

PROJECT SUMMARY FINANCIAL REPORTING DIVISION – INSURANCE COMPANY

PROJECT TITLE: FINANCIAL REPORTING AREA STUDY

Project Overview: CGN conducted an organizational assessment for an insurance company's financial reporting area and provided process, technology, organization structure, and culture recommendations for attaining productivity improvements and cost savings.

Business Objectives

- Identify areas for productivity improvements and cost savings in the Controller's Department to:
 - Reduce the month-end financial report processing time after closing
 - Evaluate the level of accuracy sought and whether there is excessive and duplicate checking
 - Assess whether dept. is making proper use of the new Lawson system
- Identify opportunities to gain efficiency, leverage talent, improve coordination, share learning and improve communication
 - Recommend ways to make the reporting function better, be more consultative and value-added, etc.
- Apply learnings, ideas, and recommendations across department

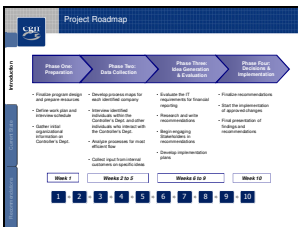
Challenges

- Short time frame and very lean resources to execute the engagement

CGN Solution

- Developed value stream maps for each insurance company and bank; analyzed processes to identify bottlenecks, eliminate waste, and shorten cycle time
- Collected input from internal customers on service requirements & expectations
- Gathered data via interviews, work observation, focus groups; analyzed data
- Conducted quantitative work analysis via ABM methodology
- Facilitated workshops to build buy-in to solutions

PROJECT PLAN



IMPLEMENTATION MAP



COST ANALYSIS

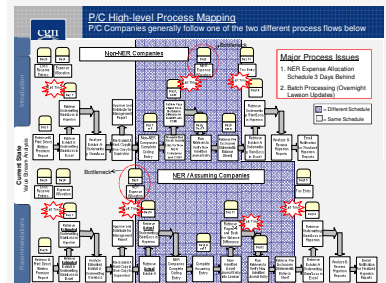
Department	Current Headcount	Current Salary	Current Benefits	Current Total	Target Headcount	Target Salary	Target Benefits	Target Total	Cost Savings
Accounting	10	\$1,000,000	\$200,000	\$1,200,000	8	\$800,000	\$160,000	\$960,000	\$240,000
Financial Reporting	15	\$1,500,000	\$300,000	\$1,800,000	12	\$1,200,000	\$240,000	\$1,440,000	\$360,000
System Administration	5	\$500,000	\$100,000	\$600,000	4	\$400,000	\$80,000	\$480,000	\$120,000
Compliance	8	\$800,000	\$160,000	\$960,000	6	\$600,000	\$120,000	\$720,000	\$240,000
Internal Audit	3	\$300,000	\$60,000	\$360,000	2	\$200,000	\$40,000	\$240,000	\$120,000
Legal	2	\$200,000	\$40,000	\$240,000	2	\$200,000	\$40,000	\$240,000	\$0
Human Resources	4	\$400,000	\$80,000	\$480,000	4	\$400,000	\$80,000	\$480,000	\$0
IT	6	\$600,000	\$120,000	\$720,000	6	\$600,000	\$120,000	\$720,000	\$0
Operations	10	\$1,000,000	\$200,000	\$1,200,000	10	\$1,000,000	\$200,000	\$1,200,000	\$0
Marketing	5	\$500,000	\$100,000	\$600,000	5	\$500,000	\$100,000	\$600,000	\$0
Customer Service	12	\$1,200,000	\$240,000	\$1,440,000	12	\$1,200,000	\$240,000	\$1,440,000	\$0
Executive Management	3	\$300,000	\$60,000	\$360,000	3	\$300,000	\$60,000	\$360,000	\$0
Board of Directors	1	\$100,000	\$20,000	\$120,000	1	\$100,000	\$20,000	\$120,000	\$0
Other	2	\$200,000	\$40,000	\$240,000	2	\$200,000	\$40,000	\$240,000	\$0
Total	80	\$8,000,000	\$1,600,000	\$9,600,000	68	\$6,800,000	\$1,360,000	\$8,160,000	\$1,440,000

PROJECT DURATION:

April – June, 2008 (3 months)

KEY RECOMMENDATIONS:

- **Process:** Recommendations on how to increase efficiency and effectiveness of the work flow in the Financial Reporting area. Cycle time was shortened by 50%. Means identified to produce same output with one third the staff



- **Technology:** Recommendations on a systems upgrade and implementation of Enterprise Management System

- **Culture:** Recommendations and roadmap for building a high engagement culture for talent development & performance management

- **Organization:** A two-phase recommendation for a new organization and redeployment of 30% of staff to higher value-added work



For details call: 1.888.RING CGN (1.888.7464.246) or e-mail: (hcm@cgnet.net)
NORTH AMERICA | EUROPE | ASIA
www.cgnet.net