.888.3736
chad@fpov.com



Kevin Sesock

405.657.1400
ksesock@omag.org