

Davies Consulting

Adapting the operating model to optimise costs

A fresh look at your operations, from the perspective of demand and customer behaviour

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The pressure to reduce the costs of service keeps intensifying. Our experts can help you take a fresh look at your operations, to redesign not just individual journeys, but the operating model that supports these, to optimise it for the business and your customers. We'll pinpoint inefficiencies, highlight new opportunities and provide practical recommendations to reduce cost while enhancing the customer experience.

Good service comes at a cost. But for many organisations, poor service is being delivered at an even higher price. Customer journeys are disjointed, or ineffective; reliant on manual intervention to overcome a lack of integration between processes and systems. The result: duplication, repeat contacts, customers reverting to the contact centre so they can get a real person to answer their increasingly frustrated questions.

Thankfully, there is a better way. This kind of situation should be the catalyst for rethinking your operating model; realigning and redesigning journeys in a way that makes sense not just for the customer, but for the business too. Yes, it may require investment, but the business case – in terms of higher customer satisfaction and reduced duplication of effort – can be readily made.

Investing to reduce costs: the business case

Our experts will help you build that business case. We'll start by examining current demand patterns across your service operations. We look at customer behaviour: what are the issues that lead them away from the 'optimal' journey? Crucially, we then help you understand the costs and consequences of these issues.

Based on these insights, we then make recommendations for rethinking your operating model so that individual journeys can be more reliable and effective. That might include enabling self-service, automating back-office tasks, retraining staff or using outsourcing and investing in relevant technology that will deliver a swift return. We address specific problems – a particular process bottleneck, for instance – as well as looking at the bigger picture, where a single change can address multiple issues.

The outcome is a clear picture of how you could offer a better customer experience, while reducing costs. What's more, we deliver fast, with our high-level recommendations for a future operating model presented to you in weeks.

Our Approach

Our highly experienced team will examine your current service operations from a range of perspectives to understand the challenges, before identifying and quantifying opportunities for improvement. We maintain a robust commercial focus – always putting potential cost savings in the context of your business goals and customer experience priorities.

In practice

A new operating model for a major insurer

A European insurer was aware that it was underperforming across all three of its retail businesses. It asked Davies Consulting to explore how it could evolve its operating model to lower costs and drive improvements through consolidation and shared services.

We examined the operations at each of the businesses, looking for opportunities to make better use of skills and resources across the group. We then presented a range of operating model options, along with the pros and cons of each.

Our recommended approach was to maintain the company's different brands, but consolidate sites while increasing multi-skilling. Investment in people and technology could be more targeted and duplication removed.

We also recommended that the different brands' forecasting, compliance and quality management teams could be consolidated as shared services, bringing together skills and resources to deliver a higher quality, more consistent service to each individual business.

Our analysis identified that moving to the optimised model would deliver a multi-million pound cost saving, as well as improving the overall customer experience across each of the three businesses.

Get in touch

To discuss how our experts can help you rethink your operations to optimise costs, contact us today.

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