Case Study on SE2 Insurance - Invoice Processing

How TQMI set the foundation for the powerful digital transformation of internal operations for an insurance technology company.

The Client

SE2 is a life and annuities insurance technology and services firm. SE2 uses a combination of rich domain expertise and cutting-edge technology platform to enable the rapid launch of new and innovative products through both traditional as well as digital channels.

SE2 administers over 2 million active policies on behalf of its 25+ clients. It has over $100 billion in assets under administration and handles more than 200,000 new business applications annually.

The Current Scenario

The SE2 office in India works with thousands of suppliers and service providers. They receive over 1200 invoices per month from their suppliers and service providers.

The company was facing severe challenges in invoice processing –
- The invoice processing was taking too long
- The internal teams were spending a lot of time reviewing, correcting, and processing the invoices
- Errors in invoice processing were leading to several challenges with respect to compliance and statutory

An initial analysis showed that less than 50% of invoices were meeting the stipulated 7-day cycle time.

All these issues were hampering their supplier relations and were impacting their brand image.

TQMI Approach

The TQMI team did a detailed Value Stream Mapping and Cycle Time study to understand the existing approach to invoice processing.

The team identified the following challenges in the existing process-
- The physical movement of invoices and documents was error-prone and time-consuming – especially when the documents were moved between offices at different locations
- The invoices had multiple errors, which led to auditing and compliance issues
- The process involved multiple stages of approvals from different stakeholders – some of them were redundant

- There was no defined timeframe for approvals, leading to delays and hold-ups

The Solution

The TQMI team suggested SE2 redesign the invoice processing workflow. This revised workflow formed the basis for the powerful digital transformation of the invoice processing function.

The revised workflow included –
- Digitization of invoices
- Early detection and fixing of errors in invoices
- Reduced number of approvals (the TQMI team suggested reducing the approvals from 4 to 2)
- Auto-escalations in case the defined timeframe for approvals is not met
- More transparent visibility across all levels through intuitive dashboards

The TQMI team prepared a comprehensive Software Requirement Specification document for the SE2 tech team to build the digitized workflow. The document helped the SE2 team develop the system exactly as per the new workflow.

Impact
Within a year of implementation of the new workflow, the company achieved
- 100% FTC (First-Time-Correct) standard
- 100% of invoices were getting cleared within the stipulated 7-day cycle time

It helped SE2 strengthen the supplier relationship and achieve greater compliance.