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Rethinking Remediation

Remediation is often considered time-consuming and labour-intensive. But for savvy businesses, it's also a compelling opportunity to serve the interests of your customers while setting the stage for future growth.

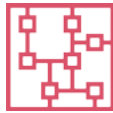
In business, there are few assets as powerful – or fragile — as trust. Whether you're selling a teenager a policy for car insurance, equipping a young couple with advice on mortgages or advising a pensioner on superannuation, robust relationships have always hinged on an ability to be transparent and act in your customer's best interests. When breaches occur, salvaging and rebuilding these relationships depend on a commitment to move fast, atone sincerely and compensate the customer as thoroughly and seamlessly as possible. But for too long, remediation — this process of customer compensation — has been perceived as an endeavour that diverts energies from the core business and funnels resources away from activities that generate revenue rather than an essential means of restoring confidence down the track.

This isn't just down to mindset; it's also reflected in issues such as governance, systems and the culture that shapes a workplace. In July 2018, PwC's *The New Trust Economy: a framework for trust* identified a growing deficit between customers and corporations, caused largely by corporate transgressions as well as a failure to account for them. It also highlighted the dawn of the 'trust economy' — one in which the survival of even the most established businesses revolve around trust drivers such as advocacy, consistency and transparency. Remediation presents a powerful opportunity to make these drivers part of business as usual — and chart your future course.



Governance and visibility at the highest level

Remediation can be a complex and challenging process that requires serious attention to detail. It can also put a strain on time and resources — a fact that can impact an organisation's balance sheet. Although implementing strong provisions around remediation can work as a damage control measure, it's not enough when it comes to learning from past errors and delivering strategic growth in the long term. That's why remediation programs should be highly visible to the board and executive management and be subject to stringent governance measures that come from the most senior members of an organisation. By employing a "set and forget" philosophy, organisations risk overlooking the critical insights and customer-centric missives that are at the heart of successful remediation efforts. Good governance doesn't just mitigate present-day customer problems — it can also ensure that businesses detect future issues before they occur.



Rethinking the end to end remediation value chain

Current events have put remediation firmly in the spotlight. Although this has served as a powerful catalyst to addressing the systemic issues driving remediation, it does not represent the end of future breaches requiring remediation. In many ways, this cultural moment presents a powerful opportunity to rethink the investment in resources and infrastructure in order to truly industrialise the remediation process so that it is done as intelligently and quickly as possible.

All too often, the steps in the remediation process are done sequentially, with some upfront data analysis to scope the size of the issue then using experienced resources to work through a case end to end. Businesses can unlock so much more value across the different parts of the remediation value chain by:

- identifying the steps and activities that can be stripped out and industrialised (ie front loading time-consuming tasks through dedicated sub-teams rather than doing these sequentially in the process);
- identifying those parts in the process that can be done by alternate and innovative workforces ie through smart remediation centres and lower-cost workforce options, rather than diverting the efforts of experienced case assessors whose skill and technical capability could be used in more impactful ways; and
- introducing automation and machine learning to create efficiency, reduce manual steps and streamline procedures.

It is also essential to ensure that every activity in the value chain is matched with the people equipped with the best skillsets and capabilities — from administration, data analysis, operations management to experienced case assessors. Matching the activity to the right skills and capabilities is key to ensuring that each step in the process is completed as efficiently as possible to the highest level, every time.



Achieving faster results

It is clear that remediation programs must be both driven by a customer-centric outlook and maintain commercial outcomes. But how do you build a process that achieves this fast? Here's one way - designing policies, procedures and decision matrices that consider whether there are steps in the remediation process that can be removed or replaced with assumptions that empower case assessors to speedily arrive at the loss position of the customer, even if this measure of loss is higher than actuals. There are numerous decisions that can be taken that lead to a more generous customer outcome, but significantly reduce the time taken to assess the case, and ultimately reduce the cost of the overall program. Coupled with industrialising the remediation value chain, this is a powerful way forward in maximising output.

Additionally, successful remediation programs must embrace technology and data analytics to swiftly process customer cases, working out which parts of the process can be automated and investing in machine learning to arrive at conclusions faster, in order to accelerate resolutions while minimising manual labour. This needs to go beyond the traditional uses of data which are often focused on sizing the scope of the issue. For example, developing tools and using machine learning to automate the extraction, indexation and cataloguing of key documents required for assessment; developing calculators that automatically compare products (relevant to Financial Advice remediation); using analytics to quickly identify cases that are likely to result in financial detriment such that these can be prioritised and closed quickly, are just a few items to consider.

Data innovation can be much more easily achieved by embedding good resources with data and coding skills into the remediation process, working alongside case assessors to identify opportunities and build the digital tools needed to drive faster results.

It is also worth remembering that accelerating the remediation process is much more straightforward if the right individuals across the organisation can make tough decisions when circumstances demand. Again, establishing governance structures that allow decisions to be escalated to individuals in positions of authority is absolutely vital to balancing the imperative to compensate customers quicker — while keeping an eye on bottom lines.



Using remediation to future-proof your business

It is easy to perceive remediation as a way to fix present-day problems. But in truth, the remediation process can also help businesses learn from past failings and re-build all-important trust with the customer that can mean bouncing back stronger down the track. Savvy organisations should be using the insights, data points and recurring trends that arise from remediation outcomes to inform everything from the way their products are designed to the way their services are deployed. It is then worth digitising business data so that remediation issues are monitored on a real-time basis. Investing in real-time monitoring can set the stage for an approach to remediation that is preventative rather than reactive. It can also mitigate future issues before they crop up.

Remediation doesn't have to be a time-consuming obstacle to progress. In the new trust economy, it can be an opportunity to reframe your business — if you're brave enough to establish the right governance structures, use technology and strategy, invest in the right resources to industrialise the process and incorporate ongoing lessons to build a smarter, more customer-centric organisation and ensure future growth. Ultimately, your approach to remediation can help you acquire critical intelligence about the weak spots that are impairing your potential. It also signals a powerful opportunity that can see you spring back stronger than ever — empowered with the resources to thrive.

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