



Vertafore®

Better, Faster,
Smarter:

**HOW NEW TECHNOLOGY IS DRIVING
AGENCY EFFICIENCY, CUSTOMER
ENGAGEMENT, AND SUCCESS**



Introduction

“Technology is a differentiator that gives you a competitive edge.”

Chances are, if you’ve been in the insurance industry any time at all, you’ve heard that phrase over and over again. In the past, technology was the secret weapon; the differentiator that made an agency stand out. It was like being the person who drove the Corvette convertible; you instantly had a “cool” factor.

Not anymore.

“Today, technology is not a luxury, or even a differentiator. It’s table stakes,” said Stephen Moriyama, president of Hayward Tilton & Rolapp Insurance Associates, Inc. “If you are not fully utilizing technology, you are irrelevant. If you aren’t automating every process you can automate; if you aren’t able to extract real-time data from your system and use this to understand your customer, find new opportunities, or run your business, you’re not going to be in business for very long.”

If you’re wondering how agency technology transformed from a “nice to have” into a business necessity, just look at the world around you.

“The way people conduct their lives has fundamentally changed. Technology is enmeshed with daily human life. Even the rare person who ‘doesn’t do email’ probably communicates with his or her grandkids through Facebook or finds products on Pinterest,” explained Bruce Winterburn, Vice President of Industry Relations for Vertafore. “The smartphone has morphed from a tool, into an appendage for most of us. We’re doing business differently, interacting

with the world differently. The days of spreadsheets, month-end information, and ‘doing things the way we’ve always done them’ are gone forever.”

At the same time, the insurance industry itself has reached a tipping point driven by an inevitable changing of the guard. Today, the average age of an agency owner is 54 years old. That means, in the next five-to-seven years, a projected 50% of these owners will retire, sell their agencies, or otherwise leave the industry. The next generation of agency owners, producers, and agency personnel grew up on technology, and have an inherent need for speed. Very soon, if an agency is behind on technology adoption, it will find itself unable to attract quality people to keep the business running.

“Gen X, Y, and the Millennials expect a very different environment than what many agencies have in place today,” Moriyama said. “I participate in an insurance program at Cal State Fullerton.

The students ask if we can take major accounts from start to finish in five minutes and, if not, why not? They’re echoing the sentiments of today’s microwave society where instant results are the norm. Let’s face it, we live in a world where there is an ‘express’ edition of Monopoly because the original version is perceived as taking too long to play. So, even family time is on the fast track.”

The good news is, management systems, platforms, and mobility tools are rapidly advancing, bringing new capabilities to agencies, more rapidly than any time in history. By fully utilizing these tools, and committing to a “Modern Agency” mindset, owners are realizing benefits today and positioning for a successful future.

This paper explores the best practices of the Modern Agent and the industry trends around new technologies: what’s happening now and what’s on the not too distant horizon. Read on, and get ready.

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LET'S START WITH A LITTLE REALITY CHECK

So, how does an agency know if it's ahead of the technological game?

"Whether or not an agency reaps the fruits of technological advancements all comes down to one thing: adoption," said Keith A. Savino, chief operating officer for Warwick Resource Group, LLC. "If you're using your platform the same way as you used it five years ago, there's a problem. You've hit the 'pause' button; you're wasting money. And, if you don't start moving forward now, you'll soon be left behind."

Part of the Modern Agent mentality is using every feature; everything that "comes with" your technology investment. The other is changing the way you look at technology as a whole.

"We look at technology as a business solution, not a technology solution, and that is a critical difference," Savino said. "When people use the word 'technology,' they tend to put it in its own compartment. Now, it has to be intrinsically intertwined with the business itself. It's time to take down the curtains; to focus on the business impact of technology."

According to Savino, agencies can't afford to put technology in one silo and business objectives in another.

"Business is in technology and technology is in the business. If you're only looking at the

technology side, you're losing sight of how to run an insurance agency," Savino said. "If you look at your budget and all of your technology is under operational expense, you're missing out. If you have a tool like a personal lines rater, that's acquisition, not operations. A customer portal is marketing, not operations. Look at how you're using the functionality of your platform—or how you should be using it. Technology is no longer a straight operations play anymore."

It is as vital to your business as cash flow.

ENHANCING THE CUSTOMER EXPERIENCE

Although the customer has always been at the heart of the insurance industry, today, creating the optimum customer experience is more critical than ever. The things that were once differentiators, like 24/7 service and customer portals are today's expectations. Giving customers the capability to "do it themselves" if they so choose does not reduce the value of the agent, or weaken the relationship. In fact, the real risk comes if you don't offer customers choices, and don't provide the tools they need to interact with you the way they want, when they want.

"Personal lines customers want self-service options, and most commercial clients demand them," Savino said. "Now, insurance isn't

as sexy as other industries, so our customer portals are unique, as well. Let's face it, no one's going to curl up with a copy of his or her insurance policy after a hard day. But, consumers want an online or mobile mechanism for making claims, handling billing, making changes, and getting proof-of-insurance at the moment they need it. Although some agents believe that self-service technology separates them from their customers, the irony is, these new options actually elevate the role of the independent agent into a consultant, which is how we've wanted to view ourselves all along."

The question that should be top-of-mind for every agency owner is this: "What am I doing to build a good customer experience?" That "customer" should include clients, but also staff, underwriters, carriers—every partner that contributes to the business. Then, use the tools that are available now. Enhancements that add convenience are coming rapid-fire, to meet market demand. Agencies who adopt these quickly see equally rapid results.

"Just look at what an agency would gain with eSign, from a customer experience and efficiency perspective," Moriyama said. "Five years ago, our only option was to send paper docs by courier or overnight mail. Today, we can take signatures on a phone or tablet, true and certifiable. Not only do we save money, but we make life

easier for our customers. Vertafore saw the trend and partnered with DocuSign to get that functionality. That one new capability moved the industry forward, just like that. "

According to Moriyama, agency leaders have to stay on top of what new tools are available—every month, not once a year.

"In our monthly meetings, we, as an agency, are evaluating what we're missing. Is there something a carrier is doing for efficiency that we're not taking advantage of? Is there a new tool that will save time, improve customer service, or add convenience?" he said. "That adoption is the thing that will identify who will be in business and who will not be in business a few years down the road."

GIVING YOUR PRODUCERS NINJA-LIKE AGILITY

If your producers aren't out of the office, chances are, they're not selling. The proliferation of tablets, the availability of Wi-Fi, and new mobile applications give producers and agency owners the agility to securely take their office on the road, and leave the paper behind.

"Today, the smartphone and the tablet are extensions of the brain, and also amazing business enablers. Our staff no longer has to look like they're packed for a weekend trip when they go see a client," Moriyama said. "Now that Vertafore has integrated all of their programs into a single application with Producer Advantage, our producers can be much more efficient. Think about

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that—a single app—that's not only amazing, but it has had a major impact on how we do business. Since we've gone mobile with this product, our producer productivity has improved between 20% and 25%. No one could argue with that kind of value."

Even if an agency isn't ready to go all-in with mobility, small enhancements can often make a big difference.

"In my son's insurance agency, adding ReferenceConnect® has empowered his smartphone to make him an expert in anything," said Winterburn. "For example, he had an opportunity with a cabinet shop and didn't really know the details about dust collection and other related exposures for that type of business. Through ReferenceConnect's risk profiles, surveys, and checklist, he knew the right questions to ask in that first visit, which saved a follow-up visit and phone call. More importantly he discovered gaps in the coverage that the competing agent did not—and he hasn't been alive as long as the other agent had been in business."

It comes down to this: if your producers are still carrying around files; if they don't have the freedom to work at home or in the field; if

they don't have the tools they need to answer questions and take care of their customers on the spot, you're not empowering them to succeed. And from a technology perspective, you've hit the pause button.

USING THE DATA IN YOUR SYSTEM

For the past few years, the Holy Grail of technology has been interconnectivity—uniting various pieces and parts of software into one unified whole. The obvious benefits are efficiency (no more rekeying) and an inherently lower Errors & Omissions (E&O) exposure. However, tight integration and the single platform approach, brings something with the potential to be even more powerful: namely, comprehensive data.

"At Warwick, we use our system to track interactions and key performance indicators (KPIs). We can see how many transactions each CSR does in a day, interpret this data, and create benchmarks. We look at how many quotes we write in a month and how many of those result in sales," Savino said. "We use a real-time dashboard to track dozens of KPIs, including our performance with individual carriers."

This instant access enables Savino to more effectively run his agency, based on real, current information.

"We've always tracked data, but used to rely on Excel spreadsheets. But, when you export to Excel, that data is fixed in time. You can see what happened a week or 10

days ago, but that lag could mean missed opportunities,” Savino said. “Now, agents can hit a button and see immediate results. You now have the ability to see a moment in time, and customize what you’re tracking by your business goals. What agency owner doesn’t want to make decisions or set strategy based on hard facts? Today, technology gives you that capability.”

MAKING IT SIMPLE

If there is one hallmark of the Modern Agent, it is the dedication to using technology to keep things simple; to take out steps, to streamline, to speed up, and to make life easier for customers.

Technology providers are following suit.

“If you get a new phone or a tablet, what do you do? You take it out of the box and start using it. You

don’t read the manual. You don’t have to. The technology is that intuitive,” Moriyama said. “To get the agility we need as agents, we need agency systems to go that same way. Just look at the Vertafore Platform and where it came from. We were in a board meeting and said, ‘you have to make things easier; to create a single sphere of data, a single technology that ties everything an agent needs together—all lines of business—where name, address, and policy number is entered once, where comprehensive data is available quickly.’ And they made it happen.”

The ultimate goal is to make agency systems as intuitive as today’s consumer electronics, so a conversion no longer means months of training and a learning curve. As a result, agents see the return on their investments faster.

The same simplification trends are

evident in new tools, like Single Sign-on and ID Federation, two innovations that not only improve security but solve the scourge of the lost password. Instead of logging into multiple applications with different passwords, Single Sign-on enables users to go through one centralized, login screen, using one set of credentials, to access the systems and applications they need. ID Federation enables cross-domain authentication across multiple networks.

“These tools solve the core issues around password management; they eliminate steps, exposure, and calls to the help desk to reset forgotten passwords,” Winterburn said. “By making things simpler, we increase efficiencies but we also dynamically change performance metrics.”

That’s a trend that will continue to snowball in the coming years.



Some Final Thoughts

Today, technology is evolving so rapidly that there is no more “bleeding edge.” **Agencies can no longer afford to take the “wait and see” attitude, or they will be left behind.** At Vertafore, we recognize that agencies need more than a traditional system to thrive in this new, more demanding market. And, we’ve committed the resources to continually bring new innovations to the agents we serve—and solutions that will take them into the future.

The Vertafore Agency Platform™ is one good example.

“Our platform is a new direction, an evolution to the new reality of technology, which includes social, mobile, data analytics, and emerging technology that we may not even know about yet,” Winterburn said. “We see new business practices emerge, **a new knowledge base entering the industry and a world in which people fully utilize technology in all aspects of their lives.** We have anticipated the trends and are committed to keeping our agents at the forefront of change.”

No question, it is an exciting time to be in the insurance industry. It is a time of unprecedented progress and opportunity, if agents are prepared to respond. Those who embrace technology as a business enabler, making good use of business data and refusing to press the “pause” button on adoption are those agencies that will lead the industry into the future—and be successful for years to come.





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