TOP 5 STEPS TO IMPROVE THE INSURANCE CUSTOMER EXPERIENCE:
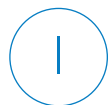
TRENDS, PRIORITIES, AND INITIATIVES FOR THE DIGITAL INSURER

CONTENTS

SMA
STRATEGY MEETS ACTION

Our industry is on the cusp of the greatest era of change that the business has ever experienced – fueled by the fast shift into the digital era, rapidly changing external influencers, and advancing technologies that are impacting customer engagement, transforming products and services, redefining business and revenue models, and breaking down barriers to new entrants. While the challenges are formidable, there has never been more opportunity!

Read on to learn about SMA research and perspectives on the trends, priorities and initiatives for improving customer experience and the customer journey.

Mark Breading
Partner, Strategy Meets Action

Top Customer Experience Trends for 2017

MOBILE FIRST, MOBILE EVERYWHERE

THE ERA OF PERSONALIZATION

OMNI-CHANNEL EXPECTATIONS

NEW CUSTOMER EXPERIENCES OUTSIDE INSURANCE

THE DIGITAL CONNECTED WORLD

Major trends in the customer experience are influencing the policyholders, producers, prospects, and partners of insurers.

Individuals and businesses interacting with all segments of the insurance industry expect to be in control regarding how and when they communicate…

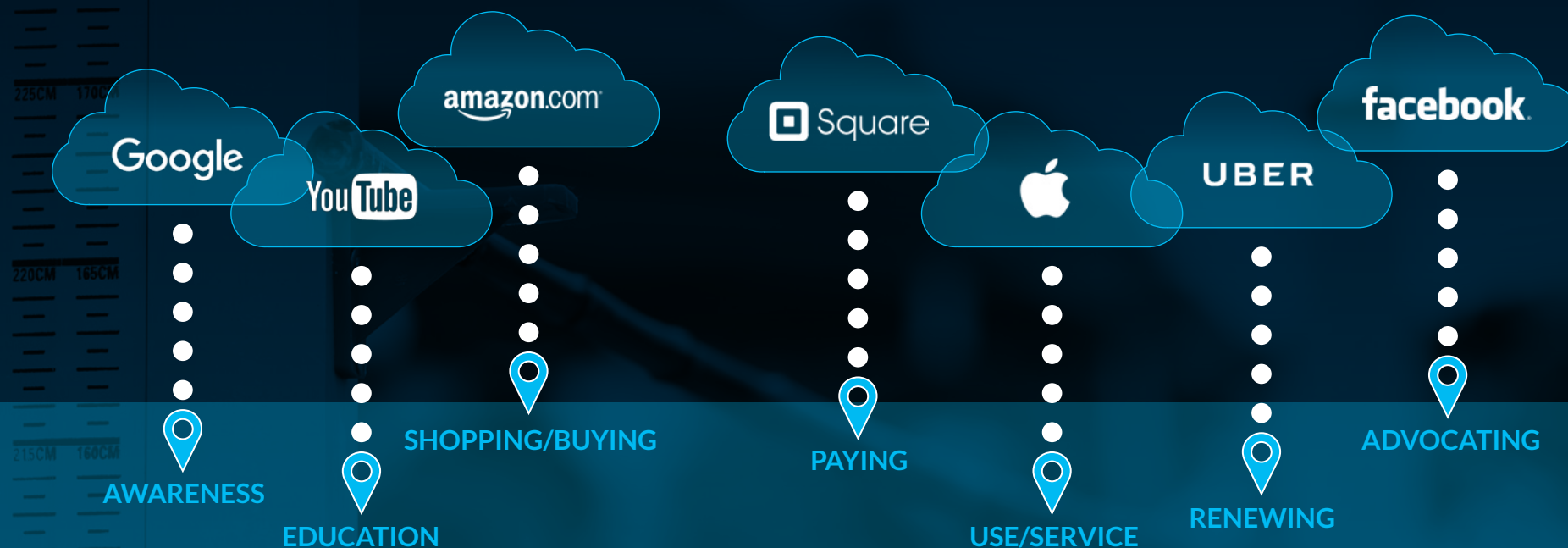…they expect to communicate via mobile and use the channel of their choice for each interaction…

…they expect contextual interactions in which the insurer knows who they are and what their preferences are…

…and they want easy to use, visually appealing ways to enter and receive information.

In the increasingly digital connected world, the frequency of interactions will increase dramatically.

OTHER INDUSTRIES HAVE RAISED THE BAR FOR CUSTOMER EXPERIENCE

II

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STRATEGY MEETS ACTION

Google

YouTube

amazon.com

Square

UBER

facebook.

AWARENESS

EDUCATION

SHOPPING/BUYING

PAYING

USE/SERVICE

RENEWING

ADVOCATING

Expectations for customer experience (CX) are being set outside the insurance industry by other industries that are leading the way.

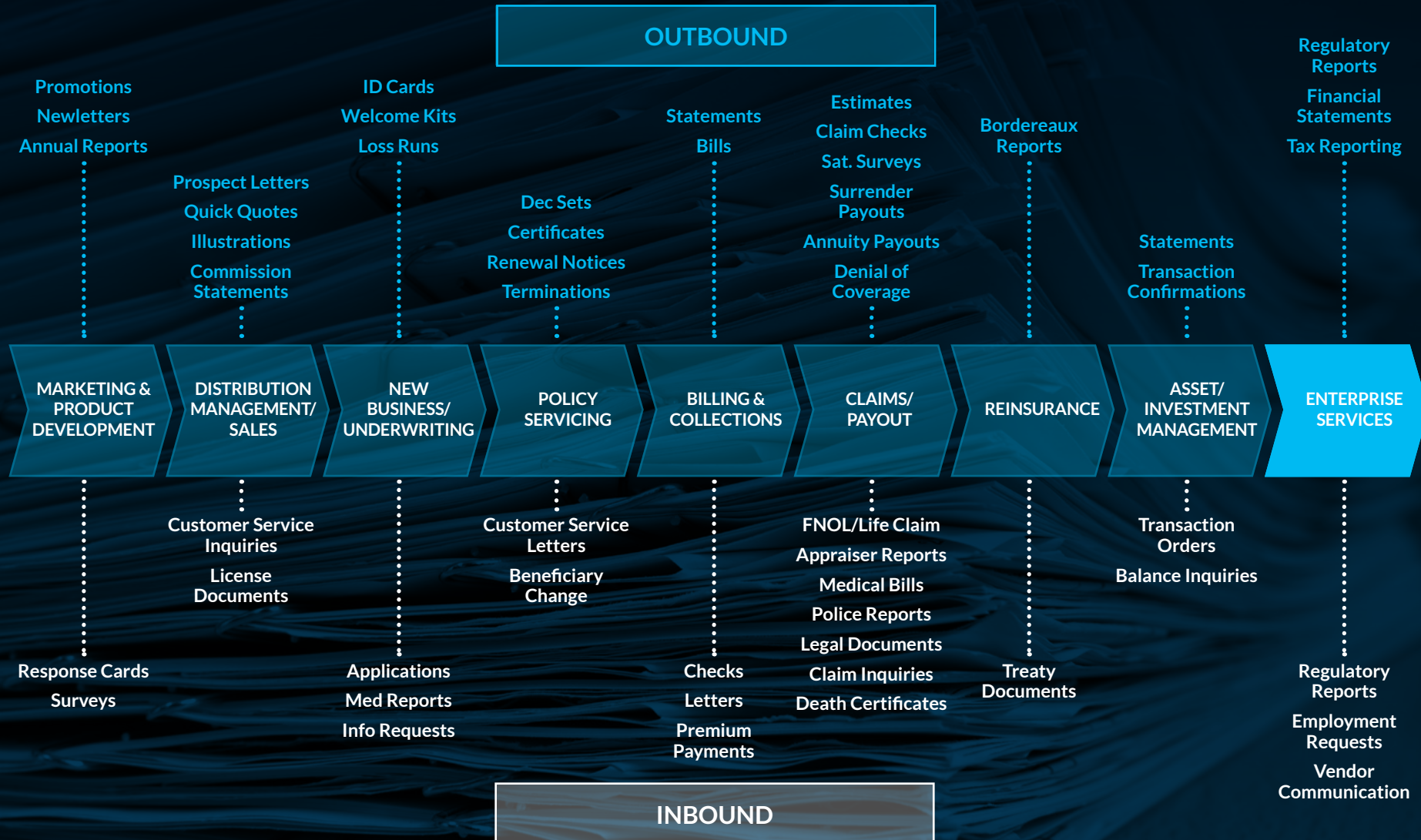Why can't my insurer work like these other companies that I deal with every day?

This applies to all lines of business, including P&C personal and commercial lines, life, annuities, and specialty lines. Individuals and business customers all have these experiences and expectations.
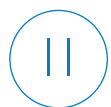
>

THE CUSTOMER JOURNEY INCLUDES MANY DIFFERENT TYPES OF INTERACTIONS

II

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OUTBOUND

Regulatory Reports
Financial Statements
Tax Reporting

Promotions
Newletters
Annual Reports

ID Cards
Welcome Kits
Loss Runs

Estimates
Claim Checks
Sat. Surveys
Surrender Payouts
Annuity Payouts
Denial of Coverage

Bordereaux Reports

Prospect Letters
Quick Quotes
Illustrations
Commission Statements

Dec Sets
Certificates
Renewal Notices
Terminations

Statements
Bills

Statements
Transaction Confirmations

MARKETING & PRODUCT DEVELOPMENT	DISTRIBUTION MANAGEMENT/ SALES	NEW BUSINESS/ UNDERWRITING	POLICY SERVICING	BILLING & COLLECTIONS	CLAIMS/ PAYOUT	REINSURANCE	ASSET/ INVESTMENT MANAGEMENT	ENTERPRISE SERVICES

Customer Service Inquiries
License Documents

Customer Service Letters
Beneficiary Change

FNOL/Life Claim
Appraiser Reports
Medical Bills
Police Reports
Legal Documents
Claim Inquiries
Death Certificates

Transaction Orders
Balance Inquiries

Response Cards
Surveys

Applications
Med Reports
Info Requests

Checks
Letters
Premium Payments

Treaty Documents

Regulatory Reports
Employment Requests
Vendor Communication

INBOUND

During the insurance customer journey, a policyholder or member will be involved in a wide variety of experiences with the insurer. Every part of the insurance value chain has both inbound and outbound communications with customers and agents. These communications may be digital or print, and in many formats (standard mail, e-mail, web, fax, mobile, SMS text message, IVR, and others).

These interactions are key touchpoints for customers and have a major influence on the customer experience.

The ability to capture, create, deliver, and manage all types of communications along the journey in a consistent, compliant, and appealing manner is a vital part of the customer experience.

Improving the CX is the #1 Strategic Initiative in Insurance*

97%
of **L&A** Insurers

94%
of **P&C** Insurers

Insurers Are Creating New Roles

CHIEF CUSTOMER EXECUTIVE

CCO
CHIEF CUSTOMER OFFICER

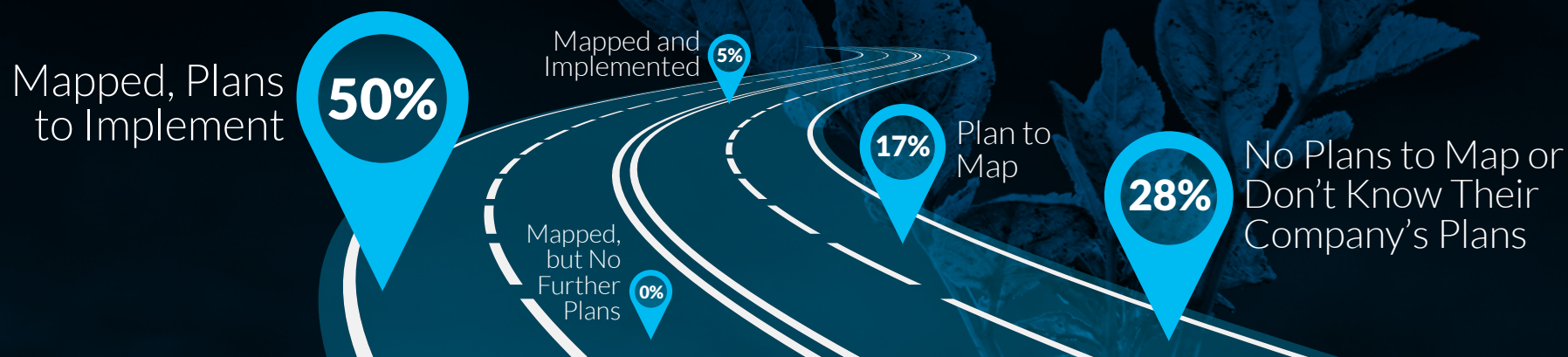**CHIEF CUSTOMER ADVOCATE**

CUSTOMER COMMUNICATIONS DIRECTOR

* Source: SMA Research, 2017 IT Spending and Priorities, n=87

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STRATEGY MEETS ACTION

Over Half Have Mapped or Plan to Map Customer Journeys**

Mapped, Plans to Implement — **50%**

Mapped and Implemented — **5%**

Mapped, but No Further Plans — **0%**

17% Plan to Map

28% No Plans to Map or Don't Know Their Company's Plans

...and Significant Investments are Being Made in CX Projects***

P&C		
46% CRM	**44%** Web/Digital	**39%** Insured Self-Service

L&A		
71% Web/Digital	**46%** Insured Self-Service	**39%** CRM
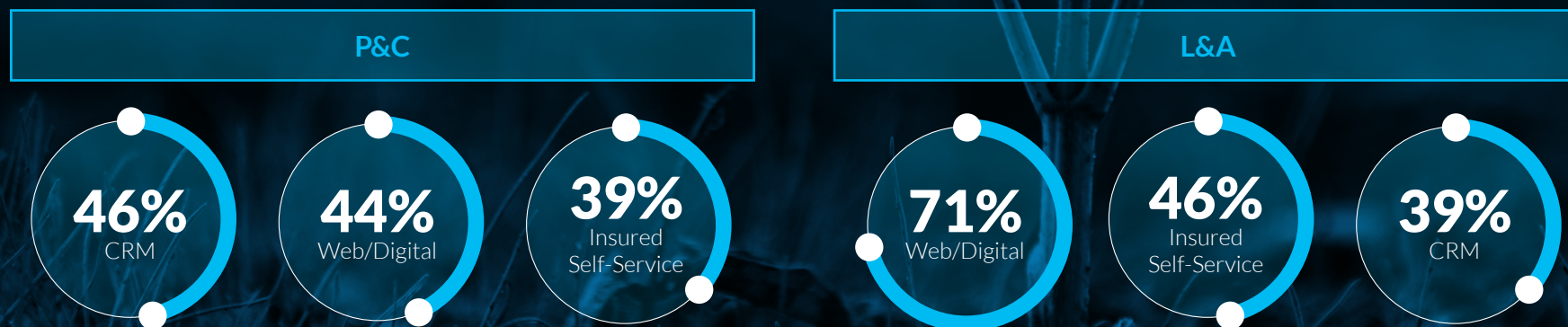
Top 3 CX Projects, % of Insurers with Significant Investments

FIVE STEPS TO MEET THE CHALLENGE

>> How do we move beyond the strategy?

>> How can we build actionable plans?

>> How do we operationalize the customer experience to achieve measurable results?

To unify existing initiatives and operationalize the customer experience strategy, 5 key steps are required.

1. **Create a bi-level strategy for the customer experience**

2. **Assess existing CX projects and activities across the enterprise**

3. **Identify vital technology platform components**

4. **Build the connected company to enable improved CX**

5. **Operationalize the customer experience**

① CREATE A BI-LEVEL STRATEGY FOR CX

Improving the customer experience requires a comprehensive and well thought out strategy as a major anchor for the company's overall business strategy. The most successful strategies are developed as bi-level. At the enterprise level and driven by the C-suite, the insurer should develop a customer-centric vision and a high level strategy to become a customer-centric company. This includes the establishment of new customer oriented roles at the senior level, structural changes to the organization where warranted, and a sustained commitment to create the right culture, incentives, talent, and funding to support the strategy.

At the business unit level, insurers should create a customer experience strategy that aligns to the enterprise strategy, capitalizes on common elements across the enterprise, and develops

business unit specific capabilities to support front-line employees and systems that will be interacting directly with customers.

Finally, organizational metrics must be expanded in two dimensions:

›› Efficiency-oriented metrics should be supplemented with metrics to measure the effectiveness of customer interactions.

›› Metrics need to move beyond the individual transaction and toward broader measures of the customer journey and relationship.

② ASSESS EXISTING CX PROJECTS AND ACTIVITIES ACROSS THE ENTERPRISE

Most insurers already have a significant amount of activity underway that relates to the customer experience. However, there are typically two challenges that insurers face regarding these activities.

>> First, the projects and activities are often isolated and focused on a specific part of the business like distribution or claims. These types of projects have a key role to play in improving the customer experience, but there will be more value in initiatives for functional areas when done in the context of the overall customer journey and interactions across the enterprise.

>> Second, many efforts are focused on individual transactions or touchpoints. Projects with a specific focus like this can be important contributors to the customer experience,

but they make even more impact when done in the context of the relationship and journey over time.

Inventorying and assessing all projects related to the customer experience will allow insurers to prioritize and adjust project plans to support the bi-level strategy. It is also likely that efficiencies can be gained by identifying duplicate projects, replicating best practices, and spotting talented individuals in various parts of the organization.

3 IDENTIFY VITAL TECHNOLOGY PLATFORM COMPONENTS

The best way to build a cost effective, sustainable, technology infrastructure to support the modern customer experience is to identify key platform components that can be leveraged across the enterprise. Platforms should be considered in four areas that are essential for advanced customer experience capabilities.

>> **Customer analytics:** A variety of technology solutions might be used to understand customer needs, manage campaigns, and gain insights into interactions and relationships. Solutions based on a common architecture and platform are best.

>> **Digital content:** The ability to capture, create, deliver, and manage digital content is at the heart of the digital insurer. Common solutions are necessary to address these needs across the enterprise and support cost effective solutions.

>> **Omni-channel:** Enabling and optimizing customer interactions requires a technology layer between the customer-facing channels and the back office systems. Point to point integrations beween channels and systems are no longer viable.

>> **Applications:** A modern platform is required to design and build applications and orchestrate processes. This platform supports all others and connects all of the discrete experiences in the customer journey. Low-code application platforms have emerged as an important way to build and manage systems.

Proven technology solutions that enable rapid deployment and solid integration with other systems are mandatory.

4 BUILD THE CONNECTED COMPANY TO ENABLE AN IMPROVED CUSTOMER EXPERIENCE

Much of the focus on improving the customer experience is usually at the front-end, the customer facing portions of the enterprise. Mobile capabilities, self-service portals, user experience design improvements, and new web options are at the center of the technology strategies to improve the customer experience. All this is warranted, but it is virtually impossible to deliver on the expectations for these solutions unless the insurer builds a connected company internally to support front line employees and automated systems that interact with customers.

A connected company strategy recognizes that insurers must also:

>> **Optimize the processes** and information flows inside the company

>> **Enable collaboration** between professionals inside and outside the company

>> **Improve access to data** locked in various internal databases

>> **Integrate the transaction activity** with related documents and other digital content

Every contact with a policyholder, producer, or external party generates activity within the enterprise. When that activity is done within the context of a connected company, it is done efficiently and effectively, resulting in a positive touchpoint.

Strategies, platforms, and projects must be put into action to realize the benefits of customer experience initiatives. All the insights, tech solutions, and investments are worthless unless they can be translated into changes that front line employees carry out and the customer sees and experiences. Operationalizing the strategy requires actions in three categories:

›› **Organization and governance:** Make organizational changes to roles, metrics, incentives, hiring, and training that result in a customer-centric culture and employees across the enterprise that are eager to innovate and strive to improve the customer experience. Establish a governance mechanism for CX initiatives across the enterprise.

›› **Tech partners:** Choose technology partners wisely, especially regarding the critical platform components. Key attributes should include a proven track record, insurance expertise, experience integrating their solutions with others, the ability to leverage modern technologies (cloud, mobile, analytics, etc.), and an Agile approach to incorporating new requirements.

›› **Funding and resources:** Successful projects that support the customer experience strategy and result in measurable improvement require adequate and sustained funding and the right resources.

Appian

This eBook Commissioned by Appian

We hope you enjoyed reading the *Top 5 Steps to Improve the Insurance Customer Experience* eBook.

Are you prepared to take the next step?

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Appian for Insurance – Appian delivers an enterprise platform for digital transformation that enables insurers to become connected enterprises in the digital world. Powered by industry leading Business Process Management (BPM) and Case Management capabilities, Appian's low-code approach can radically accelerate the time it takes to build and deploy powerful, modern applications, on-premises or in the cloud. The world's most innovative organizations use Appian to revolutionize their customer experiences, transform their business operations, and master global risk and compliance. **For more information, visit www.appian.com.**