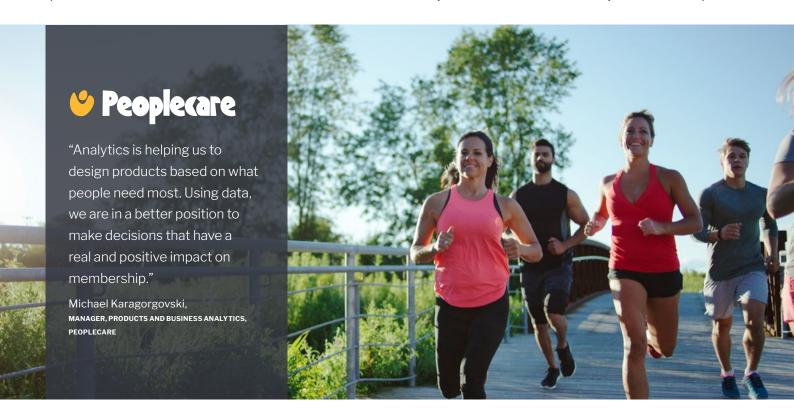**PEOPLECARE CASE STUDY:**

How Peoplecare built a data-driven culture
(and became more customer-responsive in the process)

Peoplecare

"Analytics is helping us to design products based on what people need most. Using data, we are in a better position to make decisions that have a real and positive impact on membership."

Michael Karagorgovski,
MANAGER, PRODUCTS AND BUSINESS ANALYTICS, PEOPLECARE

Background

Peoplecare operates in the complex environment that is Australia's health insurance industry. Two years ago, the organisation began building a new analytics capability as part of its shift to a data-driven culture.

Through improvements to data accuracy and the deployment of dashboards designed for maximum engagement, the executive team is now benefiting from an improved ability to track business performance. Readily available data is driving new insights that are informing the design of products and services, and leading to greater customer responsiveness.

Peoplecare is a not-for-profit health insurer that exists to benefit its members. Established in Wollongong more than sixty years ago, it began as a restricted membership health fund looking after the health interests of the workers and families involved in the local steel industry. In the years since, Peoplecare has provided health support for generations of employees of more than 40 affiliated steel companies including John Lysaght Australia, BHP, BHP Billiton, BlueScope Steel and One Steel.

In 2006 the organisation removed industry membership restrictions and opened its doors to the general community. Today the fund covers in excess of 80,000 people on more than 35,000 memberships.

Peoplecare's strengths come from its close connection to the community it serves and from its comparatively small size that allows for flexibility and speed of decision making, ensuring Peoplecare remains abreast of member needs.

While local knowledge and experience are essential in this process, the organisation recently embarked upon an ambitious project to use the wealth of data in the company's IT systems to inform strategy, planning and everyday decision-making. The aim is to build a data-driven culture by providing executives with the tools and information they need to validate and fine tune their decisions, and at the same time, increase responsiveness to member needs.

The Solution

Peoplecare operates in a complex environment. It must not only calculate revenue, hospital costs, accommodation fees and risk equalisation; it also has to take into account factors such as government rebates, concessions, lifetime health cover loadings and legislative impacts. As a not-for-profit, member value is always essential.

One of Peoplecare's most important tools is its operating software, HAMB Systems Limited – a purpose built Australian PHI platform. For reporting, the organisation uses the HAMBS-integrated analytics software, Prometheus Business Intelligence for Health Funds.

Just over two years ago, Peoplecare's Manager, Products and Business Analytics, Michael Karagorgovski, commenced the project to significantly improve reporting and capitalise on the company's data. He wanted to provide executives with more, relevant information to support decision-making. He planned to achieve this by creating dashboards that would enable users to identify trends and metrics within minutes of glancing at their PC each morning.

Karagorgovski sought advice from Prometheus regarding the potential for business intelligence (BI) at Peoplecare. He also quizzed them about the Yellowfin BI platform embedded within the analytics software. He realised that Yellowfin's engaging graphics and visualisation techniques could bring simplicity to the task of communicating complex metrics.

"Prometheus opened the door for us, showing what BI does. They know the industry quite well and are very in tune with HAMBS. This made them a great sounding board," Karagorgovski notes.

Next, Karagorgovski presented his vision to the executive and gained agreement for the breadth of the project. Immediately he recruited the support required and they began the journey to create a new data warehouse to support the BI solution. He needed the certainty of clean data if he was to build trust in the system.

Karagorgovski then sought input from the business regarding information needs. "I asked everyone what reports were they achieving now? What reports were too hard to get and what would they like to see?"

He whittled away at wish lists in excess of 100 reports before arriving at five core dashboards containing the data executives most needed to see every day:

- Claims – including episodic claims such as hospital reporting, and general treatments such as dental or optical services
- Memberships
- Terminations
- Profitability
- Monthly snapshots

Within each of the dashboards, drill down functionalities would be developed to enable users to dive into detail, down to member or claim specific level. He wanted users to be able to analyse claims by age, membership class, provider identification and more. In addition, rules would be put in place to automatically identify breaches of claims conditions and to highlight exception reports.

Benefits

Two years into the project, Peoplecare has its new data warehouse, along with four of the core dashboards. The final dashboard, profitability, will go live before the end of the financial year.

Executive enthusiasm for the dashboards is strong. Managers are using the data daily to confirm their expectations and occasionally, are being challenged by the findings.

"Companies often have lot of qualitative knowledge. Peoplecare is no different," Karagorgovski says. "We respect the knowledge of our executives, and have encouraged them to use the data as a way of validating their decisions. Through this, we gained their trust in the data and in the system and we've been able to expand out from there. Now managers are using Data Discovery and finding their own ways to use to analytics and drive new insights."

"Thus far, we've been using the system in a reactive way, to identify and address issues," he adds. "Next we intend to become more proactive, to create more predictive models around terminations and members, and overlay that data with profitability. As the business grows, we need to know what profitability will look like in five or ten years time. Using data we can identify issues much earlier and minimise the premium increases that adversely affect members."

Karagorgovski believes six attributes of the project have helped to ensure successful executive engagement:

1. Analytics needs were identified by working alongside stakeholders
2. The analytics are easy to use
3. Dashboards are engaging
4. The data is trusted
5. The business bought into the vision
6. People were willing to be patient, giving the project time to prove its value.

The right tools, in the form of Yellowfin and Prometheus, have also been key. "Yellowfin has enabled us to gain executive buy-in. You don't have to be a data scientist to use it. We have the flexibility to create visual pieces that enable non-technical managers to view snapshots, click and explore and dive deeper into data. They can identify and know whether business is tracking as expected."

Down the track, Karagorgovski believes there is plenty of scope to expand the use of analytics within Peoplecare. "What we've achieved so far is phase one. Analytics is helping us to design products based on what people need most. What we have proven is that by using data, we are in a better position to make decisions that have a real, positive impact on membership," he concludes.

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