



White Paper



Transforming the
Insurance Enterprise with
Next Generation CRM



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Transforming the Insurance Enterprise with Next Generation CRM

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EXECUTIVE SUMMARY

Integration is the cornerstone of any successful CRM strategy for Insurance. A changing competitive climate, in which customer loyalty is fleeting and agents flock to organizations that promote business growth (with book of business in tow) has organizations competing for traditional market share, as well as the industry's top tier talent. At the same time, organizations are mandated to comply with increasingly stringent compliance, administrative and reporting requirements, while agents and brokers are eschewing cumbersome administrative tasks to focus on revenue generating activities.

Early adopters of CRM understood that managing customers could be as strategic as managing their policy or claims operations. These early adopters aimed to leverage CRM to promote customer loyalty and drive growth. More often than not, however, they found themselves saddled with a siloed system that added to the agent's workload, eroding agent satisfaction and escalating turn-over.

Next generation CRM provides organizations with a cost-effective and efficient method of leveraging enterprise customer data stored in legacy and back-office systems. It combines customer profile, interaction, policy, billing and claims information with relevant third-party information such as demographics, credit scores, fraud scores, or other predictive scores, to present agents with a comprehensive view of the customer in a unified, integrated application. This allows agents to become net receivers of all enterprise knowledge of the customer, empowering them to maximize productivity, deepen client relationships, and grow premiums and market share through intelligent proactive interactions.

This white paper discusses how next generation CRM enables insurance services organizations to:

- ▶ Integrate disparate data and systems with CRM solutions
- ▶ Deliver integrated information seamlessly to the end user
- ▶ Scale in accordance with evolving business needs
- ▶ Provide a customized user interface that addresses the organization's and the agent's unique needs
- ▶ Add readily accessible, net new value to increase end user adoption

INTEGRATED CRM DRIVES STRATEGIC BUSINESS BENEFIT

Fundamentally, integrated CRM is about reaping what you sow. For the majority of insurance companies, a lack of customer information is not the issue. Instead, the problem lies in bringing that information together and making effective use of it. The ability to combine and harvest detailed customer profile and interaction information from an enterprise CRM system with historical transactional information available in multiple illustration, quoting, policy, billing and claims systems creates immediate strategic value for large insurance organizations.

Deliver a Comprehensive Customer View

Industry leaders are abandoning old information silos and embracing integrated, next generation CRM systems that deliver a unified, comprehensive customer view directly to their agents' fingertips. Customer information, which was previously available only by accessing multiple standalone silos, is seamlessly combined into a single solution. This integration allows enterprises to transform their disparate customer information from a "policy-centered view" into a net new "customer-centered" view of their business, which empowers agents to engage in intelligent, timely client interactions.

A customer-centered
view of business drives
intelligent, timely client
interactions.

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Research shows that the “total value of the e-CRM project increases as you integrate more data sources.”¹ In *Four Key Integration Steps for Better CRM*, Loraine Lawson cites the value of integrating offline with online data sets, noting that as little as 20% of total data from external sites (such as social media sites) resulted in significant overall value increase versus no external integration.

Market leaders recognize the value of an integrated environment for improving processes and driving revenue growth opportunities across the enterprise. More importantly, these organizations understand the benefits of dramatically reducing administrative duties and redundant processes, and the value of a comprehensive view of customer information in boosting agent and customer satisfaction.

Alleviate Administrative Burden and Promote Agent Retention

Modern integrated CRM has proven its value in alleviating the administrative burden on agents, and consequently boosting job satisfaction and productivity.

In the past, CRM systems were often implemented to relieve agents and their assistants of these types of manual processes and documentation-heavy customer-facing activities. Despite heavy investment in first generation CRM technologies, these systems often failed to deliver on their promises. The critical need for organizations to implement CRM technology still exists, however. Organizations are now turning to next generation CRM to provide the kind of streamlined customer processes and automated workflows that will allow them to retain and attract industry-leading talent, accelerate the ramp up to productivity time for new hires, and ultimately grow the business.

As noted in *CRM Implementation: Avoiding Failure*, “Customer communications must be pushed into real time and they must make sense to the customer. Businesses must be fully cognizant of the customer’s current status and history, and they must be equally in tune with the nature and style of the relationship.”² The article further advises that consistent, organization-wide customer service standards be aligned with defined customer lifetime values. While these are hardly lofty goals from the standpoint of customer service and resource deployment best practices, timely access to this depth of information is virtually impossible without integration and the administrative burden upon agents to maintain it is prohibitive. To attract and retain top talent agents, organizations must employ next generation CRM to streamline and support the delivery of proactive, personalized policy renewals, new business applications, relationship modeling, and claims services.

This has the two-fold effect of strengthening the customer’s ties to the organization and bolstering agent satisfaction and profitability.

Enterprise Information to Improve Customer Satisfaction

Traditionally, divisions, departments and even agents have maintained independent data stores and systems and most of those systems are policy-centric, not customer-centric. This cultivates a climate rife with inconsistent customer service, information that’s difficult to find, overlooked upsell or cross-sell opportunities, and regulatory compliance risk. Siloed customer information, or customer information trapped in policy systems prevents agents from recognizing or capitalizing on opportunities as they arise. An integrated system enables agents to base their services on a holistic view of the client’s lifestyle, relationships, life events and interests and to target sales appropriately. Integration also enables cross- functional collaboration where teams of agents and specialists can deliver specialized expertise in support of client needs.

“The more data sources a company integrates, the better the customer insight, thus creating more value for the company,” propose Christopher Barko, Ashfaaq Moosa and Hamid Nemati, in *E-CRM Analytics: Leveraging Data Integration for Prospective Customer Insight and Breakthrough ROI*.³

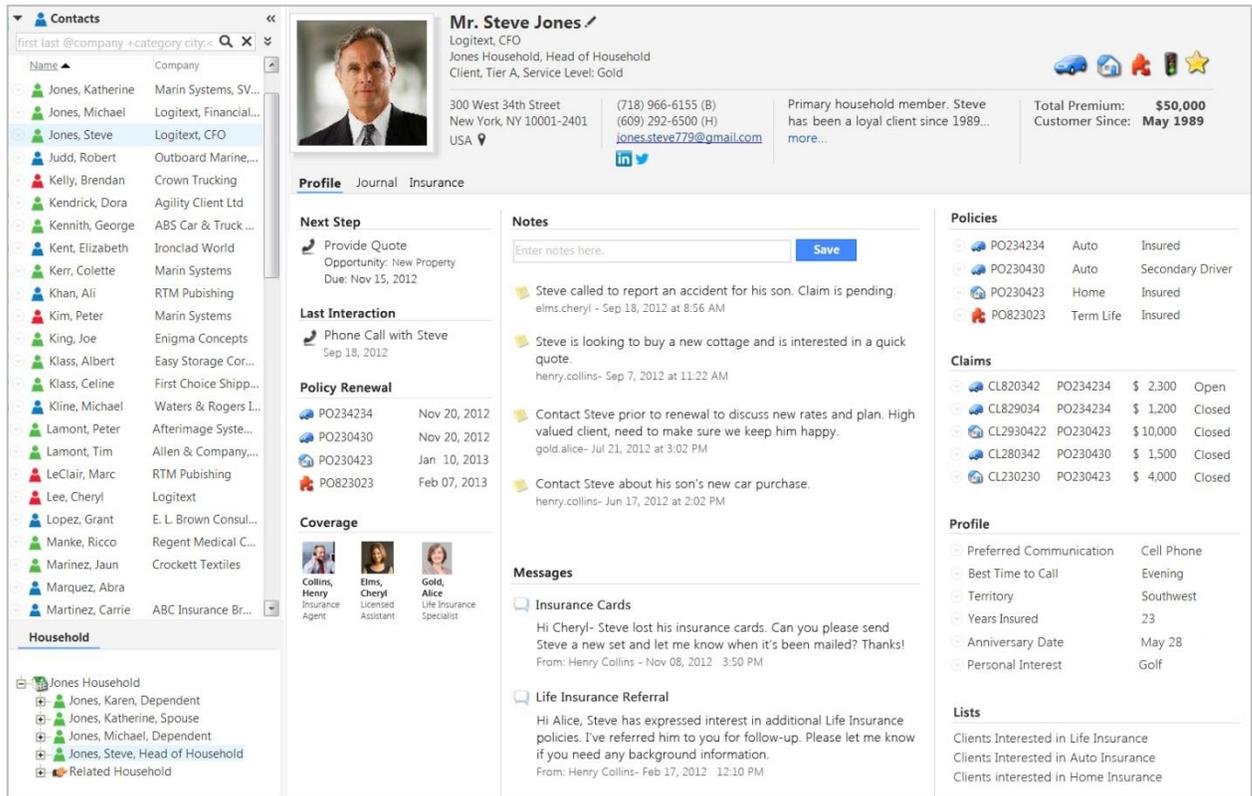


Figure 1: Nexj Integrated Agent Desktop

Foster Customer Loyalty Through Meaningful Interactions

“The goal of customer relationship management is to create a long-term, profitable relationship with all of an organization’s customers.”⁴ Despite the maturation of CRM in recent years, such relationships remain elusive. Online competition, limited differentiation between full-service offerings, and time-pressured clients that demand instant, personalized service have all contributed to the erosion of client loyalty. This has created a need for every customer touch to be relevant and insightful from the viewpoint of the customer.

Next generation CRM delivers “... a single view of the customer that can be used productively to add value to all

Diminishing customer loyalty is driving companies to understand, predict, and fulfill customer needs efficiently.

of the business capabilities throughout the entire insurance value chain. This comprehensive view of the customer ... has many benefits including enriched, more satisfying customer interactions, improved segmentation, more leads, and more effective marketing campaigns.”⁵ This unified customer view is a function of context-aware integration (including third party data feeds) and CRM features.

Without clear information on the last client touch across all channels, agents risk irritating clients and creating a poor impression of the firm. Integrated CRM enables agents to easily review the client’s policies, claims, recent endorsements, interests, notes, etc. prior to a sales call or check-in phone call. Historically, agents would track and update this information in offline systems – a manual and labor-intensive solution that often fails to comply with heightened compliance responsibilities. Integrated CRM provides the best of both worlds – a centralized, customer view of data and auditable interaction history that can be shared across the enterprise.

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Data pulled from back-office systems and third party applications automatically prompts agents with timely, appropriate reasons to call, such as policy reviews, birthday wishes, anniversary wishes, service offerings for life events (e.g., new home purchase), or the upcoming expiry of policies underwritten by other carriers. This ability to understand and safeguard the client's best interests deepens the client-agent relationship and strengthens the engagement between the organization and the customer.

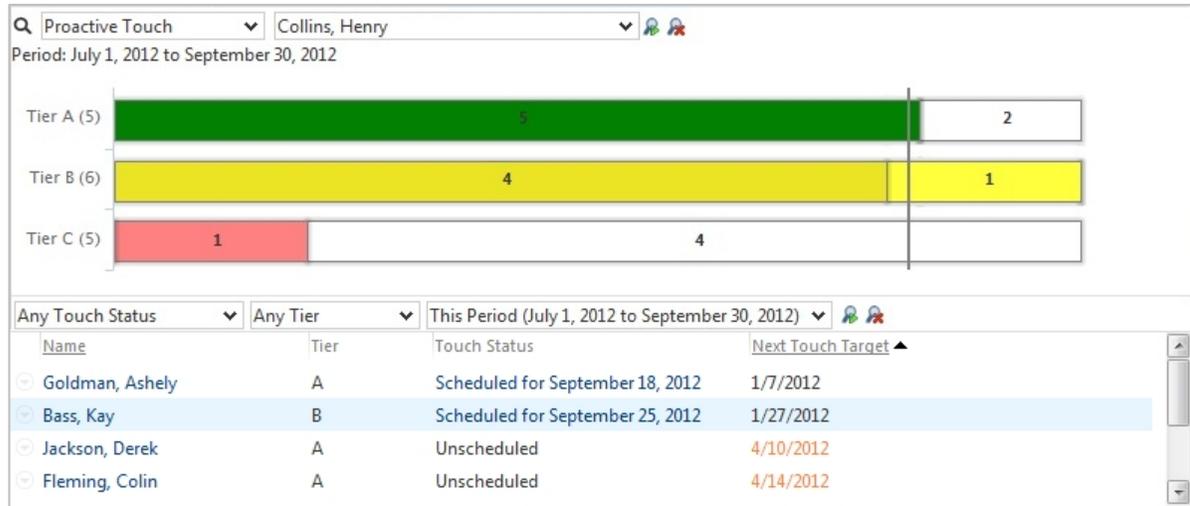


Figure 2: NexJ Customer Loyalty

"Customer relationship management has become a key process in the strengthening of customer loyalty and in helping businesses obtain greater profit from low-value customers ... Customers no longer guarantee their loyal patronage, and this has resulted in organizations attempting to better understand them, predict their future needs, and decrease response times in fulfilling their demands." ⁶

Clients deemed valuable to organizations can also be segmented within an integrated CRM solution that marries the level of service with the value of the client's contributions to the company. Equally important, companies can ensure a consistent customer experience that spans business lines and channels, regardless of the individual with whom the client is dealing.

Enable Consistent Multi-Channel Accessibility and Customer Service

A key advantage in today's marketplace is the ability to provide consistent, tailored support to customers in the channel or channels of their choice. These include traditional touchpoints, such as TV, mail and telephone, as well as ever-expanding email, Internet, smart phone and tablet, and social media channels.

Driving this demand for multi-channel enablement is a rapidly changing technological landscape, in which clients have an increasing number of options for sales and research, and a culture shift in which clients may access several channels throughout the buying cycle. Organizations that make it easy for clients to interact through the channels of their choice can simultaneously cut costs, improve the customer experience, and increase opportunities for growth.

Traditional channels like mail and direct calls are being matched and often replaced by newer communication channels like mobile and the Web. In addition to the increase in usage of new channels, consumers are crossing channels. For example, a customer might do a search on Google, read information on an insurance website, and generate a quote on an insurance aggregator, before finally buying the insurance after a call with their local broker. Channels are often managed independently, however, giving rise to inconsistent customer service and overlooked sales opportunities.

According to Strategy Meets Action (SMA), in the desired customer-centric view for insurers, "a holistic, single view of the customer provides relevant information and insight to agents, customer service representatives, and call centers via all of the various types of possible interactions (voice, web, mobile, person to person) that

occur.”⁷ This requires information from all channels to be consolidated with back-office data to present a complete context-aware view of customer data to users across the enterprise. Next generation CRM addresses this issue by integrating information from all touchpoints with best practice CRM functionality to allow agents, customer service representatives and customers to access accurate, role-appropriate data through the channel of their choice.

Integration dramatically increases the benefits of multi-channel service. It enables agents across all channels to leverage an enterprise-wide view of the customer to increase upsell and cross-sell opportunities. Convenient, well-tailored information at all customer touch points can reduce customer churn and enhance customer service delivery. Finally, integrated multi-channel enablement can be an effective cost containment strategy vis-à-vis shared operational infrastructure and reduced cost to serve.

NEXT GENERATION CRM

Leveraging Existing Investment to Create New Value

Next generation CRM solutions are designed to overcome the challenges of the first generation of integrated CRM options, allowing enterprises to capitalize on the value of the information they have about their customers to drive business growth. Next generation CRM solutions allow companies to focus on tying their data together in value-added ways while keeping project expenditures and timelines in check.

Modern, successful CRM systems have flexible and extensible architectures that support broad industry standards. In a study of 115 organizations, Christopher Barko, Ashfaaq Moosa, and Hamid Nemati found that integration “contributes to a better understanding of the customer and leads to higher ROI, greater number of benefits, improved user satisfaction and a greater chance of attaining a competitive advantage.”⁸ State-of-the-art next generation systems are deployed on architectural frameworks that deliver dependable scalability, high performance and reliability for demanding, broadly deployed solutions.

“To create customer-centric business model, insurers need to be able to leverage a wide range of information, seamlessly connect and collaborate across all channels, and integrate across the enterprise – all in an insurance specific context.”

- *Strategy Meets Action*

Integrate Once, Leverage Many Times

Large enterprise customers have significant investments in their existing IT infrastructure and require flexible ways to capitalize on the valuable information in their back office systems.

Separation of CRM application business logic from physical data storage is necessary to fully leverage existing system investments while maintaining a custom and adaptive solution approach. A virtualized logical model that connects disparate systems and data delivers a comprehensive view of the customer. This ‘virtualized’ logical business model is flexible and adaptive without having to be reconnected to the underlying data and external systems each time the business logic or the underlying systems change. Once this virtualized customer view is established, business intelligence and best practices can be applied to encourage proactive action to maximize customer value. The “connect once – leverage many times” model allows for an efficient reuse of integration efforts for many business cycles to come.

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NEXJ CONTACT FOR INSURANCE

NexJ Contact for Insurance is a next generation enterprise CRM solution designed for tight integration, massive scalability, and easy customization. NexJ’s powerful CRM solutions are specifically designed to address complex information management problems, promote agent and customer loyalty, and drive revenues in an increasingly competitive marketplace.

NexJ Contact combines best-of-breed CRM functionality with industry best practices and information from back office and legacy systems, customer interactions, and third party data feeds. It delivers a comprehensive customer view to the agent’s desktop or mobile device, the customer service representative’s desktop, as well as directly to a customer via a secure self-service portal. NexJ provides its clients with the unique ability to define a logical model of their entire enterprise data which comprises a holistic view of the client. This includes typical CRM data that is found in NexJ like contact information, activities, tasks, past conversations and emails as well as all of the back office information coming from existing back office systems in the enterprise – policies, billing, imaging, rating, quote and bind systems, etc.

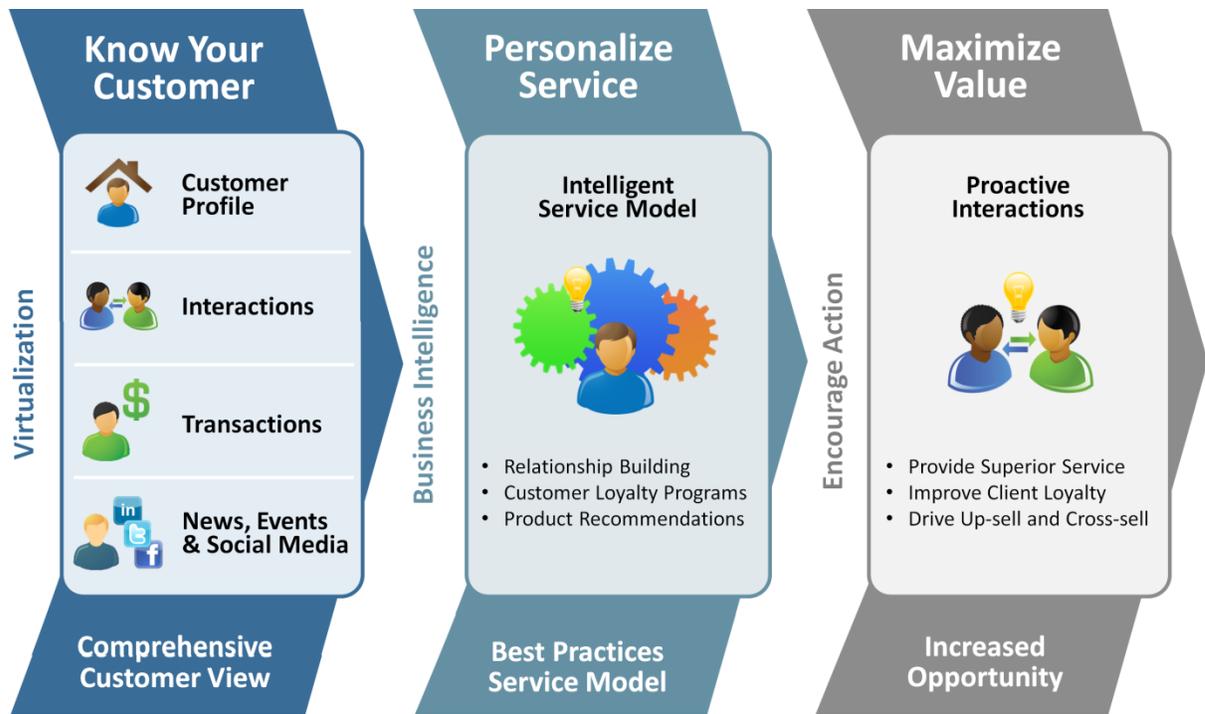


Figure 3: Next Generation of CRM

NexJ Contact automates workflows and delivers a wealth of actionable information and insights directly to agents to facilitate intelligent interactions, enhance customer service, and dramatically increase profitability. It provides agents with sophisticated CRM capabilities lacking in hosted CRM, such as cross-functional workflows, enterprise search, reporting, and analytics.

CONCLUSION

“Insurers are implementing new solutions to gain a better understanding of their customers and to deliver information and insights to agents, brokers, and other front line representatives that enable them to more ably meet each individual customer’s needs.”⁹

Many enterprises have critical customer information scattered across multiple, disparate systems. Attempts to implement CRM to help improve customer facing activities were hindered by the fact that these CRM systems were often siloed, and not integrated with customer information in those existing systems.

This is particularly challenging in insurance, where in order to address pressing market forces, agents need CRM to effectively service their customers and spend time on activities that grow the business and drive revenues. Agents need a modern integrated CRM solution that is specifically built to address the challenges of early CRM implementations. Next generation CRM solutions, such as NexJ Contact for Insurance, are designed to provide the seamless integration that agents need to resolve the issues of agent turnover, client dissatisfaction, and challenges of regulatory compliance that flowed from the deployment of these solutions.

Integrating to back-office and legacy systems, key third party applications and data feeds, and enterprise data stores enables agents to access a consistent, comprehensive view of the client.

Next generation CRM allows organizations to implement a customer-centric business model that understands each client’s needs, motivators, and interests, and leverages industry best practices to drive customer loyalty. At the same time, integrated searches, reporting, automation, and workflows provide the tools agents need to streamline their day-to-day tasks, reduce their administrative burden, and empower them to grow their business.

Using next generation CRM, organizations can:

- ▶ Alleviate administrative burden to attract and retain top talent
- ▶ Maximize enterprise information to drive revenue growth
- ▶ Foster customer loyalty through well-targeted, personalized interactions
- ▶ Automate regulatory compliance and best practices

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END NOTES

- 1 Four Key Integration Steps for Better CRM, Loraine Lawson, ITBusinessEdge.com, March 13, 2011.
- 2 The Customer-Centric Insurer: Realizing the Full Potential of Customer Relationships, Deb Smallwood and Mark Breeding, SMA, December 2010.
- 3 E-CRM Analytics: Leveraging Data Integration for Prospective Customer Insight and Breakthrough ROI, Christopher Barko, Ashfaaq Moosa, Hamid Nemat, January 26, 2011.
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- 5 The Customer-Centric Insurer: Realizing the Full Potential of Customer Relationships, Deb Smallwood and Mark Breeding, SMA, December 2010.
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- 7 The Customer-Centric Insurer: Realizing the Full Potential of Customer Relationships, Deb Smallwood and Mark Breeding, SMA, December 2010.
- 8 E-CRM Analytics: Leveraging Data Integration for Prospective Customer Insight and Breakthrough ROI, Christopher Barko, Ashfaaq Moosa, Hamid Nemat, January 26, 2011.
- 9 CRM Implementation: Avoiding Failure, John Frazer-Robinson, searchcrm.com, April 10, 2011.



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About NexJ Systems

NexJ provides enterprise customer management solutions to the financial services and insurance industries. Our solutions, which integrate information from multiple systems into a unified view, include industry-specific customer relationship management (CRM) for multi-channel engagement and collaboration; customer process management for client onboarding and KYC; and customer data management to better understand customers across line of business and regional data silos.

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