

## Background

Over the last couple of years Suncorp has invested significant time and capital in the development of Activity Based Costing in the organisation. The acquisition of GIO in 2002 created the need to integrate GIO into the Suncorp General Insurance business and align it with the broader Allfinanz strategy.

Accordingly, change was required at both a cultural level (as GIO staff assimilated the Suncorp performance based culture), and secondly, to build robust financial and management information systems across the entire group. The latter required the creation of a new single GL, a new ABC model, and significant process change.

Approximately 12 months ago it was decided the new GL and ABC systems must become operational by April 2003.

The challenge for the Group ABC project team was to deliver in-full, on-time, within budget, while taking staff on the journey of change to build strong credibility for the ABC outputs with the business areas.

## Process

451 Consulting were initially engaged to develop an ABC Blueprint so ABC could be understood within the broader performance management framework, and to identify issues/impediments with the current ABC system.

The review highlighted the existing ABC system:-

- was too complex to maintain
- had limited business acceptance
- focused on being a mechanical general ledger allocation
- did little to support strategic business decisions.

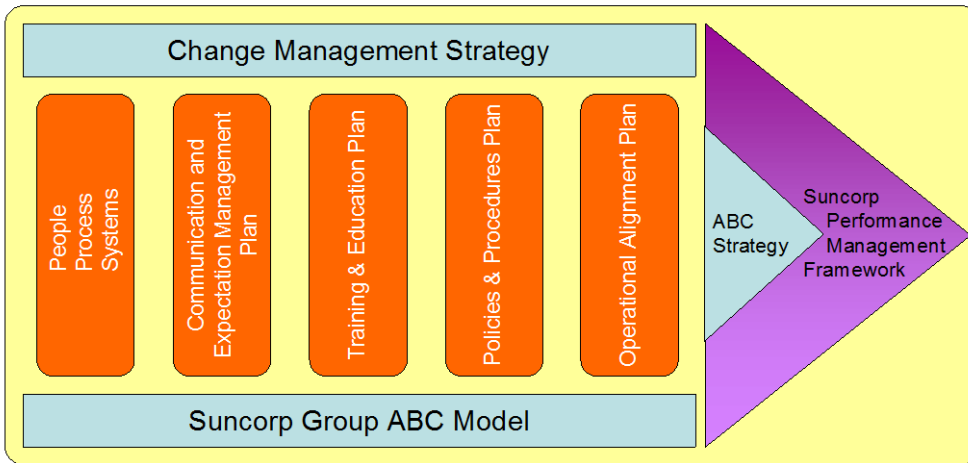
On acceptance of the ABC Blueprint, 451 were invited to run the group-wide project to ensure successful delivery.

We resourced the Project Director/Manager, Change Management Stream Leader, and Change Management Consultant roles and Suncorp provided additional project staffing. The project team had streams for Technical model build and Delivery, Business As Usual, Change Management, Reporting, and IT Infrastructure.

451 were able to introduce methodology in the areas of project management, change management, and performance management as depicted in the figure below.



## Project Framework



### Outcome

The project team been able to ensure the ABC model is technically correct, relevant, and owned by the organisation via business advocates roles and a customer driven ABM team. A sound framework for ongoing training and education is in place as is the policy and procedure framework to ensure the successful on-going operationalisation of ABC.

ABC is now being used as a strategic decision support tool in the area of product cost analysis and is continuing to evolve to incorporate channel and customer segmentation analysis.

### Testimonial

“451 Consulting were able to work very closely with our people and seamlessly fitted in with our culture in carrying out this assignment. 451 were able to provide both strategic insight and follow through with pragmatic action to successfully deliver. Overall a quality solution was delivered in-fill, on-time, under budget, with strong business credibility.”

**Darren Gosney, Manager Management Information, Suncorp**