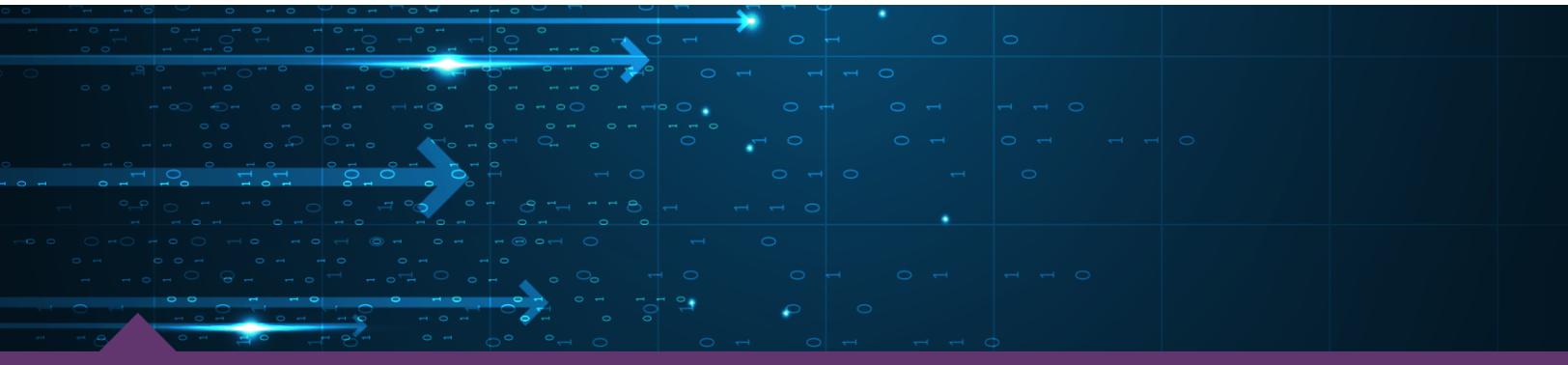


Greenfield Initiatives Can Help Jumpstart Growth, But Should Fit Long-Term Modernization Roadmaps

Many group/voluntary benefits insurance companies are launching greenfield initiatives to offer new types of products or experiment with direct-to-consumer or other new types of distribution channels. Being creative with finding the right combination of innovative product features, marketing approaches, and servicing alternatives is a great way to better engage with customers and grow revenue. Greenfield initiatives are also a relatively low-risk way to launch a new, modern policy administration solution without the complexities of migrating existing books of business.

To make greenfield initiatives work, however, group/voluntary benefits insurance companies need:

1. **Continuous efforts to simplify the products, describe the products in plain English, and streamline how consumers buy the products and receive service.**
2. **Agreed-upon, end-to-end metrics to measure success and adapt accordingly.** Besides revenue, these metrics should include speed to market for new products, speed to market for follow-on products and enhancements to existing products, search engine optimization and other digital marketing success metrics, abandonment rates in the different parts of the new business process, straight-through processing rates, customer self-service rates, and client retention rates. The unit operating cost targets should be an order-of-magnitude lower than the current unit operating costs in the enterprise.
3. **A modern, flexible, cloud-native out-of-the-box, quote to claim policy admin product** to support the full lifecycle of the marketing, buying, and servicing requirements.
4. **Depending on the operational preferences of the insurance company, a business process outsourcing (BPO) partner with deep knowledge of the policy administration product to embed this into its operations.** Ideally, the BPO partner should support all marketing and servicing channels, including the mail room.
5. **Native, enterprise functions within the policy administration product**, including CRM, campaign management, analytics, robust integration capabilities, and digital portals to enable the marketing efforts necessary to make the initiative successful. These enterprise functions should provide out-of-the-box support for both in-bound and out-bound marketing.
6. **Easy integration into critical functions at the group/voluntary benefits insurance company**, including compliance, distribution management, general ledger, underwriting/risk management, actuarial, and, potentially, mail room.
7. **A rules-driven commission and compensation management capability.** Greenfield initiatives now focus on direct-to-consumer marketing, but will inevitably evolve to include banks, broker/dealers, and various types of affinity channels, all with different compensation scheme.



FIND POLICY ADMINISTRATION SOLUTION PARTNERS WITH THE ABILITY TO SUPPORT BOTH GREENFIELD INITIATIVES AND MIGRATIONS OF EXISTING BOOKS OF BUSINESS.

When introducing new policy administration solutions for greenfield initiatives, group/voluntary benefits insurance companies should also ensure that the new policy administration solution fits into a longer-term roadmap to replace existing legacy policy administration systems – both across the rest of group/voluntary benefits or other related lines of business and then, where appropriate, other parts of the enterprise.

In other words, the policy administration solution needs to be enterprise-ready (with proven performance, scalability, and out-of-the-box functionality for a wide range of products), with the ability to support not only greenfield initiatives, but also the migration and ongoing support of large, existing books of business. This kind of strategy and related execution will enable next generation speed to market for new products and services, standardize processes, maximize straight through processing and self-service rates, help reduce unit operating costs, and position life and annuity insurance companies to be competitive over the long term.

In summary, group/voluntary benefits insurance companies, when planning greenfield initiatives, should start by simplifying the products, the language used to describe the products, and the processes used to support customers. They should construct end-to-end, closed loop success metrics and select a modern, flexible, cloud-native out-of-the-box, quote-to-claim policy administration product to support the full lifecycle of the marketing, buying, and servicing requirements with an eye to both now and well into the future.

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