



HOW SMART CARRIERS KNOW, SERVE, AND KEEP THEIR BEST CUSTOMERS

Independent insurance agents are many things. They act as distribution channels for a carrier's products and serve as the point of connection to policy-holders. They perform like a sales force, generating revenue and driving business growth. But above all else, independent agents are a carrier's best, and most frequent, customers.

AGENTS OF CHANGE

Like any customer, independent agents have choices about which companies they decide to work with. Instead of choosing a carrier solely for the products it offers, agents are behaving like the customers they are and electing to work with companies who deliver superior service. In this way, they are truly agents of change, insisting that the industry adopt service delivery models that will streamline communication, shorten the sales cycle, and speed-up the processing time for policy origination and other transactions.

BARRIERS TO BUILDING A BETTER AGENT CUSTOMER RELATIONSHIP

Even companies who embrace the concept of treating their agents like valued customers face a daunting challenge. Unfortunately, access to an agent network that will actually build market share and increase earnings remains elusive unless you have the key. And the key is knowledge; more precisely, a single source of accurate and comprehensive knowledge about your customer, the agent. If you don't know your agents' preferences, behaviors, organizational structures or a host of other customer information, you've just bumped into the knowledge barrier. In this instance, what you don't know will most definitely hurt business and prevent the building of a better agent customer relationship.

It's not an uncommon problem. Customer information is often scattered across the business enterprise. It may show up in different parts of the organization; business development, customer service, claims, or finance. It may be spread across multiple information systems (policy, claims, billing, etc). Customer information also appears in different mediums;

spreadsheets, word documents, departmental databases and yes, even on post-it notes.

When data is so fractured, it is impossible to know the customer, to understand or anticipate the agents' needs, or to provide seamless service of such excellence that a lasting relationship is built. Without a comprehensive view of the customer, the carrier is working in the dark, unable to identify with certainty their most promising and profitable agents.

A CASE IN POINT

Take the case of one of X by 2's clients, a leading provider of property and casualty insurance in the country. The company has rapidly expanded across the nation in the last few years and now has a presence in 36 states. The company relies on a network of independent agents to sell its products and services. Driven by the desire to identify, retain and grow their most profitable agents, it was soon evident that having one complete and comprehensive view of the customer across the enterprise was essential.

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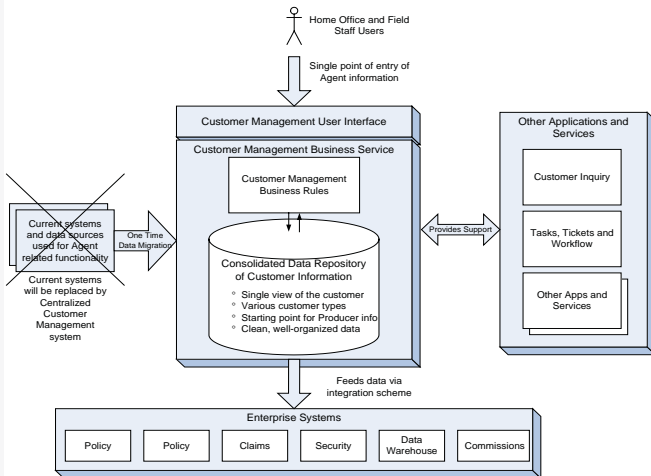
That was the start of a new initiative; a plan to leverage technology and new business models, especially e-business models, to create a Centralized Customer Management system. Believing that superior customer service would drive their long-term success and make our client the preferred carrier of choice, this single view of the agent was now imperative.

GETTING A GOOD LOOK AT THE CUSTOMER

When it was evident that our client's view of its agents was a barrier to growth, they called on X by 2, an architecture and strategy consulting firm that specializes in enterprise applications and integration, to help consolidate their customer information, which was spread across various systems. To complicate matters, there were applications and data sources with multiple points of data capture and management. Also, the information lacked integrity. It was full of inconsistencies and different versions of the truth that caused inaccuracies and subsequently increased the cost of doing business. These circumstances produced a patchwork view of the agent, preventing true knowledge of the customer or an understanding of what services were relevant to a lasting relationship. While it may seem counter-intuitive, getting a good look at the customer begins with taking a long look at the carrier; and that is where X by 2 began.

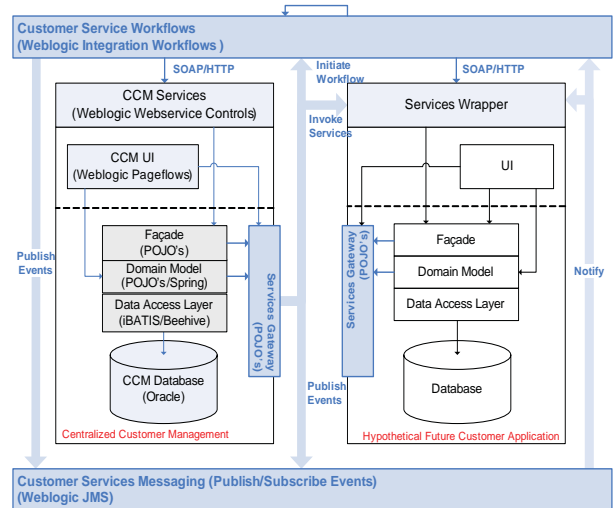
BUILDING CONSENSUS

Before customer information can be consolidated and housed within an architectural structure, consensus must be reached about what kinds of information are needed. X by 2 worked with the client to identify the different customer service related information requirements of each department. Building consensus is the first step in building a foundation; a platform that will accommodate the needs of diverse people in policy administration, claims, finance and other departments that touch customer information. The process of achieving consensus reveals recurring patterns, unmask repetitive processes and identifies unique features that will ultimately be integrated into a single repository of agent information. Building consensus within the client company was X by 2's first step toward building better customer service for the client's agent network.



BUILDING THE FOUNDATION

Our client's business problem, which is not unique in the insurance industry, could be described as an architecture problem. In this instance, information management and customer service were the issues driving change. But conceptually, the structure that housed the client's knowledge was simply inadequate. Their agent information was lodged in discrete bunkers, dysfunctional islands that had no connection to the company as a whole. Like re-modelers without a plan, different systems and applications had been added over time without an architectural perspective that would accommodate and integrate change.



Believing that architecture is essential if technology is to truly solve business problems, X by 2 brought progressive architectural thinking and speed of development to bear on the client's problem. Many forward-thinking carriers are embracing this approach, also known as Service Oriented Architecture (SOA). The SOA philosophy allows carriers to "modernize" their information systems without replacing all of the existing systems. This is accomplished by using an agile methodology that is more responsive to business needs. Incremental development practices deliver better quality software faster, whether it's the addition of web-based capabilities or making disparate applications talk to one another. With a knowledgeable staff and extensive experience in Customer Relationship Management (CRM) and Centralized Customer Management (CCM) projects, the X by 2 team went from requirements to project completion in less than five months.

Working from a conceptual blueprint of the client's business model, X by 2 designed the Centralized Customer Management application to integrate seamlessly with existing structures and systems across the enterprise. Before the disparate systems that contained agent information were retired, X by 2 migrated agent information to the new system.

After thorough testing and quality assurance review, the knowledge transfer was complete and the client received training to foster self-sufficiency.

BUILDING BETTER RELATIONSHIPS

X by 2's client approached the Centralized Customer Management initiative with three overarching objectives: Reduce Costs; Streamline Operations; Enhance Market Differentiation. While all of those things happened and the project was a success, something more was achieved.

A business problem was solved. But more importantly, the foundation for building better business relationships was put in place. With a single view of the customer and centralized access to agent performance information, our client can now build relationships with the right people – their best and most profitable customers. While dynamic structures accommodate complex levels of information, the architecture can be easily extended as the company grows. New services can be easily added: Events Planning, Performance Evaluation and Carrier-to-Agent Publications, for example. Connections with other customer constituents, like insureds and providers, can also be developed. Like any solid structure, our client's CCM is robust and secure, but it is also a friendly space for people to inhabit, providing an easy-to-use, intuitive user interface enriched with Google-like search engine capabilities and ad hoc query features.

DO YOU KNOW YOUR AGENTS?

Do you know your agents? It's a simple question, worthy of consideration; but the answer is more complex than many carriers perceive at first glance. For those who rely on superlative service as a means of market differentiation, certain challenges must be overcome before the claim of great service is actually fulfilled.

Service that offers a competitive edge begins with accurate knowledge about each agent; knowledge that is accessible to every person within the organization who comes in contact with these individuals. Information that adds value to the enterprise transcends personal profiles. It includes behavior patterns and business priorities that are captured, stored and made readily available for each interaction between the carrier and its agents.

The payoff of a centralized customer/agent management system occurs when the organizational mindset transcends specific operational areas like policy, claims or other departments; delivering relevant, integrated information on demand. A business culture that can identify its best customers, think holistically about their needs and access rich information during every point of contact can make

the claim of superlative service a compelling reality and a competitive advantage.

In the end, it comes down to this. A centralized agent management application will help you know and serve your customers. And when you know your best customers, your best customers will help you build a better business.

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