

# How To: Setting Value to Project Goals

## INTRODUCTION

Today's group insurers have a never-ending list of projects to meet their business transformation goals, between finding appropriate solutions for systems upgrades, providing powerful digital engagement for all stakeholders, and elevating the overall customer experience. All are critical to meet expectations and remain competitive and profitable, but equally important is setting the project goals for each of these objectives. This may appear simplistic, but it is essential for insurers to determine the underlying objectives behind each task. Insurers should ask themselves when considering the assignment at hand, if they are taking a critical view on how it will affect customers, employees, and future initiatives? To impart value on all project goals, it is helpful to approach such high-level projects with three simple rules, namely:

1. Customers come first;
2. Employees are customers, too; and
3. Stay future-focused.

This Insight will examine these three rules and how combined, they can provide a strategy to satisfy customers throughout the insurance lifecycle for a long-term value proposition and customer loyalty.

## RULE #1: THE “CUSTOMER-FIRST” APPROACH

Technology visionary and magnate Steve Jobs once noted, “You’ve got to start with the customer experience and work backward to the technology.” His comment remains most appropriate for the insurance industry, because in the ever-increasing demands of a digital world, a customer-first approach is not only key when considering customer-facing actions, but also must be the foundation of every project. Among group insurers, the prevailing thought should be “How can we make it easy for our customers to do business with us?” This can also refer to all levels of engagement throughout the customer journey, from initial interaction and onboarding, ongoing customer communications and engagement, up to claims submission and payment. Customers are mainly seeking fast, relevant, simple experiences and overall low-effort self-service when dealing with their carriers.

Everyone in a group insurance organization should be aware of and understand the motivation behind the “customer-first” approach, so they can develop and deliver the tools needed for optimal customer interaction. It has been noted that 84% of customers say the experience a company provides is as important as its products or services,<sup>1</sup> while among all customers, 73% point to experience as an important factor in their purchasing decisions.<sup>2</sup> The “customer-first” approach becomes especially important in

the group insurance industry, which has become overly commoditized. As a result, insurers need to differentiate themselves in other ways, and the "customer-first" approach is a particularly effective strategy to stand out from the competition.

## **RULE #2: EMPLOYEES ARE CUSTOMERS, TOO**

If customers are to have a streamlined journey, carriers must give employees the means to deliver efficiencies wherever possible. Process optimization should not only consider the customer journey, but the employee user experience as well.

To reach the value of what the newly desired goal will bring to the customer, it is also important to consider how it will make the job easier for the employee. For example, a more efficient process for claims submission, adjudication, and outcomes can reduce the claims professional's workload and time spent with each claim, while expediting the overall claim turnaround for the customer. Using consumer data with AI and ML will automate tasks internally, while providing a much-desired, expedited, and personalized transaction for the customer.

Understanding the needs of the customer through the eyes of the employee process can result in workflow and cost efficiencies that enhance the customer experience. Carriers that commit to understanding customer experience design, in addition to enhanced technology overall, will be able to provide superior service to their key constituents and create a differentiated, competitive advantage that will engender customer loyalty and subsequent long-term growth. Carriers are beginning to take notice; it is estimated that among IT spending in the insurance sector, customer experience will have a 37% share in 2024.<sup>3</sup>

## **RULE #3: STAY FUTURE-FOCUSED**

Solving a problem for today, without considering the future implications is not wise business. A simple fix now may only exacerbate the task when future actions are needed. While there may be certain process limitations in place, the goal should always be to increase agility wherever and whenever possible, so future customer expectations can be met.

It's also important to remember that fragmented and outdated systems can bog down innovation and result in prolonged and disjointed customer interactions. Maintaining older applications and technology typically costs 70% or more of an organization's technology budget<sup>4</sup>, appropriating funds that could be earmarked for other important company purposes.

The same can be said for talent. Updated knowledge and skills must be in place to best understand current processes and future goals. Gathering a team with tribal knowledge and innovative ideas will foster transformation goals with minimum roadblocks on the road forward and set a precedent for future innovation.

## CONCLUSION

At its core, a future-focused insurer is a digitally focused insurer, and ultimately the digital experience is what will attract, deliver, and maintain insurers' most important asset – its customers. By incorporating the values of a “customer-first” approach to all aspects of project goals, group insurers can meet the evolving needs of their customers now and for the future.

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1 "Four ways insurance companies are improving their customer experience," Yoann Michaux, IBM Smarter Business Review, May 2021

2 "Experience is everything. Here's how to get it right," PWC, 2018.

3 "How to Accelerate Customer Experience Transformation in Insurance," Ignacio Cobisa, IDC/Liferay, May 2021

4 "3 Tips to Streamline Claims Operations for a Connected Insurance Experience," Jacob Sloan, Global Industry Leader – Insurance, Appian, November 2021