ENHANCING WORKAROUND PROCESSOR FOR MANUAL TASK PROCESSING
FOR POLICY ADMIN DEPARTMENT

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DEDICATION

To my husband, mother and kids whose be an inspiration and gave me strength and motivations.

To my employer for believe on me and sponsor me for this MBA.

To my sisters and friends for the continually provide encouragement, moral support and positive words.

To my supervisor who are guiding me for this project.

Lastly to the god and my heaven dad for gave me this golden opportunity to persuade my MBA.

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ABSTRACT

Insurance companies processing and servicing customer's needs. Customer's satisfactions are the most important part for the insurance companies, so that the customer trusts the company and willing to continue with the company services for the long periods. To build the trust and keep promises to client, company should deliver client quality services via automation and digitalization of the work process are play an important role. Healthy relationship is built from the trust.

The purpose of this action research is to identify the factors that lead to lead to low turnaround time and unproductive tasks, to recommend solution by send statement and letters by email instead of hardcopy to client, automation process for surrender and cancellation task and upload the image in work flow by vendor instead of provide PDF copy to AmMetLife and to implement solutions by enhancing workaround processor for manual task processing to reduce turnaround time and to avoid unproductive tasks at workplace. The factors that contribute to the low turn around and unproductive tasks are due to Policy Admin Department work together with vendors to deliver the   statements and letters to group product client via hardcopy. Second is unsatisfactory turnaround time performance such as surrender and cancellation task process manually which is in high volume on monthly basis. Unproductive tasks referring to the return image received from vendor in PDF copy for renewal certificate and statements. At the same time, the research aims to propose automation task and digitalization process flow as an intervention plan towards the organization and hence to evaluate the effectiveness of the automation process after the implementation take place at AmMetLife Insurance Berhad.

McKinsey's framework for digital transformation strategy theory and roadmap for digital site model underlie the model framework in the current study. A mixed-method approach applied in this research using interviews and through comparing reports, invoices and work flow process chart before and after the interventions.

ABSTRAK

Syarikat insurans memproses dan melayani keperluan pelanggan. Kepuasan pelanggan adalah bahagian terpenting bagi syarikat insurans, sehingga pelanggan mempercayai syarikat dan bersedia untuk meneruskan perkhidmatan syarikat untuk jangka masa panjang. Untuk membina kepercayaan dan menepati janji kepada pelanggan, syarikat harus memberikan perkhidmatan berkualiti pelanggan melalui automasi dan digitalisasi proses kerja memainkan peranan penting. Hubungan yang sihat dibina dari amanah.

Tujuan penyelidikan tindakan ini adalah untuk mengenal pasti faktor-faktor yang membawa kepada waktu putaran rendah dan tugas tidak produktif, untuk mengesyorkan penyelesaian dengan menghantar pernyataan dan surat melalui e-mel dan bukan salinan kepada pelanggan, proses automasi untuk tugas penyerahan dan pembatalan dan memuat naik gambar dalam aliran kerja oleh vendor dan bukannya memberikan salinan PDF ke AmMetLife dan untuk melaksanakan penyelesaian dengan meningkatkan pemproses penyelesaian untuk pemprosesan tugas manual untuk mengurangkan masa pemulihan dan untuk mengelakkan tugas yang tidak produktif di tempat kerja.

Faktor-faktor yang menyumbang kepada putaran rendah dan tugas tidak produktif adalah kerana Jabatan Pentadbiran Dasar bekerjasama dengan vendor untuk menyampaikan pernyataan dan surat kepada pelanggan produk kumpulan melalui salinan. Kedua adalah prestasi masa pemulihan yang tidak memuaskan seperti proses penyerahan dan pembatalan tugas secara manual yang jumlahnya tinggi setiap bulan. Tugas tidak produktif merujuk kepada gambar kembali yang diterima dari vendor dalam salinan PDF untuk perakuan dan pernyataan pembaharuan. Pada masa yang sama, kajian ini bertujuan untuk mengusulkan tugas automasi dan aliran proses digitalisasi sebagai rancangan intervensi terhadap organisasi dan dengan itu untuk menilai keberkesanan proses automasi setelah pelaksanaannya berlangsung di AmMetLife Insurance Berhad.

Rangka kerja McKinsey untuk teori strategi transformasi digital dan peta jalan untuk model laman digital mendasari kerangka model dalam kajian semasa. Pendekatan kaedah campuran yang diterapkan dalam penyelidikan ini menggunakan temu ramah dan melalui membandingkan laporan, invois dan carta proses aliran kerja sebelum dan selepas intervensi.

Kata kunci: Penyelesaian Manual, Automasi Proses, Penambahbaikan Proses, Mengurangkan Kos Operasi Dan Mengira Masa.

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PAD   Policy Admin Department

AMB   AmBank Group

IT   Information Technology

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CHAPTER 1

INTRODUCTION

1.1 Information about the case company

AmBank Group (AMB) and MetLife International Holdings was merged on 30th April 2014 become AmMetLife Insurance Berhard. AmMetLife is a life insurance company one of the world's leading financial services that provide life insurance, employee benefits and wealth protection solution to clients in different background by serving them from freedom in financial security.

AmMetLife vision is to be the Preferred Life Insurer of Choice for all Malaysians. In AmMetlife HQ there is a several departments such as Finance, Marketing, Human Resources, Audit, Operation (Claims, New Business Policy Admin, Processing and Reengineering), Customer Care, Actuarial, Product Development and Reinsurance, Customer Service, Risk and Compliance, Takaful operations, Agency admin, Employee Benefits and Property Admin and Maintenance.

Total around 350 employees are working at HQ (Menara one Sentrum Nu Sentral) and branches (Klang, Ipoh, Seremban, Kelantan, Penang, Melaka, Terengganu, Johor, Sibu, Kuching and Kota Kinabalu). Department focusing for this research is Policy Admin which is the back bone of the company for doing all types of Policy Servicing task. There are four units under Policy Admin Department (PAD) that is benefit unit, servicing unit, statements, notices and letters unit and Credit Related Business unit. Benefit is in charge for all type of payment that release to clients such as surrender, maturity, withdrawal and cancellation. Servicing unit handling all types of servicing related to processing of the policy in term financial and non-financial. Financial part is upgrade or downgrade plan, change payment method and mode, reinstatement policy and refund excess premium. Non-financial task such as change address and change personal information of the client. Statements, notices and letters units make sure all these type of letters send out to client on time by the vendors,

verify the data before send to vendors to make sure no any error and monitor turnaround time of the vendors. This unit also is processing payment for the vendors.

1.2 Problematic situation, problem formulation, problem diagnosis

1.21. Problematic situation

Low efficiency work task, work together with vendors to deliver the statements and letters to group product client via hardcopy materials. The issue is management cost budget is more than the initial budget for letters and statement printing payment every year. Root cause for this issue is printing hardcopy material due to postage chargers is high.

Unsatisfactory turnaround time performance, performing surrender and cancellation cases process manually which is in high volume on monthly basis. Monthly average cases are 1,200. Turnaround time for process is within 10 working days. Bank proposed to process within minimum turnaround time. Surrender listing receive from the bank in weekly basis, Policy Admin Department request IT department to extract the data from the system and finally from extraction listing change policy status one by one in system, copy the surrender amount and create payment voucher in a bulk using each policy details should appear in the system.

Unproductive tasks which are return image received from vendor in PDF copy for renewal certificate and statements. Policy Admin Department staff manually uploads in work flow system. Time consuming for upload the images in the work flow system. For 500 policies staff has to spend at least 1 hour. Dedicated staff monitors and verify on the upload status. This task is considering unproductive because not related to the production to the company.

1.2.2 Problem formulation

Processes　　　　　　**People**　　　　　　　**Management**

Manual　　　　　　Not enough manpower　　Poor Supervision

Non-value added works　Less training　　Inefficient motivation system

Enhancing manual workaround

Process

Short TAT　　　　　Subject matter expert　lack of clarity in task

Poor Performance

Sufficient experience staff　low budget

Workaround　　　　**Capabilities**　　　**Tools and equipment's**
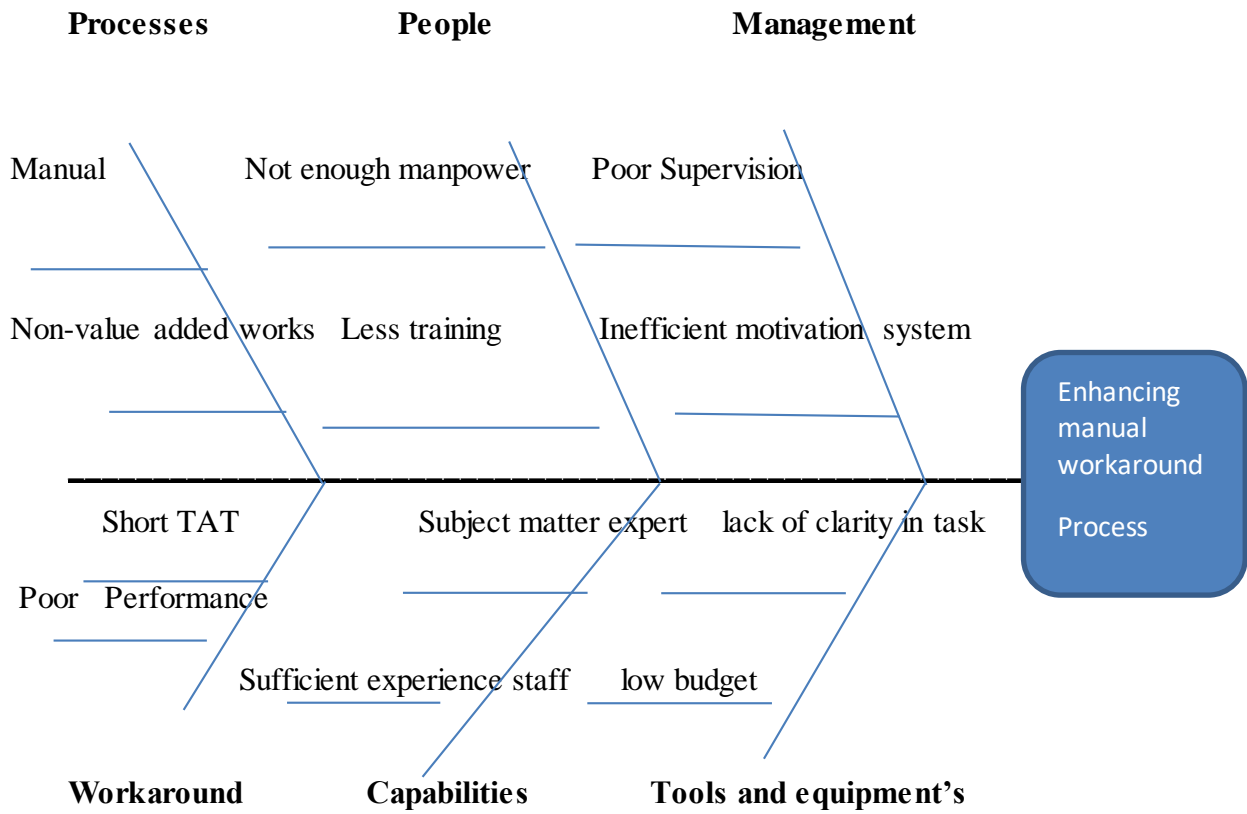
Figures 1.2.2 Fishbone diagram

1.2.3 Problem diagnosis

Table 1.2.3 Fishbone table of the summary

Possible root cause	Discussion	Root cause (Y/N)
Processes Manual Non-value added works	Errors and impact the company reputation. Manual works not related with production.	Y
People Not enough manpower Less training	To process manual tasks. No proper training provided.	Y
Management Supervision Efficient motivation system	Frequent audits from internal. Award on quarterly	N
Workaround Short TAT Performance skills	For process manual task within TAT. Inaccurate execution	Y
Capabilities Subject matter expert sufficient experience staff	Checker and maker to check and verified. Expert in task with more than 8 years' experience.	N
Tools and equipment's lack of clarity low budget	No proper guidance's. Not enough budget for automation.	Y
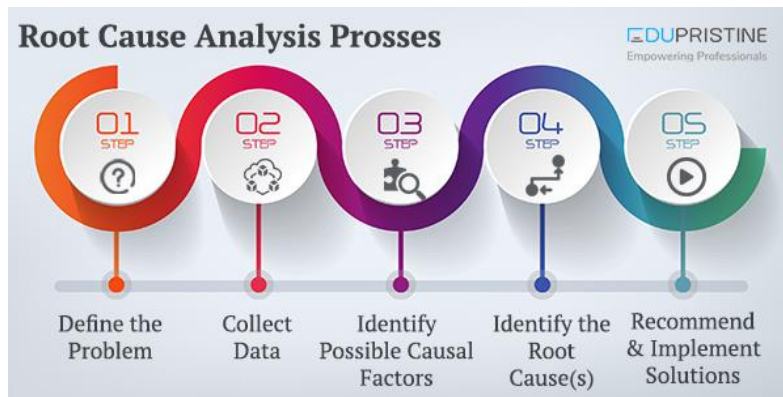
Figures 1.2.3 Root cause analysis process map. (Source: Google images)

Once identify the issues from the fishbone diagram and table of fishbone, researcher easily define the problems, main root cause of the problems and the way to improve the problem. Researcher identifies the main problem facing by the Policy Admin Department is manual work process which is lead to the low turn around and unproductive tasks to Policy Admin Department. 4 out of 6 is show "Y" root cause, it's a still an issue to the department. 2 out of 6 is show as "N", it's not issue to the department as the issues have solutions provided by the department. It's clearly showed that 4 issues have identified with the main root cause. Root cause analysis process map explain the next step should focus to have solution for this issues by recommend and implement solutions for the issues facing by Policy Admin Department.

1.3 Research questions

The research question is:

a) What are the factors that lead to lead to low turnaround time and unproductive tasks?

b) How to implement digitalising the documents in Policy Admin Department in reducing unproductive task at the workplace?

Qualitative through interviews with Policy admin department staffs for the feedback before and after the automation process take place. Interview conduct with management staff to identifies the issues facing by the department. Combination between qualitative and quantitative discussion and comparing the result before and after the implementations take place.

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Quantitative through comparing reports, payment invoices by vendor and work flow process chart. Comparison cost of the invoice from the vendor for the payment before and after the implementation to verify the cost cutting for the management.

Comparison of the report for turnaround time before and after the implementation for analyze on the process flow. Compare process flow before and after the implementation of the automation.

1.3 Researchers Objectives

As a researcher, identify the issues facing by Policy Admin Department of AmMeLife Insurance Berhad. Proposed solution for overcome the issues by implement the interventions for automation and digitalization processor. These interventions will be benefit to the department and save company cost by reducing the payment to vendors.

1.4 Importance of the proposed research

The general mission of the Action Research is to identify and give solutions to reduce payment cost for vendor. Management cost will be reducing for the vendor payment, this is a good sign to the company to gain profit from this part. To implement automation steps for manual processor such as processing of cancellation and surrender task. This able to reduce and avoid the error make by the staff when process the task manually.

On the same time, turnaround time for processing this task will be reduce from 10 days to below than that. Staff able to focus other productivity task rather than unproductive tasks such as uploads the image in work flow system manually. Once this is automated, staffs manage to do additional task to achieve department targets.

Through this research, the author hopes to provide Roadmap for digital site model, is a digital strategy roadmap is a planning document that outlines of the goals which organization is trying to achieve with (new) technology, and what digital initiatives need

the undertaking to achieve the objectives. There are four types of digital transformation: business process, business model, domain, and cultural/organizational. We often see corporations focused solely on process or organizational transformation.

1.6 Definition of term

For the purpose of clarification, the important terms used in this study have been defined.

The following term is:

Manual process. Refers to manual task process by humans before deliver to the end.

Automation. Refers to task process with minimal human intervention.

Digitalization. Refers to digital form perform by the system without involvement of humans.

Low efficiency. Refers to the performance with poor ability.

Unproductive tasks. Refers to task that not contribute to deliver production.

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