



INTERACTIVE INTELLIGENCE®

Deliberately Innovative

How Insurers Can Use Collaboration for a Competitive Advantage

Mark Breading

SMA Partner

Strategy Meets Action

Table of Contents

- The Promise of Collaboration 3
 - Seeking Differentiation in a New Environment*..... 3
 - Collaboration in Insurance: The Hidden Advantage* 3
 - Technology Enabled Collaboration* 4
- The Practical Application of Collaboration 5
 - Distribution and New Business* 5
 - Member/Policyholder Service* 5
 - Claims* 6
- The Power of Integrating for Collaboration..... 7
 - Content: Fueling the Collaboration*..... 8
 - Processes: Orchestrating the Collaboration* 8
 - Communications: Delivering the Collaboration*..... 8
- SMA Call to Action 9
- Interactive Intelligence Perspective..... 10
- The Author 12

Copyright © 2014 Interactive Intelligence, Inc. All rights reserved.

Brand, product, and service names referred to in this document are the trademarks or registered trademarks of their respective companies.

About this White Paper: This white paper is based on SMA’s experience, research, and insights. Interactive Intelligence has purchased the distribution rights to this research and white paper. This is not paid-for research.

Interactive Intelligence, Inc.
7601 Interactive Way
Indianapolis, Indiana 46278
Telephone (800) 267-1364
www.ININ.com

Publish date 03/14, version 1

The Promise of Collaboration

Collaboration — working together for a common goal — is an integral part of the insurance business. But today, the need to rapidly assemble teams and capitalize on human expertise to provide faster, better decisions makes collaborating all the more important. There are many situations today where two or more employees and/or business partners are working together remotely on behalf of a customer or on important internal projects. Technologies such as chat, real-time videoconferencing, SMS text messages, skills-based routing, and speech analytics are examples of a range of new technologies that are being employed for collaboration. These technologies are individually important, but will provide the most value for insurers when combined with foundational capabilities for process management, communications, and content management. Applying collaboration technologies and foundational capabilities to specific insurance business problems is enabling insurers to supercharge collaboration and realize the true promise of collaborating for competitive advantage.

Technologies such as chat, real-time video-conferencing, SMS text messages, skills-based routing, and speech analytics are being employed for collaboration.

Seeking Differentiation in a New Environment

Insurers are looking for new capabilities that give them an edge. Most segments of the insurance business are facing high levels of competitive intensity, especially in mature markets. Any new capability that allows them to differentiate from their competitors is worth pursuing. Today insurers are seeking differentiation by improving the customer experience, spurring innovation, and increasing the productivity of employees and agents. Collaboration technologies and approaches play an important and enabling role in each of these areas.

Collaboration in Insurance: The Hidden Advantage

Modern collaboration technologies are essential ingredients of success for many of the insurers' key initiatives. They are usually not implemented as individual projects that are focused just on the collaboration technology. Instead, the technologies are embedded within the business process, documents and content, and communications between individuals. When done well, they enable and improve the customer experience, support innovation initiatives, and improve productivity. The collaboration technologies supporting these initiatives are, in essence, the hidden advantage.

Collaboration and the Customer Experience

Improving the customer (or producer) experience provides insurers with a way to strengthen loyalty and increase business. Many elements contribute to the experience, including product, price, relationship, and personal interaction. All of these elements are optimized for the customer when the right combinations of individuals are able to collaborate to deliver with excellence. For example, a broker, an underwriter, and a mid-market commercial customer interact to determine the best combination of coverages and services to address the customer's insurance and risk management needs. Although this process can be accomplished via face-to-face meetings and paper documents, there is

a very high potential to shorten the process and improve the outcome by leveraging collaboration technologies.

Collaboration and Innovation

Innovation is a driving force of change for any insurer. Many now recognize that differentiation at this stage of the industry will come primarily from new ideas and new ways of doing business. Collaboration technologies are already assisting insurers in the identification and implementation of new approaches. Crowdsourcing and ideation technologies are providing insurers with ideas from new sources. By tapping into the creativity, experience, and expressed needs of agents, customers, and employees, insurers are able to identify new products and new ways to enhance service and improve operational efficiencies. By leveraging collaboration technologies in communications with these same groups, insurers are able to provide higher value and demonstrate that they are capitalizing on the modern capabilities that many are coming to expect.

Collaboration and Productivity

For most insurers, the productivity of producers and employees is a key factor in profitability. Insurers have continued to work toward improving efficiency over the last few decades with process automation and reengineering. Now many have reached the point where a different approach is needed to make further improvements. While collaboration is not a new idea, the technologies and approaches that are now available offer opportunities to move productivity to the next level. The needs are similar to what they have always been: find the best person(s) to provide the needed service, route the request rapidly to the relevant individual, locate the existing information or documents, and provide a timely answer. These needs were originally all addressed via manual methods. Gradually some of them have been automated. But now new capabilities can enable real-time collaboration to dramatically improve productivity and provide better answers.

Technology Enabled Collaboration

Collaboration is about people and how they work together. The notion of collaboration is as old as mankind. The pyramids were built by thousands of people working together over time without the aid of mobile phones or electronic chat. But in today's complex and fast-paced world, providing an integrated suite of technology capabilities for communications, content management, and process management can significantly improve collaboration, relationships, and outcomes. Collaboration among customers, producers, underwriters, and others in the current insurance environment is often hampered by inefficient communications, processes that are not integrated, and legacy tools that manage and share content. The right set of integrated capabilities can improve employee training, enhance enterprise knowledge management, and capitalize on the expertise of subject matter experts. The ultimate goal is to get the right people working together, provide them with the right content, and give them options for communicating that optimize their interactions.

Collaboration among customers, producers, underwriters, and others in the current insurance environment is often hampered by inefficient communications, processes that are not integrated, and legacy tools that manage and share content.

The Practical Application of Collaboration

There are countless examples of how collaboration capabilities apply to the insurance business. Although most insurers now have a high degree of automation, the business is still highly dependent on the expertise and services provided by people. This makes collaboration technologies ideal for the industry — by capitalizing on the current level of automation while providing new ways for people to connect and solve problems together. The areas of distribution, policy service, and claims provide some very good examples of use cases in which advanced collaboration technologies have proven to have high value.

Distribution and New Business

In a world of multichannel distribution and complex customer needs, it is normal for multiple individuals to work together on behalf of a prospect or policyholder. The scenarios will differ by line of business and customer situation, but the following are some representative examples.

- **Agents and contact center reps:** Most insurers that sell through agents have a contact center to assist both with technical and insurance specific questions. Often an agent is with a prospect, filling out an application or entering information for needs analysis. When a problem or question arises, the agent can now engage in a real-time chat session with a contact center representative to provide an answer to the prospect rather than make a phone call to the help desk. As the request comes in, skills-based routing systems can ensure that the person with the most appropriate knowledge is connected to answer the question. This allows the agent to continue the conversation with the prospect and simultaneously obtain assistance.
- **Life producers and prospects:** Permanent life insurance is most often sold via face-to-face visits due to the complexity of the product and the need to show illustrations to the prospect. Traditionally, for high face value policies, the prospect has often needed to visit the producer's office, where investment and tax experts can be pulled into the conversation as needed. Now, with screen sharing and videoconferencing technologies readily available, innovative producers have the ability to offer at-home or remote sales to their clients. It is easy for the producer to share a screen so the prospect can see the financial calculator or illustration on his or her own personal laptop or tablet. If experts need to be consulted, they can be added to the conversation via a real-time video link for a 3-way conversation.

Member/Policyholder Service

There are many situations throughout the policy lifecycle that require the insurer's employees to interact with customers. For simple transactions, insurers are automating these service requests to provide an immediate, electronic response to the customer. There are still many requests by members or policyholders that require the advice or action of an insurance expert, where the new collaboration technologies will add value.

- **Policyholders and contact center reps:**

Insurers should be integrating many forms of collaboration technologies into customer service and enabling contact center reps to take full advantage of those technologies to improve response time and quality. For example, a customer may initiate a web site request to change their payment plan, but may reach a point where they require clarification. A real-time chat with a contact

Insurers should be integrating many forms of collaboration technologies into customer service and enabling contact center reps to take full advantage of those technologies to improve response time and quality.

center agent can help them make the right choice. In another example, when a policyholder is on a call with a contact center rep, real-time speech analytics may determine that a supervisor or a subject matter expert should be linked in to better address the customer's concerns. The contact center rep may follow up with an SMS text message later to ask if the customer has made a decision.

- **Underwriters and loss control engineers:** For mid-sized or large commercial accounts, the role of the loss control engineer is vital. Collaboration technologies can enhance the value provided during on-site visits. For example, a loss control expert may be evaluating the exposures in an insured's facility and may require a consultation with an expert back in the home office. Using real-time video sharing via a tablet device, the image of the machine and shop floor can be sent back to an industry expert who may have safety advice relative to that specific machine set-up. The loss control engineer in the field can provide immediate advice to the customer instead of having to go back to the office and send a report days or weeks later.

Claims

Claims create the ultimate touch points with insurance customers. When an individual or business has experienced a loss, they expect insurers to fulfill their promise by rapidly assembling the right experts and financial resources to help recover from the loss. There are numerous examples of how collaboration technologies are already being used to improve the claims experience.

- **Field claims adjusters and home office claims:** Mobile capabilities in conjunction with collaboration technologies are widely used today for claims adjusting. SMS text messages, live video, and the sharing of digital images are instrumental in helping adjusters in the field to leverage the expertise of individuals in other locations. Adjusters investigating the damage to multiple homes in a neighborhood struck by a tornado typically have broad knowledge about property claims. However, they may be confronted with unusual property or conditions that are beyond their knowledge. Adjusters with access to online communities (wikis, forums) can access the opinions of experts on specific types of losses via a mobile device in the field. In the past they would take pictures and notes, and then consult with their colleagues once they were back in the office. Today they are able to access information while in the field, or conduct real-time, collaborative investigations with remote experts using live video, text messaging, and mobile phones.

- **Adjusters, claimants, and service providers:** There are frequent communications required during the process of the repair or replacement of damaged, lost, or stolen goods. While regulations require formal letters for certain communications, some of the process can be shortened by collaborative communications. Requests for claims advice or assistance can be made by customers via social media, with the requests flowing into a contact center rep’s queue. Damage estimates written by the adjusters can be immediately transmitted to repair shops or contractors, with claimants notified of progress via text messages. Claimants calling into a contact center can also be connected to their adjusters, who can share estimates and digital images online.

The Power of Integrating for Collaboration

The implementation of new information and communication technologies in insurance often comes down to one key word — integration. Insurers will gain maximum benefit from collaboration technologies when they are planned in the context of the overall architecture and designed for integration. The technical architecture should include the notion of a collaboration platform, which defines the products and services to be used for collaboration and the manner in which they should be applied. The platform must consider not only the individual collaboration technologies, but the supporting technologies that manage the process flow, the content, and the communications, as featured in Figure 1.

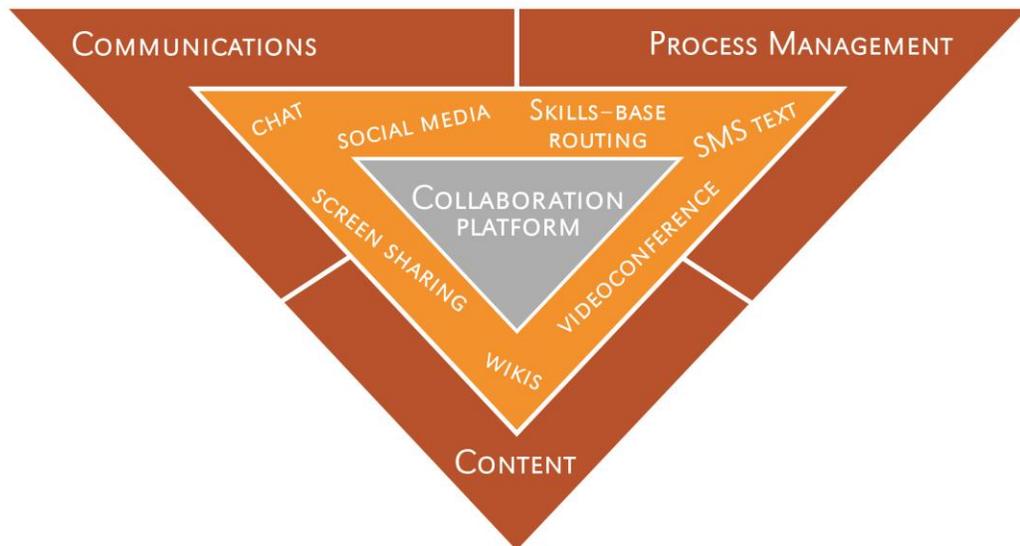


Figure 1. Collaboration Platform for Insurers

Content: Fueling the Collaboration

All collaboration starts with information, and that information becomes more useful when it is converted into digital content. Whether as a document, digital image, voice conversation, written text, or video, the content is always at the center of collaboration. The collaboration technologies may facilitate both the creation and sharing of information. For example, wikis provide an easy way to democratize content authoring and an easy way for people to search for specific content. SMS texting via smartphone provides a new way to immediately communicate short written text messages. It is just as important that insurers have an enterprise solution for managing content. Regardless of what tool is used to create content or what form it takes, there are operational and legal reasons for the way the content needs to be routed, stored, archived, and retrieved. Ideally the insurer will use one common enterprise content management solution for this purpose.

Processes: Orchestrating the Collaboration

Information content is meaningless without the context of a business process. Hundreds of individual process workflows support new business, underwriting, policy service, or claims activities. Each step in the process is handled by an automated system or an individual, supported by the appropriate content. In order for collaboration to be optimized, the processes and the content must be orchestrated by an automated system. It does no good to have real-time video sharing capabilities if the right experts cannot be located and linked in. Screen sharing, by definition, requires that relevant content be created to specifically display for a particular process step. Modern content management systems not only provide the basic repository, but also the workflow and business process management capabilities to define and manage the processes and content.

Modern content management systems not only provide the basic repository, but also the workflow and business process management capabilities to define and manage the processes and content.

Communications: Delivering the Collaboration

Information content and processes are ultimately delivered in the form of communications. The digital information that flows back and forth may be voice, video, images, or other formats. There are a variety of technology tools used to create and share information that are part of the collaboration platform. To complete the picture, insurers must have the communications infrastructure to manage the delivery of all types of communications. This should be an integrated information and communications technology environment. The new collaboration technologies are heavily dependent on telephony technologies to originate, route, and manage digital content. Many insurers already have sophisticated communications capabilities supporting the contact center and should look to leverage those across the full enterprise.

SMA Call to Action

Collaboration technologies have high potential for insurers. The industry has many cases where two or more individuals with specific expertise work together and must coordinate communications, share content, and execute joint processes. The challenge for insurers is to plan for how to use the various technologies to enhance specific business transactions or interactions. The individual technologies represented by chat, social media, real-time video, and other collaboration capabilities must be integrated into business operations. This requires a thorough understanding of the business process, the documents and content supporting the process, and the nature of the customer communications required.

Insurers would be wise to take specific actions to enable more collaboration. The following steps, in sequence, will position insurers to build a strong collaboration platform and reap the business benefits of collaboration.

1. Identify the high value business activities where real-time information sharing and conversations between individuals will enhance the customer experience or improve the operational results.
2. Determine what types of foundational technologies are in place or should be implemented for the management of content, processes, and communications.
3. Explore collaboration technologies to determine where they accelerate and improve the high value business processes identified in step 1.
4. Design a collaboration platform that integrates the selected technologies in the context of the broader IT architecture.
5. Publish the platform and promote the use of collaboration technologies for new business uses across the company.

Leading insurers are already on the journey to building collaboration platforms and finding new, innovative ways to leverage the technologies for business advantage. One of the key elements of the journey that insurers should consider is the potential to capitalize on the power of the technologies already implemented in contact centers and throughout the enterprise. In many cases this will make deployment of these technologies easier so that they can be used to improve the customer experience and optimize operations.

Interactive Intelligence Perspective

Collaboration already exists throughout every organization. Employees share opinions, ideas, and stories in an effort to improve their performance and better assist the customer. However, the concepts presented here are focused around creating a more innovative approach to this collaboration, recognizing that traditional means of collaboration are less relevant in today's world.

As represented in this paper, collaboration technologies are more of a concept than a product. The idea of a collaboration technology is rooted in the integration of core business and communication systems already in place within your organization. Finding unique ways to integrate these solutions together encourages and promotes collaboration between internal staff, third parties, and policyholders. With that said, companies have the ability to use collaboration not only as a way to improve the processes and procedures throughout their enterprise, but also as a way to improve the policyholder experience and gain the competitive edge.

More and more organizations are finding that providing customers with a "voice" is vital in delivering a leading edge customer experience. However, that voice cannot be ignored. Providing your customers and your employees with the ability to share information means that you also have to provide the means to respond to this information. With social media websites, portals, and other open exchanges, insurance companies are allowing all parties involved to communicate and share information in different ways.

When implementing a more integrated collaboration strategy, it is important to establish a specific plan and set of guidelines and goals for the project. These projects, like any other, need to be thoroughly discussed and planned in an effort to create a successful implementation.

As you start to consider a revamp of your collaboration strategies, here are just a few items to make note of to help you get started.

1. Who are the parties involved: agents, third parties, policyholders, adjusters, underwriters, contact center staff, etc.?
2. What channels are these parties are using: phone, email, chat, text, social media, mobile applications?
3. What applications are involved: admin systems, content management solutions, BPA applications, contact center and unified communication platforms?
4. What are the departments affected and where will we start: Claims, Underwriting, Policy Servicing, Customer Engagement?
5. How will we measure success: time savings, first contact resolution, financial savings, new business, customer retention?

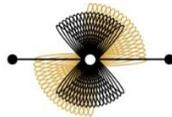
At the end of the day, collaboration and the encouragement of sharing information will help benefit your organization and your customer no matter what. Increasing the availability of this collaboration, as well as the channels and processes through which it is available, will only increase the overall satisfaction for both your employees and your policyholders.



Exclusively serving the insurance industry, Strategy Meets Action (SMA) blends unbiased research findings with expertise and experience to deliver business and technology insights, research, and advice to insurance companies and IT solution providers. By leveraging best practices from both the management consulting and research advisory disciplines, SMA's services are actionable, business-driven, and research-based — where strategy meets action — enabling companies to achieve business success.

This white paper is based on SMA's experience, research, and insights. Interactive Intelligence has purchased the distribution rights to this research and white paper. This is not paid-for research.

Additional information on SMA can be found at www.strategymeetsaction.com.



INTERACTIVE INTELLIGENCE

Deliberately Innovative

Interactive Intelligence offers integrated contact center, content management, and business process automation solutions that increase customer service and satisfaction. With the ability to integrate with existing administration systems, the company's standards-based all-in-one communications software suite eliminates the cost and complexity of multiple systems and provides a single view of all customer interactions across your organization. Almost 200 insurance companies and over 6,000 organizations worldwide back the company's open, standards-based, all-in-one IP communications software suite which can be deployed as an on-premises or cloud-based solution that improves agent and policyholder service.

To learn more, visit our Insurance Solutions page at www.inin.com.

The Author



Mark Breeding is a Partner at Strategy Meets Action, a strategic advisory firm offering a unique blend of advisory, research, and project-based consulting services to both insurance companies and solution providers. Mark is well known for his perspectives on innovative uses of technology in insurance and the future of the insurance industry. Mark leads the research program at SMA, and has exceptional knowledge and experience in all aspects of advanced technologies and solutions that provide value across the insurance enterprise — including data and analytics, customer communications, enterprise content management, and mobile technologies.

Mark has held technical and business roles in sales, consulting, marketing and business strategy, and has advised insurers around the world for almost 30 years. His roles have included IBM's Global Insurance Strategist, Global Insurance Marketing Leader and Director of Global Insurance Executive Conferences.

Mark is often quoted in major insurance publications and speaks frequently at leading industry conferences. He holds a BSBA in Accounting from Bucknell University and is a graduate of IBM's Systems Research Institute with a major in Software Systems.

Contact Mark Breeding at mbreeding@strategymeetsaction.com or 614.562.8310. Follow Mark on Twitter @BreedingSMA.