

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

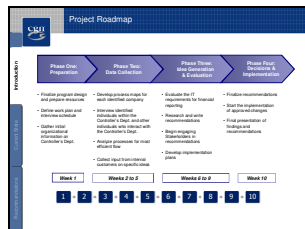
Challenges

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

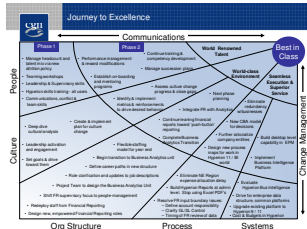
CGN Solution

- 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

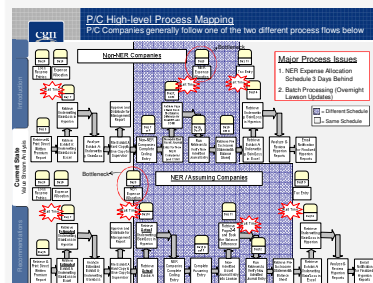
Description	2008				2009	2010	2011	2012
	Jan	Feb	Mar	Apr				
Accounting	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Finance	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
IT	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000
Legal	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Marketing	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Operations	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Human Resources	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Other	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Total	6,200,000	6,200,000	6,200,000	6,200,000	6,200,000	6,200,000	6,200,000	6,200,000

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@cg.net)
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