PPI

Welcome to Performance Plus Inc.

Performance Plus, Inc. (PPI) is a focused firm with specialized expertise. We're passionate about helping clients improve their business and manage their risks in a focused manner – through business process and information technology improvement. We employ professionals with an average of 15-years in-the-trenches operational experience.

How are we different? We started the firm over 14 years ago as a very focused company and have not deviated from this mission. We believe the more you specialize in an area, the greater expertise you bring to your clients. In short, focus and specialization increases project effectiveness and ROI and minimizes the client time required for project oversight.

Background Information

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ROOTS	Founded in 1998 as a Six Sigma consulting firm; grew into a larger mid-tier consulting firm specializing in Operational Effectiveness.
SERVICES	• Productivity Assessment • Operational Reengineering • Performance Metric Enhancement
PROFESSIONAL STAFF	• 165 Professionals; only 3 levels – Manager, Senior Manager & Partner • Average > 15-years experience • All have worked as both an internal functional group manager and an outside consultant
WHY DO CLIENTS CHOOSE PPI?	• Specialization = expertise • Emphasis on practical and achievable results • Level of experience of every staff member • ROI – greater expertise at more economical rates
SWEET SPOTS	Fortune 1000 Companies: • Operational Reengineering • IT Effectiveness • Capacity Measurement
CLIENT INDUSTRIES	• Insurance • Financial Services • Pharmaceuticals • Medical Equipment & Technology

Services

Often a Blended Assessment

Operational Assessments

Reengineering

Automation

Operational Assessments
- Cycle times & Throughput
- Value-add vs. non-value added activities
- Process Complexity
- Service Effectiveness
- Scalability
- Performance Metric Effectiveness
- Resource Allocations
- Best Practices Employed
- Metrics
- Resource Capacity
- 5S
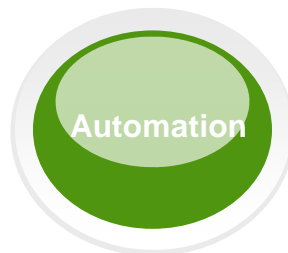
Automation
- Governance
- IT Utilization
- Dependencies
- Risks
- Bottlenecks
- Hand-offs & Interfaces
- Service Level Agreements
- Manual vs. Automated
- Business Requirements
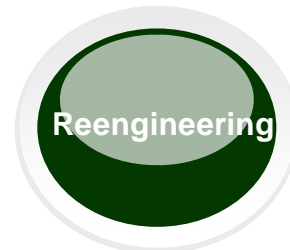
Reengineering
- Project Prioritization
- Detailed Implementation Plans
- Organizational Readiness
- Group Facilitation
- Process Redesign
- Future State Strategies
- Organizational Competencies
- Best Practice Comparisons
- Productivity Measures
- Key Performance Metrics
- Training & Documentation

PPI Core Capabilities include:
- Project Manager
- Business Analyst
- Process Reengineer
- Technical Writer
- Operational Auditor

"PPI proved they know our industry and how to tailor their knowledge to our culture and nuances. They worked very productively assessing an entire SBU's operations and IT utilization. Best of all, their recommendations were practical and helped us implement productivity improvements expeditiously."
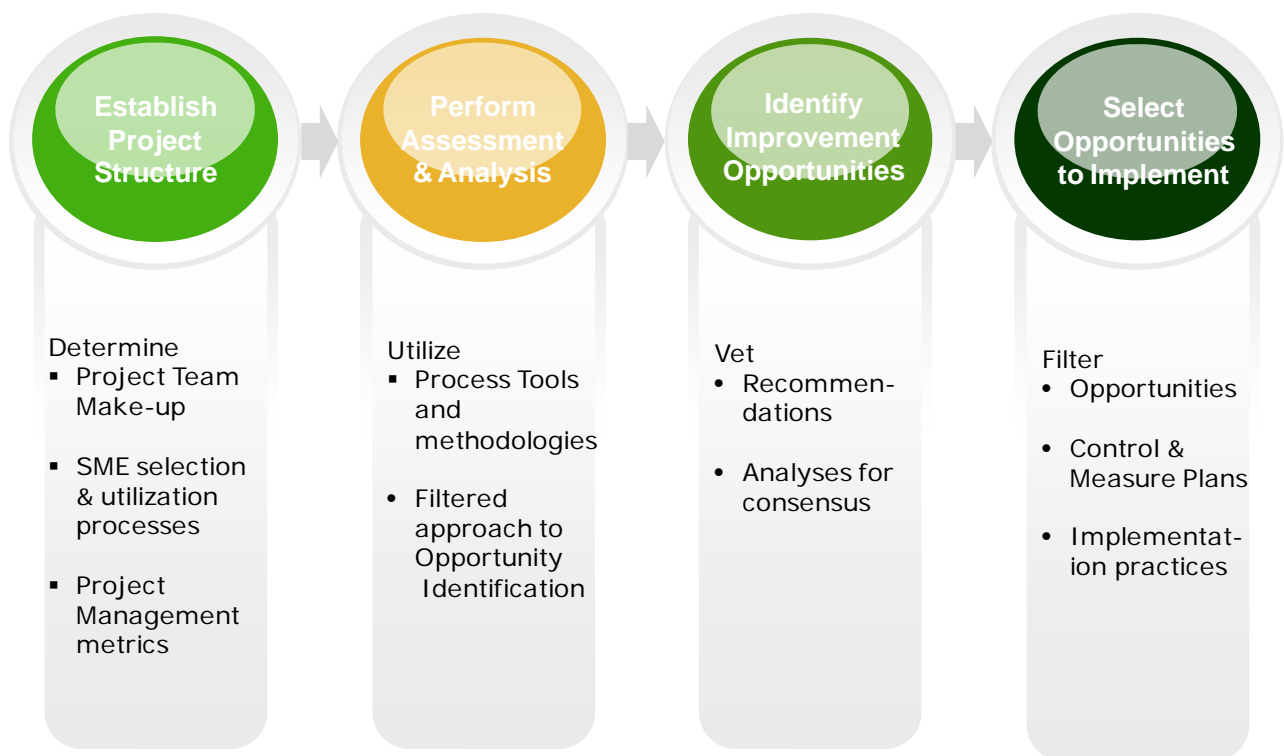
SVP Prudential

Services: Overall Approach

Business Improvement Tailored to Fit

Some business improvement projects are massive enterprise-wide undertakings driven by major IT implementations - but they don't all have to be. In many cases, important improvements can be achieved by acting on a small scale, within a functional group, to drive value from incremental changes that may or may not have a large IT component.

PPI can draw on experience with improvement processes at both ends of the complexity scale to design an approach that fits a client's specific real-world parameters. A small project may be just what's needed to turn around a troublesome process, or to lay the groundwork for the possibility of larger improvements later on.

Establish Project Structure

Perform Assessment & Analysis

Identify Improvement Opportunities

Select Opportunities to Implement

Determine
- Project Team Make-up
- SME selection & utilization processes
- Project Management metrics

Utilize
- Process Tools and methodologies
- Filtered approach to Opportunity Identification

Vet
- Recommendations
- Analyses for consensus

Filter
- Opportunities
- Control & Measure Plans
- Implementation practices

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Services: Operations & IT Assessment

Business improvement begins with assessment of the current state. A solid understanding of how core operational processes are actually functioning within the business is necessary before any change that will make a difference can be designed.

Current State Assessment

PPI's Current State Assessment services are always tailored to the client's program objectives. The assessment is generally comprised of three components, but client circumstances can dictate variations:

1. CSA Program Design

This stage delineates the program objectives, governing and scoping of the project. It addresses the questions, **What are the core objectives of your program,** and **When do you want to accomplish them by?**

Different clients have different needs. Some typical objectives are to improve:

- Productivity of key business processes
- Utilization of appropriate Performance Metrics
- Effectiveness of resource allocations
- Synergy between core processes and organizational goals
- Ability of IT to enable operational efficiencies
- Operational ability to deliver more customer value
- Efficiency of inter-departmental hand-offs

2. Operational Analysis and Process Review

Once the objectives of the program are established and its focus is clear, it is necessary to select the core business operations and processes to assess.

Main considerations include:

- Program design
- Scale and timing
- Functional prioritization
- IT dependency

For each selected process, PPI consultants will develop analyses that capture how the business is currently working. Operational workflow (OW) development gathers information on process performance, activity-based productivity and procedural dependencies. OW development utilizes best practices in:

- Information gathering approaches
- Leveraging client documentation
- Collective PPI expertise

3. IT Analysis

IT improvements are essential to achieving profitable growth. To make them pay off, a company needs to focus on more than just technology—the improvement has to be felt in the business results. And this means joining IT closely with End-User operational processes. This prerequisite is essential to an organizations' ability to:

- Enhance operating efficiency
- Improve consumer interfaces and services
- Assess data risks
- Maximize intellectual capital

Some of the key aspects that typically benefit from close examination include:

STRATEGIC SYSTEMS PLAN

- Linkages between the organization's IT strategy and its business plan
- The role of information in driving the business in general and in the functional areas being examined
- Moving from strategic objectives to IT objectives
- Operating Model – the effectiveness of business integration & standardization employed

IT GOVERNANCE & SLAs

- Organization and approach
- Management processes over project selection and approach
- Risk Assessment Protocols
- Distribution of the current IT Portfolio and its impact on the areas under review

SOME SAMPLE FINDINGS FROM CSAs PERFORMED BY PPI INCLUDE:

Operations

- Significant number of resources are engaged in non-standard processing
- Current structure of batch processes causes material delays in processing
- Metrics and management processes are not driving the right behaviors
- Current operating structure is insufficient to support effective scalability
- Weak linkages exist between strategic objectives and departmental priorities

Infrastructure /Organization

- Core IT systems are out of sync with key operating processes
- Process checks & balances are based on quality control and not quality assurance
- Numerous manual processes are largely aimed at moving documents not information
- Processing is based on a people-capacity model not a technology-capacity model

COMMON IT CHALLENGES

Certain IT-User challenges seem to be recurring in nature. Examples of some of the more pressing confrontations and the elements used by PPI in helping clients increase their ROI on IT include:

INSTITUTING SERVICE LEVEL AGREEMENTS

Is silo compliance really adequate?

- Compare & contrast critical User and IT requirements
- Formalize dependencies, commitments and processes for developing the SLAs
- Institute practical processes to engage interdepartmental compliance
- Develop meaningful metrics to measure compliance & effectiveness

PRIORITIZING IT PROJECTS

Maximizing limited resources

- Develop an effective methodology for prioritizing IT projects
- Produce an IT framework or "blueprint"
- Develop formal process steps, timelines and SLAs for the prioritization process
- Navigate politics and sensitivities when prioritizing limited IT resources

MONITORING AND CONTROLLING IT IMPLEMENTATIONS AND ACTIVITIES

End-users need to be engaged but not dominating

- Analyze gaps in the current IT governance methodology
- Determine decision-making protocols
- Utilize Measure and Control Plans to increase accountability & ROI

ALIGNING IT WITH OPERATIONS

Business changes constantly tax IT-user alignment

- Assess current processes for meshing user requirements with IT resource allocations
- Mesh alignment processes with IT Governance and strategic practices
- Produce Alignment metrics to help enforce new practices

ADDITIONAL BARRIERS TO SUCCESSFULLY LEVERAGING IT INVESTMENTS – IT MATURITY, SPEED, CONSTANT CHANGE AND PERFORMANCE MANAGEMENT

- Comparing & contrasting user and customer IT requests
- Identifying gaps with IT Acquisition Integration
- Enhancing information visibility
- Implementing activity-based performance metrics
- Assessing data silos that service individual corporate functions

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4. Performance Metric Evaluation

Evaluating and improving performance measurements are essential ingredients of most operational assessments and transformation engagements

- Metrics are a vital tool to drive behavior and results
- Addressing several types of metrics enhances the ability of the organization to measure operations and behaviors and is a key element of sustainable operational improvement
- To drive the proper behavior, reactive metrics alone are insufficient

Classifying Metrics helps focus the analysis and increase client understanding:

- What is being measured?
- Process Metrics - Inputs & outputs, cycle time, defects, etc.
- Financial Metrics - Include revenue, costs, other items with bottom line impact
- Behavioral Metrics - Employees actions & attitudes, agent scorecards, customer surveys
- What do the metrics focus on? - Reactive vs. proactive, Tactical vs. strategic

DO YOUR METRICS MEASURE UP?

Typical gotchas include:

- Metrics are not grass roots enough – the high-level perspective does not show where processes are effective or problematic
- Metrics are not actionable - they lack causality & accountability, do not link to behaviors
- Too many metrics – data overload can create and disguise an information famine
- Too many lagging indicators, not enough leading ones – it's important to know what has happened in the past, but you also need to be able to spot problems and opportunities before they arrive

Developing new and revised Performance Metrics is a valuable tool to increase accountability & results.

- There is no one-size-fits-all solution
- Metrics should support the organizational strategy and enable effective decision-making

"PPI's staff are experienced professionals. They showed consistent expertise in helping us implement a difficult IT upgrade. They demonstrated expertise and flexibility because they know how to facilitate, lead and/or follow, given specifics of the situation. I highly recommend PPI."

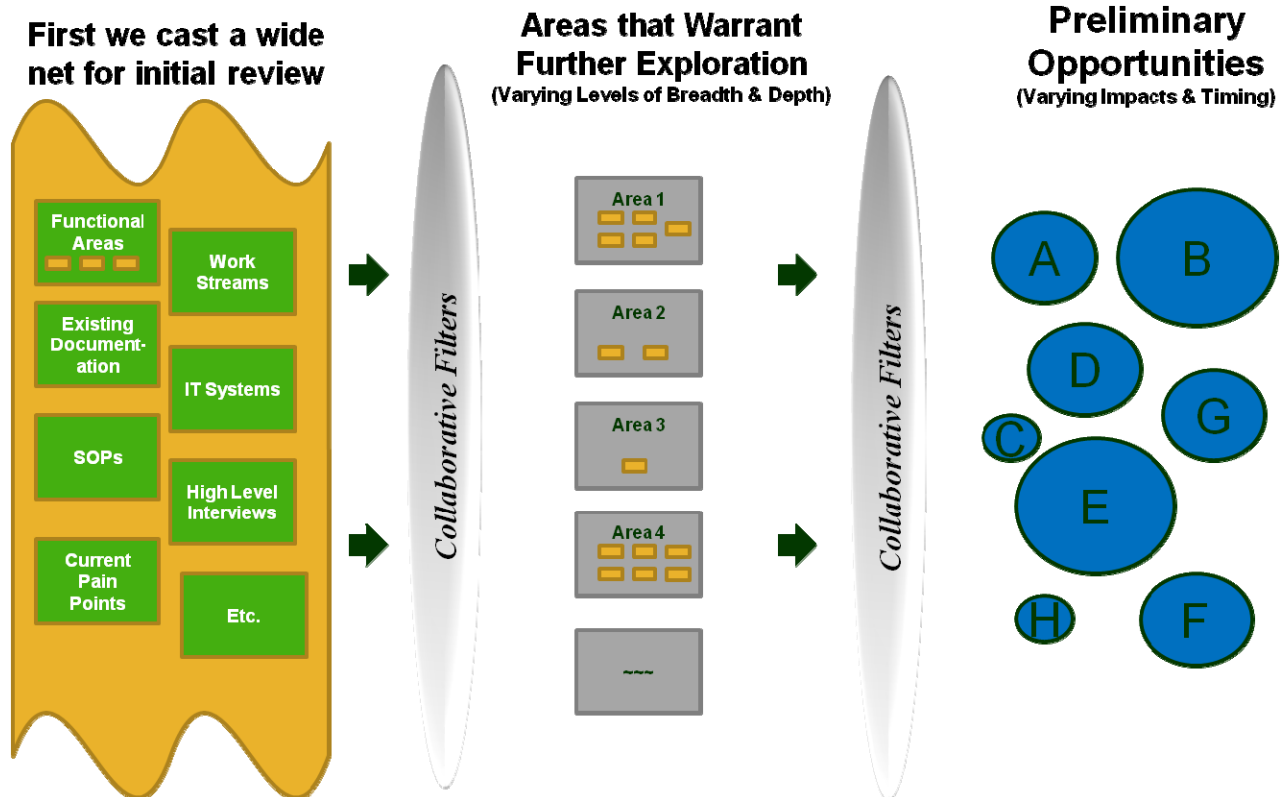*VP Chubb*

Services: Improvement Implementation

Prioritization of Improvement Opportunities

Based on the results of the Current State Assessment, it is practical to gauge the possibilities of short and/or long-term improvements that address the weaknesses or opportunities that have been identified in the current process. The Desired State Assessment consists of the **design and prioritization of practical operational improvements.**

The Desired State, once designed, becomes the goal that the Implementation phase of the project is driving toward.

Our goal is to focus on identifying **practical changes that can actually be implemented** and **deliver a solid ROI**..

PPI WORKS WITH YOU TO IDENTIFY CRITICAL ACTIONABLE OPPORTUNITIES TO ACHIEVE YOUR OBJECTIVES

First we cast a wide net for initial review

- Functional Areas
- Work Streams
- Existing Documentation
- IT Systems
- SOPs
- High Level Interviews
- Current Pain Points
- Etc.

Collaborative Filters

Areas that Warrant Further Exploration
(Varying Levels of Breadth & Depth)

- Area 1
- Area 2
- Area 3
- Area 4
- ~~~

Collaborative Filters

Preliminary Opportunities
(Varying Impacts & Timing)

A B D C G E H F

Blueprint for Implementation

To develop a realistic implementation plan to achieve the desired goals, PPI works with clients to:

- Identify gaps
- Allocate resources
- Develop timelines
- Recognize dependencies
- Implement measure & control plans

Migration planning may be performed in several iterations, to accommodate short-term "quick fix" improvements as well as more complicated long-term improvements.

Implementation Services

The complexity of the changes and the nature of the organization are key factors in determining how the implementation will actually be performed. The details are therefore different for every situation. To ensure that implementation is successful, PPI emphasizes the following:

- Supporting the redesigned business operations and processes with appropriate enabling IT
- Using capability tests to ensure the practicality of desired changes, e.g. turning non-value-added activities into value-added ones
- Connecting Process Improvements with Performance Management processes
- Developing revised performance metrics (including both leading and lagging indicators) to increase accountability and results
- Utilizing multiple communication channels and change management tools to increase buy-in and turn commitment into internalization

"I just wanted to let you know that everyone on your team has been doing an excellent job. We had a very tight time line for the structure work and your team conducted all of the interviews and created the format for data collection and presentation. They were also valuable members of our future state discussions. Finally, I am super pleased that they basically created the presentation for the face to face meeting without me even having to ask for them. Teamwork at its optimal level."

VP MetLife

Recent Engagements

Several examples will help give a perspective on how our expertise can help you:

STRATEGIC BUSINESS UNIT RESTRUCTURING

The division was growing rapidly and foresaw the need to prospectively reengineer core processes and systems to accommodate accelerated growth. PPI helped convert strategic objectives into operational initiatives and functional area plans. Detailed assessments identified operating and IT strengths and shortcomings, which lead to focused reengineering success. The SBU also restructured their workforce in tandem with outsourcing selected functions.

IT INTEGRATION

The client wanted to implement a consistent IT platform for administrative functions across numerous diverse product lines. While assisting in many aspects of this major initiative, PPI provided critical support to the central IT integration component, including:

- Documenting business requirements
- Capturing business rules
- Developing systematic approaches to account for customer and participant data across multiple systems
- Identifying control and process opportunities
- Designing data rules and validation enhancements

SERVICE CENTER END-TO-END ASSESSMENT

The existing implementation process for core products was highly segmented between functional areas, which resulted in rework, timing delays and communication/accountability issues, as well as extremely long cycle times.

After performing in-depth process analysis, PPI helped the service unit restructure various functional groups and the end-to-end implementation processes. "Implementation Specialists" were created to ensure that issues are identified and resolved at an early stage and that implementations are performed in an efficient and consistent manner. A considerable number of back-office activities were outsourced and existing processes were restructured. As a result cycle time decreased 80%, rework in the form of plan changes dropped by 85%, and significant savings have been realized on the tasks outsourced.

RISK EVALUATION

A breakdown in operational controls for the processing of client transactions led to a material financial impact and a qualified audit report. PPI assisted the unit's leadership repair the damage and reduce future risks by asessing operating and financial controls and designing an automated transaction process based on an automated business rules engine. The approach was leveraged to other client accounts to increase compliance and decrease risks.

Learning and Development Services to Support Improvement and Efficiency

For organizations looking to build internal skill sets in process improvement, PPI offers a range of customized and off-the-shelf training solutions using our consulting expertise. The competencies behind these products include:

- Instructional designers and technical writers with extensive experience in supplementing client project teams
- Technical expertise with multimedia software, computer graphics and video production
- Proven consulting skills to create collaborative and efficient solutions with "no surprises"
- Enable gains in productivity via robust training programs that support business goals

Please contact PPI for **Lean Six Sigma for Insurance** Training Program information.

SELECTED CLIENT LIST:

ADP	John Hancock Life Insurance	New York Life
Aetna	Johnson & Johnson	Pfizer
AIG	KPMG	Prudential
Alleghany Corp.	Manulife	Sun Life Financial
Bank of America	MassMutual	The Hartford
Chubb	Merck	Wachovia
GE	MetLife	WebMD
Health Net		W.R. Berkley

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