Summary of workshop 1: Achieving operational efficiency

Speakers:
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Chair:
Paul Kershaw, Novidea

The session focused on the challenges, strategies and lessons learned in achieving operational efficiency in insurance through technology, process improvements and change management. The discussion highlighted the reality that purchasing a new system does not automatically lead to efficiency gains. Instead, success is dependent on thoughtful implementation, people engagement and aligning technology with business needs. Effective planning, strong project management and buy-in from staff were identified as critical to ensuring smooth adoption and realising efficiency benefits.

A significant challenge in operational efficiency efforts is the persistence of legacy systems, poor data governance and lack of interoperability between different platforms. While technology solutions such as RPA and AI have been widely implemented, their success has often been limited by an absence of well-defined objectives, poor integration and a failure to understand actual business needs. The speakers stressed the importance of defining efficiency in terms of business outcomes rather than just cost reduction. This means focusing on service quality, employee satisfaction and client needs, rather than assuming that automation or outsourcing will inherently solve inefficiencies.

Resistance to change was highlighted as a major barrier, with organisations needing to manage cultural transformation as much as technological implementation. It was noted that while 20% of employees embrace change, the majority remain neutral or resistant. Addressing this requires clear communication, early engagement with stakeholders and targeted strategies to convert sceptics. The importance of structured change management was emphasised, including using methods like Lean Six Sigma and the 'Three Amigos' model to improve collaboration and efficiency.

AI was discussed as a potential enabler of operational innovation, particularly in data ingestion and streamlining processes. However, concerns around data quality and regulatory scrutiny remain significant challenges. The session concluded with a discussion on future trends, particularly the need for businesses to be proactive in adopting new technologies while ensuring that investments align with long-term strategic goals.

Key Takeaways

1. **Technology alone does not create efficiency—implementation and people matter**
   Simply purchasing a new SaaS platform or implementing automation does not guarantee efficiency. Success depends on strong planning, well-executed project management and engaging staff early in the process. Resistance to change can derail initiatives, making it essential to secure buy-in from key stakeholders through clear communication and structured change management.

2. **Data quality and system interoperability are critical for operational success**
   Many efficiency efforts are undermined by poor data governance, fragmented systems and legacy infrastructure. Companies must prioritise data consistency and integration to enable smooth workflows. Vendors must also be challenged to improve interoperability between their products to prevent businesses from becoming locked into inflexible systems.

3. **Operational efficiency should be measured by business outcomes, not just cost savings**
   Efficiency is not just about reducing expenses but about improving service quality, customer satisfaction and employee experience. Organisations must ensure that their efficiency initiatives align with actual client needs rather than assuming that faster or cheaper processes automatically deliver value.