1. What was wrong
Organic growth of models

“I was just doing it quickly”

“Why did that number change?”
“Why doesn’t this reconcile?”

2 + 2 = 4 | 0 | OK

“What does this number mean?”

2 + 2 = 4 | 0 | OK

2. What we did
Our Old Process...

- Off system
- Settlement (ResQ)
- Projections
- Large Loss
- Large Loss Summary
- ResQ (a)
- ResQ (b)
- Other external sheets that need data or ultimates/IBNR

Data goes back on itself, meaning multiple link updates needed to ensure consistent results. This can be error prone, so figures can be inconsistent between sheets.

Projections spreadsheet is often used to get raw data. It is produced at scale, then used to produce ResQ. Other external sheets that need to be referenced have to be checked.

Data goes back on itself, meaning multiple link updates needed to ensure numbers are current. These are easily forgotten, so figures can be inconsistent between sheets.

Projections spreadsheet is often used to get raw data. It is produced at scale, then used to produce ResQ. Other external sheets that need to be referenced have to be checked.

Off system
- Settlement (ResQ)
- Projections
- Large Loss
- Large Loss Summary
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- Other external sheets that need data or ultimates/IBNR

Our New Process...

- 1. ResQ
- 2. Peril 1
- 2. Peril 2
- 2. Peril 3
- 2. Peril 4
- 2. Peril 5
- 2. Large Loss
- 3. Summary
- Other external sheets that need data

Data that is not an output of the analysis comes from ResQ – no chain of links.

Only one data sheet – more efficient.

Data for other purposes is now drawn from ResQ, meaning no chains of updates if something changes.

One sheet presents the results; comes from a consistent place.

Data for other purposes is now drawn from ResQ, meaning no chains of updates if something changes.

Projections spreadsheet now split out across perils and in consistent format. Benefits:
- Standalone units including all diagnostics required to set assumptions
- Work can be better divided within teams, makes better use of time

Other external sheets that need data or ultimates/IBNR

Training
3. How we did it

Why?
- Saves time
- Makes work less error prone
- Easier to check
- Faster to change or extend things
- Easier for someone else to pick up
- Unexpected errors/surprises less likely

Free up time to do the interesting stuff

Why not?
"It's just a quick calculation"

"There's no point because this is unlikely to be used again"

"It's hard to standardise"
What then?

1. Agree internal code of practice
2. Start an improvement log
3. Allocate tasks and plan regular progress catch-ups
Do

• Keep external links on separate tabs
• Keep all parameters and assumptions on their own tab
• Use named ranges for parameters and assumptions so it's easy to see what a formula is referring to through out the sheets, rather than "Inputs!B7" someone looking at it will see "Long_run_LR_Gross"
• Break up complex formulae, add extra columns or even tabs if needed to achieve this
• Use groups on columns and rows that do not need to be visible
• Design formulae that can be dragged across and down, sentence quantities
• Put in simple formula checks, eg drawing in data, draw the total calculated from the data input in cell X of the original sheet, eg 20/3/15: 2 Mar + 3
• Label checks with what they do, or what they're meant to show
• Write notes next to any recons that don't reconcile but you have investigated and are ok
• Do not leave Live ResQ links in workbooks. This will crash someone's computer if they unwittingly open it without a dongle
• Do not use pivot tables in the middle of calculations, can be used at the summary stage only
• Do not use colour to highlight any column or cell unless it needs to be shown
• Do not use Live ResQ links in workbooks. This will crash someone's computer if they unwittingly open it without a dongle
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• Do not use pivot tables in the middle of calculations, can be used at the summary stage only
• Do not Consider "ad hoc" work less worthy of excel best practice