

## CASE STUDY



**TM Floyd & Company**  
*Building Better Solutions*

### Case Summary

#### Client

The client is a major health insurer and part of a nationwide association of health plans.

#### Industry

Healthcare Insurance

#### Market Position

The client serves more than 1.9 million members in two states and has total assets exceeding \$1.6 billion

#### Consulting Need

The client needed remote support of its systems

### Remote Support

TM Floyd & Company (TMF) was engaged by a major health insurance company to provide remote application systems support.

The client had a long standing relationship with a large provider of information technology services. The services partner owned the code, which ran the client's business, and was ultimately responsible for the systems being used by the client.

#### The Problem

The arrangement between the client and the services partner prevented the client from exercising true control over its data and limited its ability to make strategic business decisions. The arrangement also precluded an open evaluation of the value brought by the service partner's efforts, making an assessment of the service partner's pricing practices difficult.

#### The Solution

The client engaged TMF for two purposes. First, even though the client was pleased with the quality of service provided by its services partner, the client wanted to achieve transparency to the service partner's activities and enhance cooperation and communication with the service partner. Second, the client wanted to pursue alternatives to reduce the costs associated with the support of its systems.

TMF established a Service Center at its headquarters in Columbia, SC to help achieve both of the client's goals.

The Service Center concept is built upon the team concept. Each team combines the guidance of a project manager, leadership from subject matter experts, and economy from junior/intermediate-level technicians to arrive at a competent unit with value pricing.

The team concept also implies that the members of the team are trained together, minimizing education costs and disruptions to mentors who deliver the training.

Through the Service Center, the client was able to take advantage of TMF's more than 30 years of experience in applying technology-based solutions within the healthcare industry and the lower cost structure in the Southeast. TMF also developed a training curriculum to educate programmers on more difficult language skills to source, including Assembler.

The true value in the Service Center, and the factor that separates TMF's concept from other remote team augmentation models, is grounded in TMF's expertise in healthcare information technology. Although the domestic location of TMF's Service Center does reduce some of the language and response barriers hampering offshore models, it is the subject matter expertise possessed by its consultants that really helps build better solutions.

The Service Center work performed by TMF for the client, in addition to some other strategic consulting work, led to referral business with other health plans.

#### TM Floyd & Company

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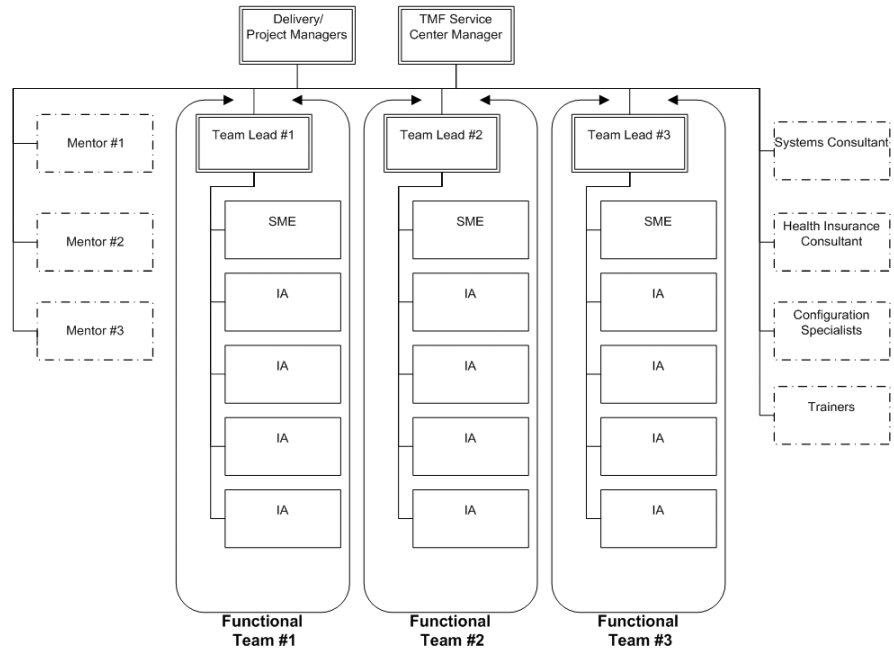


Remote Support

The Service Center Concept

The Service Center option provided by TMF offers clients the ability to quickly and economically increase support of application and business processes.

Team members are typically made available at TMF’s Service Center facility in Columbia, SC. From this venue we can seamlessly integrate into a client’s current application support environment to provide full lifecycle support for application portfolios – maintenance, enhancements, development, upgrades, production support, and systems conversion support. Additionally, in this environment TMF provides: ongoing management and administrative oversight; recruiting services; work facilities; and equipment and infrastructure support.



Service Center Diagram

Providing these services from South Carolina dramatically reduces travel and location-based expenses as well. In addition, our domestic location and the use of domestic resources eliminate the problems common to offshore engagements, such as: limited availability due to time zone constraints; lack of relevant business-related experience; and linguistic, cultural, and communication difficulties.

The lower hourly labor rates of offshore models do not necessarily translate into lower costs. Hourly billable rates are just a single component of project pricing. The number of hours actually expended will usually have an even greater impact on a project’s total cost. TMF professionals combine extensive understanding of insurance applications with methods that improve productivity to provide additional cost savings.

Equally important to the success of cost-containment efforts are the savings achieved by deploying employees appropriate to a given task, according to a flexible staffing model. Certain activities (e.g., testing, documentation) are periodic within the life of a given project. Rather than assigning such staff permanently to a specific project, TMF achieves high levels of staff utilization by deploying such specialists among various projects on an “as-needed” basis.