



R.G. Manabat & Co.

The people challenges are becoming acute

Perspectives
8 October 2018

Organizations across sectors often say that people are their greatest asset.

Securing sufficient skilled people is seen as a challenge for nearly nine in 10 insurers. This is nearly double the proportion that say securing budget is a significant issue. Also, a growing number of insurance companies are expecting to make significant use of external resources, in particular to steer their program as its complexity becomes apparent or to try and make up lost time.

Organizations across sectors often say that people are their greatest asset. This sentiment seems especially true for insurers and their implementation of the new standards, where securing sufficient skilled people has become an urgent and pressing need.

We are likely to see a full-blown war for talent as insurers grapple with the demands of the technical and systems requirements. Appreciation of the extent of the people requirement appears to grow the further into their projects insurers get, while earlier on the focus is more on budget.

An illustration of this is that securing adequate budget is expected to be a greater resource challenge for insurers in the early phases of IFRS 17 implementation compared to those in the impact assessment, design and implementation phases. The emphasis switches to resourcing for insurers at the design and implementation phases, reflecting the complexity of the tasks being encountered as well as their scale. The challenge is finding the right people with the right skills, including detailed knowledge of current systems and processes, not simply finding enough people.

As highlighted in Navigating Change, this creates a double jeopardy for late starters who both have more ground to make up and run the risk that the leading players will have scooped the talent pool before them.

Significant numbers of full-time equivalents (FTEs) are being allocated to the projects. Nearly half (45 percent) of the largest insurers have teams of 50 or more. Half of mid-size companies have up to 25 people assigned. But the size of the project team doesn't solely correlate with the size of the insurer — outliers among the smaller respondents also report teams greater than 26, where the resource stretch must be significant.

Resourcing models

In recognition of the resourcing challenges, the anticipated use of external assistance appears to be increasing. Almost every respondent expects to use outside support to some extent. Nearly one in five insurers (18 percent) expects to make 'extensive' use of external support. The most widely anticipated need is for content subject matter experts — although the fastest growth is in those expecting to look for external guidance on steering the project.

However, nearly four in 10 insurers also say that they plan to use external support to backfill existing roles, i.e. they are freeing up people internally to work on the project and using external resources to cover their old roles.

Whatever approach insurers take, it will clearly be important that they maximize the use of their existing resources in order to leverage knowledge of their business and its current systems and processes so as to contain costs and drive efficiency.

The excerpt was taken from the publication entitled In it to win it: Feedback from insurers on the journey to IFRS 17 and IFRS 9 implementation one year in.

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