

# The Insurance CIO's Guide To Building an Agile Communications Strategy

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## Executive Summary

In the last decade, industry analysts and corporate leaders have hailed digital transformation seemingly as the magic pill to improving customer communications. To keep up with growing customer demands for digital communication channels, companies are turning to technology providers and adding more systems. The problem is *more* isn't always *better*—particularly for industries already drowning in documents.

Because insurance companies are highly regulated, they produce an inordinate amount of legally required documents compared to other industries. In many cases, each line of business relies on multiple systems to produce documents, each one dedicated to producing only one type of document such as claims or contracts. Efforts to go digital often result in adding more document production systems and new functionalities for mobile and social media. Insurers end up spending more money, losing more time, and requiring more work from their staff to manage disparate systems.

They've lost sight of the original intention behind digital transformation especially crucial in insurance: agility. New demands from consumers, regulatory agencies, and other stakeholders will never cease. Technological advances in mobile devices, the Internet of Things, and big data analytics will revolutionize insurance in the near future. Additionally, global warming will surely have profound impacts on insurance. Having an agile communications strategy empowers organizations to adapt and move quickly without tedious processes relying heavily on IT staff or consultants.

Before you add more to your company's tech arsenal, you must have a clear perspective of

- (1) your customers' needs for an omnichannel experience, and
- (2) your internal document automation needs throughout the enterprise.

In this white paper, we offer concrete advice for you to gain insight into both topics to help you create an agile, cohesive communications strategy. The goal is to create an agile system that adapts to your current situation and will continue to adapt to future changes. We'll go back to the basics with a step-by-step guide for insurers to review before making the plunge into additional systems.

## Speed and Transparency for Happy, Loyal Customers

Insurance companies are realizing that customer experience is substantially more important than product for sustainable, profitable growth. Consumers have the power now. They're tech savvy, resourceful at online research, and increasingly inclined to share their experiences publicly on social media. They're accustomed to rich, interactive experiences on all their devices when they interact with Amazon, Uber, AirBNB, or any one of the emerging digital disruptors. Consumers bring those high expectations to insurance, unforgiving of the complexities of highly regulated environments.

Studies overwhelmingly show customers want immediate access to clear, easily understandable content. Insurance statements, billing statements, and insurance premiums, for example, should never be confusing or require much effort to read. Customers want searchable documents that are easy to navigate and responsive to whatever device they happen to be using, including smartphones and tablets. They want personalized information that's relevant to their unique situations, delivered in real-time and consistent across all touchpoints.

When insurers don't meet consumer expectations, there's a high likelihood their dissatisfied customers will find other providers within a year. As an Accenture study recently uncovered, failure to deliver a high quality customer experience can practically wipe out an insurer's customer base—a loss of as much as 50 percent over a five-year period.<sup>1</sup>

Speed and transparency are the two most important factors that influence customer satisfaction in property and casualty insurance, aside from the settlement itself, according to a different Accenture survey of nearly 8,000 property and casualty (P&C) insurance customers in 14 countries.

In addition to speed and transparency, respondents identified additional factors that affected their own customer satisfaction:

- » customer's ability to contact the insurer any time to check the status of the claim
- » timely communication that keeps the customer informed
- » empathy from insurance staff
- » ability to engage with the insurer using the preferred channels.

Evidently, an agile communications strategy is vital to customer satisfaction.

In order to truly understand what policyholders want out of their interactions with their insurance providers, one must consider the customer's frame of mind at every stage of the journey. Research shows that the claims process is an especially risky stage for the P&C insurer because the customer is almost twice as likely to switch providers in the next 12 months compared to customers without a claim.<sup>2</sup> Customers filing a claim naturally feel a sense of urgency, perhaps even panic, throughout the process. They might have recently suffered an accident, burglary, or any number of anxiety-inducing catastrophes. Policyholders need to know that their recent crisis will soon be resolved.

Digital channels are especially useful for offering comfort to policyholders in some ways. Having a constant, direct connection reassures customers, especially those checking on the status of their claims, repairs, or replacements. The ability to receive up-to-date information on any digital device goes beyond efficiency. It gives customers peace of mind.

<sup>1</sup> Accenture, "The Digital Insurer: The Customer-centric Insurer in the Digital Era," 2015, <http://ins.accenture.com/rs/accenturefs/images/The-Customer-centric-Insurer-in-the-Digital-Era.pdf>

<sup>2</sup> Accenture, "The Digital Insurer: Claims Customer Survey, Why Claims Service Matters," 2014, <http://ins.accenture.com/rs/accenturefs/images/Accenture-Global-Claims-Customer-Satisfaction-Survey-executive-summary-POV.pdf>

## Pulling Back the Curtain in Insurance Communications Systems

Traditionally, insurance companies delivered complex documents to their customers using print delivery or electronic versions identical to their printed versions. Although many have invested in additional document automation systems, complete omnichannel capabilities remain rare among insurance providers.

According to Bain & Company, less than one-third of life insurance carriers allow customers to start a transaction in one channel and complete it on another. Slightly more P&C carriers offer that capability at 40 percent of carriers. In another surprising statistic, only one-third of both life and P&C insurers contact customers if they abandon an insurance application in any channel. Insurers' limited digital capabilities are severely cutting off sales opportunities.

### TRUE OMNICHANNEL CAPABILITIES REMAIN UNCOMMON.

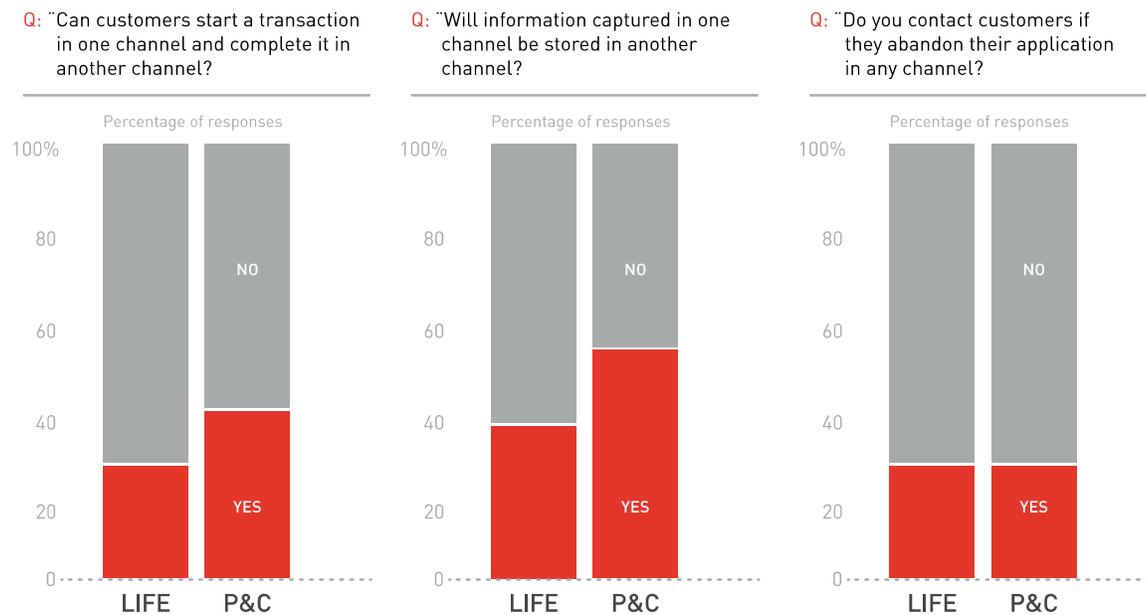


Figure 1. Global Digital Insurance Benchmarking Report 2015. Copyright Bain & Company 2015. Used with permission.

For decades, the insurance industry has been discussing the need to modernize IT systems and customer communications. What's holding insurers back?

An overwhelming majority of life and P&C insurers—70 percent—lack the confidence to execute complete digital transformation. Almost half of the surveyed insurers in the Bain & Company study felt they didn't have an achievable plan because they lacked critical elements such as a clear vision, compliance, and risk processes.<sup>3</sup>

Lack of confidence isn't the only factor weighing insurers down. For most insurance companies, updating IT systems to modernize communications is a grueling process. Their complex structures are built on legacy systems dating

<sup>3</sup> Bain & Company, "Global Digital Insurance Benchmarking Report 2015: Pathways to Success in a Digital World," <http://www.bain.com/Images/GLOBAL-DIGITAL-INSURANCE-2015.pdf>



back to the 1970s and 1980s, with multiple homegrown and packaged software systems. Analysts estimate that large document-intensive organizations have between five and eight document automation solutions. To further complicate matters, multiple systems sometimes run within each business unit and each one might drive a certain application type such as claims, batch core system generated documents, correspondence, or contracts. Additional systems include separate mobile delivery and social media systems, which require staff to create duplicate content.

This decentralized and often ad hoc approach is the antithesis of an agile communications strategy. Patchwork systems, a mix of old and new, don't integrate into one seamless process for the entire enterprise. As a result, document-intensive organizations are struggling with an explosion of unstructured, duplicate content, rising communication costs, internal inefficiencies, and ultimately, dissatisfied customers ready to switch to another insurance provider.

## The Purpose of Agile Communications Beyond Digital

The true goal of a digital communications strategy is to give your organization the power and flexibility to adapt to the changing consumers, regulations, technology, environment, and global economy. Change is inevitable, and your technology solutions must be able to work together—not only for greater efficiency internally, but more importantly, to deliver the best customer experiences.

An agile communications strategy must include an enterprise-wide customer communications management system that weaves through web, mobile, and print and supports all business processes. Insurers must go further than simply stating their commitment to improving the customer experience. They need to aggressively learn more about their customers, seek their feedback, and be willing and able to implement changes based on customer feedback. An agile, customer-centric communications strategy must have a built-in system for capturing and recording information about every customer's history and preferences.

The following guide is designed to help insurance CIOs address their organizations' content management and document production demands, specifically to solve the following challenges:

- » how to deliver personalized, mobile-aware content to consumers, partners, and regulators where and when they want it
- » how to reuse content, promote consistent branding, and ensure accuracy regardless of the channel
- » how to manage the creation, production, and distribution of content efficiently from the top
- » how to manage change and maintenance across many disparate composition engines

## Steps to an Enterprise Document Automation Strategy

Before you decide to add more software solutions to your existing document automation or customer communications management systems, it's vital to have a clear, big picture perspective on document automation needs throughout your enterprise.

We start by breaking the process into five tangible steps.

Step 1: Identify customer preferences

Create a communication type/channel matrix to provide a visual representation of all communication types within the enterprise and how they map to channels utilized.

Each customer has his or her own preferences on how to receive communications. In the example below, Bill Smith wants to receive printed copies of his policy, bills by e-mail, newsletters via the web self-service portal, and SMS notifications of important events. He also wants access to instant messaging and chat sessions in case he has questions about his explanation of benefits (EOB).

**COMMUNICATION TYPE/CHANNEL MATRIX**

|                      | COMMUNICATION TYPE |         |               |        |             |             |            |                   |                |     |
|----------------------|--------------------|---------|---------------|--------|-------------|-------------|------------|-------------------|----------------|-----|
|                      | POLICY             | BILLING | NOTIFICATIONS | OFFERS | NEWSLETTERS | DISCLOSURES | PROMOTIONS | PARTNER OFFERINGS | WELCOME LETTER | EOB |
| PRINT & EMAIL        | •                  |         |               |        |             | •           |            |                   | •              |     |
| EMAIL                |                    | •       |               | •      |             |             |            |                   |                |     |
| WEB SELF-SERVICE     |                    |         |               |        | •           |             |            |                   |                |     |
| POSTCARD             |                    |         |               |        |             |             |            |                   |                |     |
| CALL CENTER          |                    |         |               |        |             |             | •          |                   |                |     |
| INSTANT MESSAGE/CHAT |                    |         |               |        |             |             |            |                   |                | •   |
| KIOSK                |                    |         |               |        |             |             |            |                   |                |     |
| BRANCH OFFICE        |                    |         |               |        |             |             |            | •                 |                |     |
| SMARTPHONE           |                    | •       | •             | •      | •           |             |            |                   |                |     |
| TABLET               |                    |         | •             | •      | •           |             |            |                   |                |     |
| TEXT MESSAGE         |                    |         | •             |        |             |             |            |                   |                |     |
| SOCIAL               |                    |         | •             | •      | •           |             |            |                   |                |     |

Figure 2. An example of how a particular customer wishes to receive communications

This may seem like a daunting task for insurers with hundreds of thousands of customers, but you can leverage customer relationship management (CRM) and customer data integration (CDI) systems to easily capture and store this information. One of the key questions to ask when choosing an enterprise document automation system is, “How well does it integrate with and share customer information with my CRM and CDI systems?” Seamless integration with CRM and CDI lets existing content to be repurposed and delivered via the correct channel for each customer.

With a suite of adaptive systems including document automation, CDI, and CRM—driven by core systems such as billing and campaign management—insurers can implement end-to-end processes that automate the organization’s communications strategy across the enterprise.

Step 2: Map out all customer communications

Look at the major categories of document automation and map them to the formats that your enterprise requires. This may include not only existing formats, but also anticipated future formats and outputs that are device-aware.

Here is an example.

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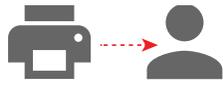
## CUSTOMER COMMUNICATIONS MAPPING

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### PUBLISHING PROCESS

- **STRUCTURED**  
typically used for high-speed printing of content
- **DOCUMENT EXAMPLES**  
Bills, statements, at-issue policies, routine correspondence
- **OUTPUT FORMATS**  
Xerox Metacode  
IBM AFP  
PCL  
PostScript  
VIPP  
PDF  
TIFF  
E-mail



### ON-DEMAND

- **STRUCTURED**  
used for local printing or direct access by a customer
- **DOCUMENT EXAMPLES**  
Quotes, confirmations, account notices via web portal request
- **OUTPUT FORMATS**  
PCL  
PostScript  
PDF  
TIFF  
Fax/GDI  
E-mail  
SMS  
PDF/A-1  
PDF/A-2



### INTERACTIVE

- **STRUCTURED**  
required when end user, agent, partner, or other party must edit or modify the content before it can be published
- **DOCUMENT EXAMPLES**  
welcome kits and booklets, identification cards, claims correspondence or complex contracts
- **OUTPUT FORMATS**  
HTML5  
XML  
PDF  
E-mail  
Fax  
WebRTC integration  
Co-browser sessions

Figure 3. A sample of existing and future formats

Other communication formats might include:

- » Responsive formats that allow a logical view of content regardless of the viewing device
- » WebRTC integration for interactive chat, video chat, or VOIP
- » Cobrowsing sessions for improved real-time customer support

This exercise is especially important for insurers shopping for document automation solutions because it helps you clearly identify the following:

- » which capabilities to look for
- » functionalities your current system lacks
- » existing systems you can retire

» specific instances where you can repurpose content for other channels

Step 3: Schedule document delivery throughout the year

Create a communications schedule that each division can use for its particular needs following enterprise standards and compliance requirements. Keep in mind that timing is important in order for communications to be relevant to customers and follow regulations.

Here is an example for an insured homeowner on an annual basis.

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SAMPLE COMMUNICATIONS SCHEDULE FOR AN INSURED HOMEOWNER\*

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Figure 4. An example of typical communications touch points with an insured homeowner

\*In this example, the policy start date is January 1.



Each department or line of business can use this schedule to map out the needs of partners, agents, regulators, and other stakeholders. Doing so ensures that communication is sent via the proper channel at the proper time, building the relationship and improving cross-selling opportunities. Once identified, this information can be stored in CRM, CDI, and an integrated document automation system. This exercise will help each department or line of business to get organized and generate new ideas aimed at customercentricity, retention, satisfaction, cross-selling, and service.

Step 4: Take a step back and see the big picture

With your organization's leaders, look at the entire set of drivers that impact your communications strategy:

- » product lines
- » market requirements
- » regulation and compliance
- » channels
- » collaboration strategy
- » future vision

This step will help you arrive at a clear strategic direction. It will also help you and your team identify your company's key differentiators to continue cultivating customer loyalty now and in the future.

Step 5: Examine the critical role of IT

IT considerations play an equally important role in driving a document automation strategy. IT is responsible for the integration and functionality necessary to meet the business requirements across the enterprise. IT is also responsible for validating functional requirements and making sure that the vendor solutions are capable of driving the desired business requirements and operational requirements necessary to enable both business agility as well as operational agility.

Discuss the following IT considerations with the appropriate members of your organization:



#### **Data Management**

Most organizations have many disparate sources of data in many different data formats. Organizations must consider how they will manage various data formats and multiple simultaneous formats. Often, these formats will need to be concatenated into a single request for a batch run of thousands of customer records or a request for a single personalized piece of customer communications.



#### **Data Enrichment**

Business intelligence, analytics, and comprehensive campaign management capabilities are critical to maximizing the effectiveness of any communications strategy. Agile communications strategies must include methods to segment and target messages based on hundreds of different data attributes, track the online behaviors of customers and prospects, and measure the effectiveness with confidence. Campaigns can range from traditional marketing messages based on account balances to specific wellness campaigns targeted to at-risk members of a healthcare organization.



### **Scale**

The solution needs to be able to run on a fully clustered environment with high availability for failover capabilities to ensure critical processes are ready and available. Large organizations need to be able to scale to high volumes of batch generated requests or concurrent users.



### **Visibility**

Most large organizations have many complex operations, processes, jobs, and users processing thousands of requests per day. This makes it very important to have enterprise-wide visibility through a dashboard to monitor, schedule, report, alert, and drill down into any process with a high degree of granularity.



### **Distribution**

The solution also must have omnichannel capabilities to meet current demands for customer-centric communication across web, SMS, tablets, and smartphones. The solution must also be able to handle all of the fundamental complexities around print which, in itself, has hundreds of different device dependant attributes and hundreds of different fulfillment and finishing requirements.



### **SOA Based Integration**

To maximize operational agility, organizations must consider their communications strategy as a communications service loosely coupled from all front office, back office, and portal applications. Requests should be able to be made from any system that produces an item, including a batch job, a single on-demand document, or an interactive document. Core system changes and transformations should be made exclusive of the communications service with only some remapping of data necessary.



### **Integration and Interoperability of CCM, ECM, and BPM**

A communications strategy must acknowledge the convergence of customer communications management (CCM), enterprise content management (ECM), business process management (BPM), and the importance of the interoperability. The solution should be bidirectional to allow run time history references within an ECM repository. It should be able to return a completed document to the repository or fetch a document or information from the repository to include or enrich the final output. The solution should also have the ability to call a business process based on an exception or be called from a business process.

## How Do We Get There?

The goal of these exercises is to achieve an agile communications strategy, which includes the following best practices:

1. Deploy a customer hub data mastering layer that stores customer profiles, customer preferences, and transaction history that may span across multiple core administration systems, call center transactions, and CRM systems. The Customer Hub is the single source of truth in enabling a complete customer lifecycle and enriches each customer interaction with relevant historical information that will drive coordinated meaningful communications.
2. Deploy a single, enterprise-wide document automation system that can leverage a single set of business rules and content to create all output formats and support delivery of those formats to all required channels and devices.
3. Select an adaptive system based on a service-oriented architecture that facilitates integration with other adaptive systems such as core front office and back office administration systems, claims, billing, CRM, CDI, and archiving. This enables organizations to easily configure and automate their business processes across the enterprise. This system should include proven tools and processes to maintain the integrity and intelligence of data during migrations.
4. Select a solution that supports personalization with the aid of CRM and CDI to deliver the relevant content in the right format.
5. Seek powerful library and archive management to ensure efficient use of content and keep a record of changes for auditing purposes.
6. Seek a system that lets business users access content and customize it quickly and easily in a controlled manner using familiar software such as Microsoft Word.
7. Have a powerful rules engine in place to let business users create, manage, and change business rules in a controlled manner as needs dictate. Business users should be able to create rules and pre-approved selective paragraphs that enable straight-through processing. This will make the decision-making process a thoroughly tested, rules-driven decision rather than a human decision. Meanwhile, the rules engine should also allow for human decisions that are considered pre-approved.

## Conclusion

As business transitions from a paper-based world to a mobile digital world, paradigm shifts continue to pose new challenges to the insurance industry. Given the influx of government, social, and technical changes, insurers' communications strategies must adapt. The communication revolution requires more personalized, efficient, device-aware, and context-aware communication.

While technology solutions play a vital role in executing omnichannel capabilities, insurers must be cautious of clogging their enterprises with multiple disparate systems. Document automation systems must be equipped to handle massive shifts with minimal effort in real time. Technology resources should help insurers streamline compliance and boost overall productivity across the enterprise. Ultimately, an agile communications strategy enables insurers to respond to new market opportunities faster, meet the ever changing regulatory challenges, and communicate meaningfully with their customers.



**Oracle Corporation, World Headquarters**  
500 Oracle Parkway  
Redwood Shores, CA 94065, USA

**Worldwide Inquiries**  
Phone: +1.650.506.7000  
Fax: +1.650.506.7200

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## Integrated Cloud Applications & Platform Services

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