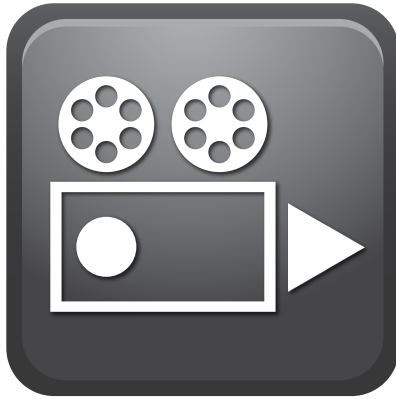


## CHAPTER 14 MANAGING PROJECTS

### CASE 1 **Blue Cross Blue Shield of Kansas City Implements Cloud CRM**



**SUMMARY** Blue Cross Blue Shield Kansas City (Blue KC) is the largest non-profit health insurer in the Kansas City region of Missouri. Like many health insurance firms, its existing CRM (Customer Relationship Management) systems were developed years earlier by individual business units, and with different technologies and vendors. This made it difficult for customer information to move easily across the firm's many divisions. Blue KC adopted a contemporary customer relationship management system based on Microsoft's Microsoft Dynamics CRM Online cloud-based platform. To implement this new CRM, Blue KC used the consulting services of PowerObjects, a firm with deep expertise in the health insurance industry, and experience with the Microsoft Dynamics cloud platform.

#### **Blue Cross Blue Shield Kansas City**

**URL** [https://www.youtube.com/watch?v=8s2rl8\\_G81g;L=3:38](https://www.youtube.com/watch?v=8s2rl8_G81g;L=3:38)

**CASE** Blue KC was founded in 1938 and is the largest non-profit health insurer in Missouri, serving more than one million residents of the Kansas City area in 32 counties. It is a licensee of the Blue Cross Blue Shield Association which is a federation of 38 separate health insurance organizations in the United States covering more than 100 million people.

Blue KC's revenue is over a billion dollars, and processes over \$2.5 billion in annual claims payments to health care providers and members. Blue KC operates three subsidiaries – Advance Insurance Company of Kansas (AICK), BlueCross BlueShield Kansas Solutions, Inc., and the Blue Cross and Blue Shield of Kansas Foundation. AICK sells life and disability plans in the BCBSKS service area.

Blue KC is primarily in the business of creating and selling health care plans to business firms and government agencies in the metro region. Along with other private health insurance companies in the United States, it is at the center of the healthcare vortex coordinating the flow of massive amounts of health and financial information for a million individuals, thousands of health care providers such as doctors, hospitals, clinics, and the business firms and government agencies who pay for the provision of healthcare services. Each of these constituencies (individuals, organizations, and government agencies) have differing information needs. Each of these constituencies can be seen as Blue KC customers. Building systems to accommodate the needs of these different customers requires powerful technologies and highly skilled implementors so that information can flow seamlessly across the various divisions within Blue KC that serve these different groups.

For instance, to service small businesses, Blue KC developed a private insurance exchange marketplace that helps small businesses control health care costs. The exchange allows businesses to shop online and compare rates of as many as 10 health plans available through the exchange. For individual healthcare consumers Blue KC developed A Healthier You portal that integrates claims data, creates personalized health status reports for individuals, and recommends changes in their plans based on age, gender, and other factors, to close gaps in care and help individuals manage their health.

In the past, health insurance providers developed separate business groups and systems to serve their various customer groups. For instance, the business group working with large business group insurance sales would typically have its own silo of information and systems, as would another business unit dealing with government agencies. There would also be specialized business units working exclusively with health care providers (doctors, hospitals, and clinics). Still other business groups and systems working with insured individuals. The result was multiple business and system silos which prevented information from flowing freely among business units, making it difficult for senior management to obtain a timely company-wide view of their firm's business, as well as to serve its customers.

**VIDEO CASE  
QUESTIONS**

1. What were the objectives of BCBS-KC in building its CRM system?
2. What was wrong with the existing systems used for working with customers?
3. What was the purpose of the change management taskforce?
4. How was the Large Group Sales division using the new CRM?
5. What role did identifying “pain points” in the existing systems play in developing the new system?

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