



**Instructions:**

Read the scenario as often as necessary. Work alone. Make as many notes as you feel might be relevant. Attempt the task(s) outlined at the bottom.

**Scenario:**

Dave M, Director of “External Services” in PINK Insurance Limited, has requisitioned an improvement action on the topic of Broker supplied new business applications to sort out performance issues in the department.

PINK is Ireland's fastest growing insurance provider and targets to become the largest by 2023. PINK's USP is quality of service. Unlike the competition, PINK aspires to have the shortest wait times, fastest response times and most professional service available in the industry. To achieve their ambitions, PINK will need to achieve revenue growth of at least 22% CAGR.

Already PINK have brokers in each county in Ireland. PINK receives 55,000 new business applications from their broker channels (external services) . PINK employs 30 internal administrative personnel to process broker applications. The internal teams are organised into 5 sub-teams comprised of a supervisor and 5 subordinates. Supervisors are responsible for team performance only. The supervisors are under pressure as their teams struggle to cope with application processing.

The Director ( Dave M ) wants to facilitate the transfer of a number of staff from “external services” to support PINK's own direct customer (“internal service” ) growth initiatives. They are concerned about an over dependence on brokers and would prefer direct customer contact to develop their brand. Dave M is committed to the company vision and keen to earn his 15% salary commission if his department meets the service target of 55,000 completed applications in 2022. He has a bet with his UK counterpart that he'll outperform his rival. The UK division handles 1 new application every 30mins.



The team supervisors think Director Dave has lost the plot, is out of touch with their daily realities and cannot understand how he believes they can afford to lose any people from external services support to internal service support. They've been asking repeatedly for more resources. They are already struggling to avoid overtime and to find a way to even allow their staff their 20 days annual leave entitlement ( excluding bank holidays ). As it stands they are covering their teams performance by also helping out their staff and processing applications to assist their team mates. They are determined to lead by example. In fact they are holding things together.

Clerical staff in PINK receive a salary of €28,000 PER YEAR.

Brokers typically sell insurance products from upwards to 20 different insurance companies, including PINK. PINK is just 1 of the many they work with on a daily basis. The brokers prepare the new business application forms and submit these to the internal team in PINK. Brokers expect that all new applications are completed within 1 working day. Brokers are beginning to wonder if PINK's claimed USP is all just hot air.

Each internal team member can process 10 applications per day. Level 1 management ( Supervisors ) in PINK receive a salary of €35,000 per year. They are being threatened by management that their teams will suffer a 3% salary penalty if they cannot process applications on time. Management have told the supervisors that they will use the 3% penalty deductions to fund 1 new person. The salary budget cannot grow. And Dave's not willing to lose his bet.

As an improvement initiative the supervisors have already instructed their staff to try to resolve as many "bad applications" as possible by phone to speed things up. The clerical staff are now working beyond their normal 6 hours ( active time ) a day, by processing paperwork through lunch to avoid the penalty. They are demotivated and there is mutiny bubbling.

PINK's internal staff return 15% of applications to their brokers for correction or completion of missing data. In response to the supervisors instructions, PINK's clerical staff now correct half of all "bad applications" forms through telephone dialogue with the brokers. Phone calls take on average 10 minutes each.



**NOTE:**

**As of Jan 2022 – There are 10 Public Holidays / Bank Holidays in Ireland during which employees do not work.**

**Your Task:**

- **Identify the Key Stakeholders. The Customer.**
- **Summarise the key issue(s).**
- **Outline the “Management” Perspective**
- **Outline the “Administrative Staff” Perspective**
- **Develop a Problem Statement**
- **Consider a business case ?**