

retail insurance provider case study

Insurance Industry Turnaround Case File

Name	Confidential
Ownership	Public Company
Business	Retail Insurance Provider
EBITDA	1% of Sales (pre Promentor)
Background	<ul style="list-style-type: none">• Tier 1 health insurer in Australia• More than 100 retail outlets• Independent State, Territory SBUs• Market share declining (4th year)
Situation	<ul style="list-style-type: none">• Silo mentality counterproductive• Duplication of function in each silo• Inefficient processes/tasks• Highly inefficient structure• Excessive administration staff• Questionable marketing strategy• Wasteful promotional expense• A market “follower” not a leader

Turnaround Approach

Establish problems and issues facing the business.

Confirm causes of underperformance, via detailed analysis.

NON FINANCIAL FOCUS – Operational processes, core business structure, duplication of function and sales organisation etc. **REMOVES PROBLEMS.**

Set management new targets to eliminate identified underperformance. Also set responsibilities and deliverables for each group and identify short term wins (gives staff and banks confidence – Promentor is not just another consultant).

Recommend how to achieve the targets, including restructuring, identifying team members to work with, empowering these people and setting management responsibility areas and performance accountability steps.

Provide a detailed 90 day implementation plan to deliver recommendations and assist management to implement this plan.

The Turnaround

The project was a success and Promentor achieved all objectives:

- Restructured operations
- Reduce OPEX by \$20.5m, representing 5.6% of management costs
- Reduced marketing spend by 15%
- Reduced staff levels by 9% (123 staff)

