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# The Value and the Future of the Insurance Contact Center

**Mark Breading**

SMA Partner

Strategy Meets Action

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Interactive Intelligence, Inc.  
7601 Interactive Way  
Indianapolis, Indiana 46278  
Telephone (800) 267-1364  
[www.IININ.com](http://www.IININ.com)

Publish date 06/14, version 1

## The Contact Center in Insurance Today

Contact centers are widespread in insurance today and play a central role in interactions with prospects, policyholders, producers, and employees. The state of the art for contact center technologies and processes continues to advance, with varying levels of adoption by insurers. As the evolution of the contact center progresses, leading insurers are taking a new view of their centers and their strategic role in differentiating the company from competitors. The good news for many insurers is that upgrading contact center capabilities to support new initiatives can be accomplished in small steps, often with capabilities that are already in-house and ready to be activated.

### *From Cost Center to Customer Experience Management*

Most contact centers are considered to be cost centers, an orientation that has remained the same since the dawn of the call center era. This approach reflects the perception that the call center is an organizational group that is a necessary cost of doing business; and therefore, one that should be operated as efficiently as possible. But today, the desire to improve the customer/agent experience is a major strategic driver for insurer activities. Customer experience management has become a way to differentiate, by supporting stronger relationships, improving retention, and attracting more business from producers. Since centers support many types of interactions with customers, they play a big part in shaping the customer experience. This is causing a strategic shift in how insurers think about their centers.

The good news for many insurers is that upgrading contact center capabilities to support new initiatives can be accomplished in small steps, often with capabilities that are already in-house and ready to be activated.

While efficiency and cost management will always be important, more emphasis is being placed on the effectiveness of interactions and how they will ultimately influence the customer's perception of the company.

### *How Business Areas Leverage Centers*

Many insurance business areas use contact centers, which not only demonstrates the value of the centers, but also creates some new challenges and opportunities. Direct insurers rely heavily on centers for outbound communications to reach new prospects, handle inbound responses to marketing campaigns, and engage in sales and cross-selling with existing policyholders. Agent-based companies establish centers to support agents during the sales and services process. Property and casualty insurers often have separate centers for claims, especially for the first notice of loss process. All types of insurers have centers for policy/member service, employee support, and other areas.

In many companies, these centers were created at different points in time to support business needs in specific business functional areas. In an era of efficient operations, each center served its purpose and provided business value. But in the new era of prioritizing an enhanced customer experience and managing across the whole customer lifecycle, the lack of integration among centers becomes an inhibitor to progress. For those still running their centers on old technology platforms, significant

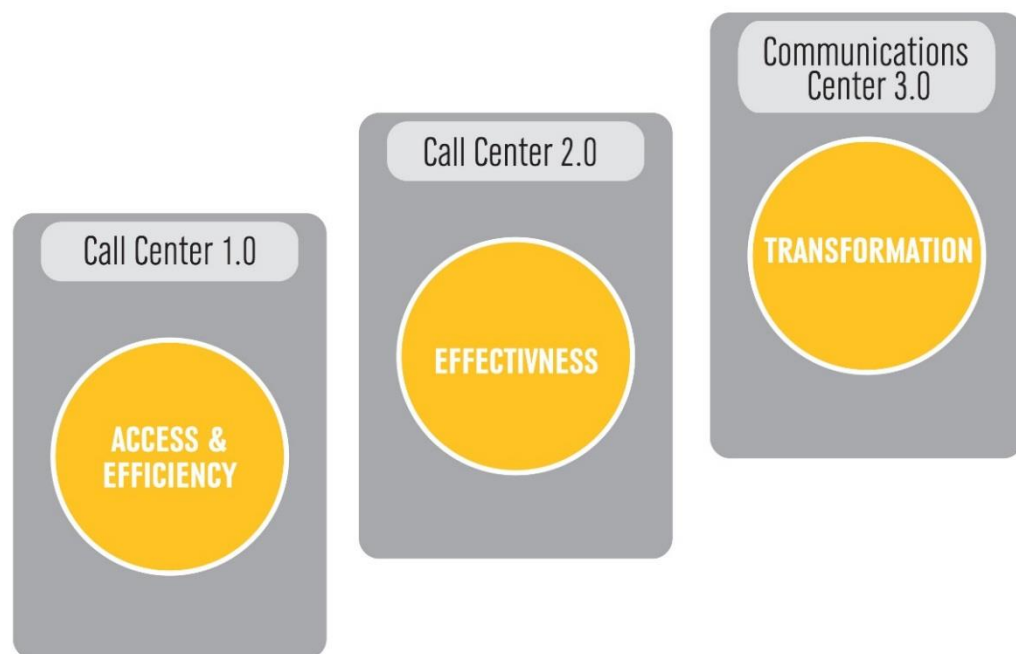
investment and effort may be required to modernize and integrate contact center capabilities. For many insurers with a platform that is relatively modern, the capabilities to support a full-fledged customer experience initiative may already be present and paid for, just waiting to be turned on.

## Evolution from Call Center to Contact Center to Communications Hub

Determining what is necessary to improve contact center capabilities and enable modern customer experience initiatives depends on where a company is starting from – the current environment. SMA has defined three stages in the evolution of contact centers, illustrated in Figure 1.<sup>1</sup>

**Figure 1.** The Evolution of the Contact Center

Source: Strategy Meets Action, 2014



The first stage of evolution, referred to here as Call Center 1.0, focuses on the objectives of access and efficiency. As the name call center implies, the primary purpose is the handling of telephone calls – both inbound and outbound. The Contact Center 2.0 stage shifts the focus from efficiency to effectiveness, and transitions from an internal company orientation to one that recognizes and accommodates more external customer needs. The most advanced stage, one that few have achieved today, is labelled Communications Center 3.0 and is an enabler of enterprise transformation. The true communications center shifts from answering questions to asking questions, from resolving issues to proposing new solutions, from separate sales and service functions to integrated customer management. This changes the entire orientation of the people, processes, and technology of the center. Insurers should realistically assess their current capabilities, identify their current stage of evolution, and build a step by step plan to leverage more advanced capabilities to contribute to improved customer experiences.

<sup>1</sup> For more information on the evolution of contact centers, contact Interactive Intelligence for the white paper, Beyond the Insurance Contact Center: The Communications Center of the Future, Nov. 2011.

## Contact Center Value and Opportunities

The good news is that most insurers are well positioned to extract more value from their contact centers. The opportunities for contact centers increase as the insurance business environment becomes more fluid and companies focus more on becoming customer-centric. Upon examination, many insurers will discover that they have great opportunities for activating more capabilities and unlocking additional value from their existing centers.

### *Evaluating the Current State of Your Centers*

Contact centers are sophisticated and complicated. A complete assessment of the current capabilities in the center might involve hundreds of specific business and technology capabilities. A good way to start the review is to categorize capabilities into key areas and identify just those that are the most important. SMA recommends the following four categories for analysis:

- Telephony capabilities – the maturity of hardware/software solutions to initiate or receive calls and route, record, track, and manage agent-based or IVR communications.
- Communications integration – the level of ability to manage various forms of digital communications, manage interactions in a unified manner (voice, web self-service, chat, e-mail, SMS text, etc.), and seamlessly integrate with back office systems.
- Resource management – the ability of contact center management to leverage automated solutions to achieve optimal usage of the workforce and their skills, locations, and work styles.
- Reporting and analytics – the range and sophistication of KPIs that can be measured, the flexibility of reports (static/dynamic), the currency of reporting, and the ability to analyze data for patterns and problems.

Identify the top three to five capabilities in each area that provide differentiation. At this stage, try to avoid listing the baseline capabilities that every contact center normally has, such as voicemail, agent initiated call recording, or basic IVR functionality.

### **Crawl, Walk, Run: A Pragmatic Approach to Increasing Value**

Sales presentations, collateral, and web sites often tout the latest and greatest options for advancing contact center operations. New features such as virtual agents and real-time speech analytics have great potential and are starting to be used by the leaders, but the reality is that many companies are not ready for those advanced capabilities yet. A close investigation of current capabilities and the current environment is likely to reveal that there are a host of other capabilities that are already in house and waiting to be leveraged. Insurers should not feel that they need to jump directly to the most advanced features, nor should they feel discouraged if their current capabilities are more traditional. A pragmatic roadmap for implementing and extending new features into the existing solutions and systems will enable insurers to fully realize the value of their current investments, and position them to take advantage of more advanced capabilities in the future.

## Tune-in, Turn-on, but Don't Drop Out

In the 1960s, psychologist Timothy Leary popularized the phrase, “tune in, turn on, and drop out.” In those days, he was promoting the use of psychedelic drugs. But the idea behind the phrase (when “don’t” is added), can be adapted to the modern contact center to create a pragmatic approach to enhancing the capabilities and improving the value of the center. Insurers should tune in to get a clear understanding of the specific capabilities that are already available with their current platform – capabilities that they are most likely already paying for. Identifying key capabilities to turn on and then sequencing those capabilities on a roadmap provides a way to easily build value over time without having to invest in major initiatives. Finally, the most value will be achieved if the effort is sustained – in other words, don’t drop out. When insurers continually activate and implement new capabilities, the contact center evolves in its role and makes a greater contribution to improving the customer experience. These are a few examples of capabilities that can probably be turned on and integrated into standard operating procedures, based on the four categories identified earlier:

### Telephony capabilities

- Virtual hold callback – estimating the hold time and offering the caller an option of receiving a call back within a specified period of time.
- Advanced auto attendant – routing a caller to an extension without human intervention has been a basic function of telephony systems for a long time. More advanced systems allow routing to any phone, anywhere, including VoIP phones and mobile phones.
- Collaborative browsing – screen sharing to enable agents and callers to view the same screen of information and jointly review, troubleshoot, or fill out forms.

### Communications Integration

- Multichannel queuing – unifying all customer interaction requests into a common queue for management and handling by contact center agents. This includes voice, e-mail, web chat, web self-service requests, e-fax, and even social media.
- Click to chat and web chat – management of web chat requests or web initiated voice calls from customers by routing their requests to the appropriate agents and prioritizing them for real-time response.
- Priority queuing – integration with CRM systems to identify inbound requests from high value customers and give them priority in the queue to minimize their wait time.

A large US-based provider of employee benefits now routes web-based claims self-service requests directly to contact center agents. At the same time, new customer experience initiatives have resulted in higher web self-service volumes. The company has observed that this approach has reduced call volumes and allows much faster processing of claims than an equivalent phone conversation.

- Screen pops – computer telephony integration (CTI) with links to back office systems to trigger the presentment of an appropriate screen of customer information based on the inbound or outbound phone number or other process triggers.

### Resource Management

- Multi-channel metrics – enabling contact center management to get the full picture of interactions handled by agents, especially when multi-channel queuing is utilized. Multi-channel metrics must be based on an understanding of the different characteristics and KPIs for each channel.
- Skills-based routing – implementing a range of options for workforce management and optimum customer experience based on skills profiles for each individual agent. Basic routing may be done based on language, channel expertise, product knowledge, geographic coverage, or other attributes.
- Workforce optimization – leveraging administration tools to monitor and manage a diverse workforce, including the dynamic management of a virtual workforce and dynamic resource allocation to meet changing needs and business volumes.

### Reporting and analytics

- Agent monitoring and scoring – tracking, measuring, and reporting on agent performance against a defined standard for individual calls, as well as all calls handled in a specified period of time.
- Automated post-call satisfaction surveys – options for callers to rate the call or provide other feedback, triggered automatically at call conclusion.
- Interaction tracking and analytics – tracking and reporting on the number, type, and result of interactions with individual policyholders, agents, and others communicating with the contact center.

A regional farm bureau insurer has automated coverage verification for banks and financial institutions by routing requests directly to call center reps. The request generated from the web site presents to the rep via an e-mail through their common request queue. The rep can process this request in-stream along with other inbound requests, providing timely response and reducing inbound voice calls.

All of the capabilities identified in this section provide value and are likely to be included in a typical contact center technology solution. Insurers that identify specific business use cases for each capability will be able to activate the new capabilities and optimize the value of their contact centers today.

## **Positioning for the Future**

The evolution of the contact center is an ongoing journey. While there will be increasing value along the way as new technologies, features, and techniques are applied, there will never be a point when the evolution is completely done. The insurance environment is changing too much, along with the demands and expectations from customers, producers, and employees. Key milestones will be met along the journey and capabilities may plateau for a period, but eventually there will be a quest to move the centers to an even higher level of contribution. To position for future change, insurers should seek to leverage advanced technologies, provide a platform for an agile workforce, and participate in innovation initiatives that are beginning to make waves in the industry.

### ***Leveraging Advanced Technologies***

New technology capabilities are changing the way people and businesses communicate, share information, and solve problems. Mobile devices continue to proliferate and expand their capabilities. Social networks spring up and gain tens of millions of followers seemingly overnight. Big data is making significant inroads as companies seek to gain new insights from the massive volumes of customer interaction data they capture. Speech recognition and natural language processing continue to advance and provide new opportunities for insights and automated decisioning. Cloud computing and the attendant security protocols and provisioning approaches are maturing and offering new options for deployment.

All of these advanced technologies provide exciting new potential for improving the power of contact centers and their central role in improving the customer experience. In order to capitalize on existing and emerging new technology-based capabilities, insurers must have a modern contact center platform.

### ***Catapulting Your Workforce to New Levels***

New technologies and automation can be a tremendous aid in improving the performance and the impact of contact centers. However, the human element is still the critical success factor for centers. The objective of moving to modern platforms and new technology capabilities should be to maximize the potential of the individual agents so that they can provide excellent sales, support, and service to customers and producers. Advanced capabilities for sophisticated skills-based routing, multi-site interaction routing, speech analytics, and dynamic resource provisioning will enable insurers to manage workforce capacity and efficiency, while also connecting customers with the best person to address their request in a timely and effective manner.



### *Participating in the Insurance Innovation Revolution*

Innovation is the driving force behind many initiatives in the insurance industry today. Insurers are establishing new organizational roles, teams, and processes to foster new thinking and creative ideas. New projects are being funded to harness innovation for competitive advantage, especially when it comes to rethinking the customer experience. The contact center is not immune to this revolution – in fact, centers should have a vital role in participating in innovation initiatives. Contact centers have a front row seat regarding the daily flow of business – facilitating communications, information exchange, and collaboration between prospects, policyholders, producers, and employees. Marketing campaigns, new product introductions, catastrophe response, and many other critical aspects of the business are highly dependent on contact centers, and all can benefit from new ways of doing business.

Establishing a plan to enhance contact center capabilities, capitalize on workforce strengths, and be a catalyst for innovation will position insurers for the future. Modern contact center platforms provide the technologies, flexibility, and new options to strongly influence the customer experience, improve operational efficiencies, and evolve to meet the changing needs of the business.

## SMA Call to Action

Contact centers were once considered a cost of doing business but now are playing an increasingly strategic role in shaping the customer and agent experience. Many insurers have implemented the core capabilities of a call center to manage interactions, but are now looking at extending their capabilities to support new initiatives. As demonstrated in this paper, there are often many latent capabilities available to insurers within the existing solutions they have implemented for contact centers. Turning on these capabilities supports the evolution from call center to contact center to the communications center of the future.

Actions that insurers should consider to optimize the value of their contact centers include:

- **Strategic positioning:** if not already doing so, ensure that the role and capabilities of the contact center are strongly considered in customer experience management initiatives.
- **Functional assessment:** evaluate the full set of capabilities already present in your current contact center platform. Then determine how turning on specific functional capabilities can enhance existing business processes.
- **Functional enablement:** develop a roadmap to pilot and implement new functions that coincide with plans for improving customer, agent, and employee communications.
- **Future positioning:** consider advanced technology solutions available to support plans for customer engagement in an omnichannel environment. In many cases, the advanced technologies may already be available in your current environment.

This approach is likely to result in a series of small implementations that can deliver big business value. If you find a lack of untapped capability on your existing solution, you may need to consider upgrading or replacing your contact center platform. But those with a well-architected, modern solution may be surprised at how much additional value can be realized without technology upgrades.

## Interactive Intelligence Perspective

No matter what the industry, businesses get excited about flashy new technologies. When any kind of hype is introduced around a certain technology, there is an immediate need to determine its value to the business. However, in the insurance industry, we many times look to our peers in other industries to establish the initial success of the new technology before jumping on board. Nevertheless, customer experience initiatives are making it possible for the insurance industry to be a leading innovator in the contact center space.

Although there are various customer service techniques to be learned from retail, financial services, and other leading edge industries, the insurance industry has a newfound interest in customer engagement and customer service. Many carriers have taken the infrastructure they currently have in place and are using it in an innovative manner to create a different level of customer service.

Through mobile applications, video, and self-service strategies, insurance carriers are creating unique customer success stories that are unlike those in any other industry. P&C carriers are looking to streamline the claims process through mobile applications. For years, carriers have used mobile applications for basic self-service requests and payment processing. Now, with the expansion of these applications, the mobile app serves as the point of entry for the claims process.

In the latest carrier applications, the claims process is initiated from the scene of the accident, capturing data, details, and photos, as well as initiating video chat between the adjuster and claimant. All captured information is passed into the administration system, and a claim file is automatically created where all related content can be immediately stored. Additional processing is completed throughout the enterprise and contact center. The claimant has ease of access to the carrier or agent at any point in time and constant access to the status of the claim, including additional content through the mobile application.

Another innovation example can be seen in how the life insurance industry is helping better assess risk during the underwriting process. Insurance carriers are now implementing speech analytics tools to identify potential lost business because of customer frustration. When a frustrated policyholder is recognized, a supervisor is immediately notified and engaged to listen in and 'coach' the CSR through the process.

This same technology is being now tweaked, not only to evaluate trends in why policyholders are reaching out to carriers, but also to detect potential risk with an applicant. Through a tele-underwriting process, high-risk keywords are set up to be recognized during the conversation. Should any of these words be noticed, the agent or underwriter is prompted immediately with a series of reflexive questions to help them better gauge the risk. By leveraging the speech analytics, the tele-underwriting process is standardized and documented to ensure that the correct procedures are followed.

For many carriers, there is a bigger plan for the future. Insurers are looking at ways to creatively and innovatively expand their existing contact centers and customer service strategies to help further their business practices. By taking an agile and inventive approach to building out a bigger scope, resources can be more effectively leveraged, plans can be scalable, costs can be minimized, and the projected success of the business plan is more realistic and accurate.



### About Strategy Meets Action

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 insurers 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](http://www.strategymeetsaction.com).

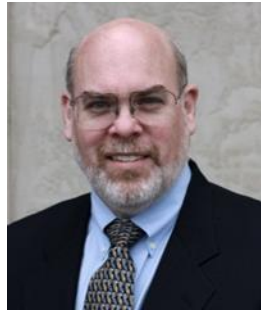


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For insurance organizations, Interactive Intelligence offers a proven multichannel platform and integrated applications for the contact center, unified communications, business process automation and content management, via the cloud or on-premises. The result is a single open solution and consolidated view of all communications, processes and content. Insurers also streamline operations, providing better service to more customers with fewer interruptions and complaints, and attracting new business while retaining existing relationships with insureds and agents. Today, more than 350 insurance organizations worldwide use the complete and scalable solutions from Interactive Intelligence to improve communications with their policyholders, and to expand their ROI.

To learn more, visit our Insurance Solutions page at [www.inin.com](http://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 [mbreading@strategymeetsaction.com](mailto:mbreading@strategymeetsaction.com) or 614.562.8310. Follow Mark on Twitter @BreedingSMA.