Strategic Conversations at Suncorp Commercial Insurance (C)

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Introduction

- Case Study: Suncorp (insurance organisation)
- Management Control in relation to the case
- Control Systems allowing employees to work from home
- Inventory Control implementation for use of smartphones
- Hardware Constraints with increased use of IT devices
- Control Systems in the future
- Conclusion/Summary
Case Study: Control and the Mobile Worker

January 2011: Brisbane river flooded due to heavy rains
Staff and University students were sent home
  University students continued to study online
  Staff at Suncorp (major insurance organisation) couldn't continue to work due to flooded headquarters

Solution?
"Access Anywhere" System allowed 2000/5000 staff to dial in from home to assist customers

Later 2011: Suncorp forced to close down a building
  8:10 desks to workers ratio

Solution?
B.Y.O.D - staff could log in with their own laptops at any available desk/ coffee shop/ common area.

"Work is what you do, not where you go"

Principles of Teleworking
worker is enabled - for various reasons but especially information technology - to work remotely from the central organisation
  voice over internet protocols (VoIP)
  emails
  high-speed downlink packages
  enter work orders and reports
Virtual Organisations: emerge from the environment of networks but are also distinctly dependent on the ready connections gained by information and communications technology

- comprise a range of individuals, groups and businesses who work together in a diversity of working arrangements across space and time
  - shared vision,
  - clustering of activities around core competencies,
  - teamwork to implement activities throughout a value chain and to coordinate
  - make decisions in real time through information technology, and
  - tendency to empower members at bottom levels when it serves the needs of the whole group

- control through extensive use of videoconferencing and the internet
The case outlines several ideas that organisations are using to capitalise on changes in technology and preferences of employees to work remotely. How does the concept of management control relate to this?
Management Control Systems

Four steps in Management Control:
1. **Establish objectives and standards**
   KEY results to be achieved
2. **Measure actual performance**
   Input vs Output Standards
3. **Compare results with objectives and standards**
   **Control Equation**:
   Need for Action = Desired Action - Actual Performance
4. **Take corrective action as needed**
   After-Action Review

Note: Methods of Communication must be adapted

How was this portrayed in the case study?
Which of the control systems outlined in the chapter are most applicable to the current situation faced by organisations that allow or encourage employees to work from home and why?
Control Systems: working from HOME

Feedforward controls -------> Concurrent controls -------> Feedback controls

• Internal Control vs External Control
  • Clan Control
  • Bureaucratic Control
  • Market Control

The control system most applicable to the current situation faced by organisations that allow or encourage employees to work from home is

WHY? ____________________________ CONTROL
- contribute to maintaining predictably high levels of performance

What are the key qualities/factors associated with this control system?