

2007-Jan-11

Though we are still very early in the analysis phase, there are several practical ideas to keep in mind. For simplicity's sake, I have broken them down into 2 primary areas from a re-engineering standpoint: Process, and System. They work hand in hand, and each facilitates the other.

Before addressing them though, let me first say that the overriding areas of change will be mental and social (as well as emotional for some). That is, culture change with a paradigm shift. With that said, and though it may not be easy for everyone, it is exciting to see how things can be better for everyone associated with Claims, and for PINNACLE MORTGAGE CORP.

Following are a few specific examples as food for our department's collective thought – with many more to come.

PROCESS

A quick note regarding process: this not only involves our changing things, but also placing certain burdens where they belong.

Assumption of data integrity: Claims needs to be able to assume that the information entered into the system (PIMS) is complete, accurate, and up-to-date. Specifically in regards to filing Premium Recap claims, the Claims Administrators are spending significant time performing manual checks of the dates in Term Sheets and MLPA's for each of hundreds of claims each month since we do not trust the data in PIMS.

Here is where the burden of data integrity needs to be lifted off of the Claims Manager's shoulders and put properly onto the shoulders of whoever is responsible for entering the data in the first place. Then, the process can move forward with being automated. Otherwise, it can't. From a solutions standpoint, the infrastructure architecture team should look at somehow providing data from the Payoff and LSBO groups (versus our searching their spreadsheets).

Claim package preparation: Huge amounts of time and resources are spent on accessing, printing, collating, and shipping contractual artifacts with the claims forms. At first glance, as an outsider, I must at least ask, "Why must we send the claimants copies of our copies of our mutual documents? Don't they have their own, and shouldn't they be responsible for them in complying with our mutual recourse agreement?" Of course, the real-world answer is that we provide this additional information so as to reduce possible stalling excuses in order to recover our claims more quickly. There may be some relief though possible printing automation. Or, it might come down to sharing the pain with others in order to make things better.

SYSTEMS

In lieu of a thesis on this subject that could be written for PINNACLE alone, suffice it to say that Claims needs its own system that provides for its collaborative needs within itself as well as among its external stakeholders. Whereas the primary claims-related data is stored mostly in two systems (PIMS and Fidelity), this data is often difficult to access due to performance limitations of the systems. Additionally, these systems do not accommodate the required calculating functionality needed by Claims. A new "system" (front end interface to existing data structures, with some logic) for Claims need not be terribly expensive or of the latest and greatest out-of-the-box technology. Instead, something [home grown] Web-based would likely be adequate and wonderful. Nonetheless, a new system is essential for automating much of the claims processing workflow and functions that represent the bulk of the department's operating costs as well as their corresponding dollar amounts.

Just as "dynamite comes in small packages," so is the issue of controls huge relative to the size of this paragraph. There are some excellent opportunities to reduce exposure to skimming by automating a few process areas (such as claims canceling in conjunction with the current manual issuance of wiring instructions). More to come throughout the analysis.

In conclusion, there are lots of identifiable "opportunities" for increasing efficiency and savings in operating costs, and in increasing effectiveness in recovering real money. The solution would probably pay for itself within the first year (perhaps several times over – but I'll leave that to the business case writer to address).

Best Regards,

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