

Contact:

Zywave, Inc.
10700 W. Research Drive, Suite 400
Milwaukee, WI 53226
414.454.6100 fax 414.454.6199

WHITEPAPER

A New Era of Communication

Embrace Technology – And Make It Your Own

As it has in other financial service industries, the information technology revolution is changing the way we work and communicate in the insurance brokerage industry. The latest area to feel the impact? Broker/client communications. Increasingly, insurance brokers are leveraging technology in order to better serve and communicate with their clients online, using web-based extranet portals to attract and retain more business.

For clients, these customer service platforms, or client portals, allow for significant efficiencies in how they find information, manage risk and interact with their brokers. For brokers, this same technology enables them to communicate, connect and collaborate more effectively with their clients and prospects than ever before.

The gospel of technology and its positive impact on communication and business practices does not need to be sold to most brokers and agencies at this late date. However, the flexibility of the communication technology they utilize and the creative application of its capabilities to create a strong brand and meet the needs of clients make all the difference in how successfully an agency and its brokers harness the power of this 21st century communication vehicle.

Competing More Effectively

"These days, the bar is getting raised. The industry has educated clients -- brokers are expected to have at least minimal technology," said David O'Brien, executive vice president and chief marketing officer for Zywave. "Clients are asking for more from the broker. A portal allows you to deliver useful and timely information to solve your clients' problems and increase your value to the client."

Smaller agencies now have the same opportunity as large brokers to use the new technology in creative ways to compete effectively. "Today's portal technology raises the broker's ability to

serve their customers at a level that is world class," said O'Brien. "The technology helps brokers compete with anyone they choose. It allows any broker with a clear vision of what they offer to leverage this technology and stand head and shoulders above their competition."

It's not just about attracting new business either. Client retention is a significant part of the equation. The numerous benefits and efficiencies afforded clients through customized client portals can effectively bond clients to brokers in a way that makes it hard for them to look elsewhere. "I use the online banking analogy. Banks have changed the way they compete from worrying about their savings rate to a service consciousness that revolves around online banking," said O'Brien.

"Think about the hassle of changing banks and all the information you would need to re-enter and the new system you would have to learn – it's a big pain to switch." O'Brien maintains that the same holds true for companies considering a broker change, especially if the broker has successfully created an online customer service experience uniquely suited to them. "It's an effective and powerful tool. It helps them to understand what their broker is doing for them. It can dramatically increase a broker's retention rate – the client is locked in."

On the flip side, if agencies do not adopt effective online communication services and tools, the threat of losing business is very real. According to a Zywave 2008 Broker Services Survey, "Price being equal...six out of 10 respondents would consider looking for a new broker if their current broker didn't offer great customer service, thoughtful communication and value-added services. Seven of 10 respondents value a broker who provides online HR and risk management tools." A full one quarter of respondents in the survey cited a lack of communication over all other reasons, including price, as the main reason they would consider changing brokers.

Tell Me What I Need to Know

What communication portal content and functionality provide real traction and value in today's marketplace? Let's start with a portal's ability to organize relevant information and provide answers to industry questions. In the rapidly expanding information universe, one of the greatest services a broker can offer through a customized client portal is to give the client exactly what they need to know in a readily accessible format when they need to know it.

A customized portal allows the broker to focus their communication efforts to deliver just those elements that are relevant to the client. "I had a client tell me that she is bombarded with documents from other brokers and organizations that she finds impossible to wade through, said Dan Aschenbrener, Zywave account executive. "What she really liked was the portal's ability to organize the 'latest and greatest' information with expiration dates so the information eventually falls off. She only gets new fresh ideas and things that impact on employee benefits (her particular area of interest) – and they are organized, timely and topical."

A portal can provide legislative information and updates for such things as COBRA, HIPAA, Section 125, FLMA and OSHA. Legislative guides should be easy to use with Q & As and quick reference sections. Useful links and articles to industry-related Web sites are vital and should include a helpful search function to find information promptly. To save risk and HR managers from endless searching on the Internet, portals can provide access to a library of downloadable articles covering topics of interest. Relevant articles can be highlighted on the site and used as motivation for the user to visit and use the site regularly.

Many risk management and HR professionals appreciate the opportunity to tap into the community of their peers through an interactive forum provided by a client portal. There they can post questions, provide insight into other users' questions and find responses based on particular topics or questions. Although nothing can take the place of personal contact and service, virtual forums give clients another avenue to get their questions answered in the least amount of time.

Accessibility and relevancy are key factors – if the portal is established as a "go to" site for easily found answers to important questions, the value to the client and the impact on retention is immeasurable. "Brokers need to have an ongoing plan to maintain the portal and keep interest in it.

If clients learn to go to the portal every time they need information, you've won," said O'Brien. "It's a great way for smaller agencies to stay in front of the client."

Make My Life Easier

An invaluable feature of any good client portal is its ability to manage workflows efficiently and effectively. For example, two-way document posting allows for seamless information sharing and collaboration. Brokers can post plans, policies, proposals and other documents that can be easily edited and tracked by clients.

Particularly on the risk management side, this capability alone is worth the price of admission. "On the P&C side, 100 percent of the business is about moving information around – there's nothing that can't be categorized as data. It lends itself perfectly to this technology," said O'Brien.

"The chain of information between client, broker, and underwriter in a typical insurance submission would translate to about four or five inches of paper in the old days. The ability to give clients a rich online risk management interface – to track, interact with and collaborate on all of that information -- is a heck of a competitive differentiator," he explained.

A customized portal gives the broker the opportunity to demonstrate to the client that they understand their needs by providing them with tools and resources to ease their workload and aid in decision-making. Tools such as benchmark surveys and statistics, plan design resources, online forms and reports and compliance information go a long way toward establishing credibility and value.

In addition, turnkey benefit communication capabilities and enrollment support provide employers with the means to implement internal communication strategies easily without added strain on staff or costly outsourcing. Client portals can include comprehensive consumer health and wellness information and downloadable documents such as ready-to-print newsletters, worksite communications and payroll stuffers.

Stand Out From the Crowd

The capabilities and functionality of a client portal are certainly critical components in the success of a broker/client communication strategy. However, it is what an agency does with the technology to create a brand and vision for itself that will ultimately help them win new customers and keep them.

Bill Haack, chairman and chief executive officer of Zywave believes that a client portal should help an agency reflect a unified picture of its capabilities. "Technology for technology's sake is worthless. Brokers work hard to build their capabilities and resources to differentiate themselves. They may purchase a portal, but sometimes it is separate from all their other solutions," he said. "All the solutions should be presented in a unified format and be easy to use and assemble. Technology enables us to do that and deliver seamless decision support tools."

A customized client portal can be used effectively in the sales process to reinforce an agency's expertise and brand. For example, property and casualty agencies that specialize in particular niche industries have a unique opportunity to highlight their capabilities through a portal. O'Brien explained, "You want customers to know that you know their business. The technology allows you to create a different portal for each industry using fundamentally different images, content, tools and layout to create customer experiences relevant to your clients in that industry."

Customization and branding will help a client buy into an agency's vision and establish credibility. "A portal is all about differentiation and what a broker brings to it. It's the differentiator that allows you to tell your story," said O'Brien. "You are the artist – you create your own picture."

Once prospects become clients, a flexible and customizable portal can give brokers the powerful capability to answer the universal client question, "What have you done for me lately?" before it is even asked. It can help an agency resell its value and vision on a continuous basis. O'Brien explained, "With a portal you can create an ongoing dialogue to continue to talk about what you do for the client. For instance, you can post stewardship reports to reinforce accountability."

Limiting the Intimidation Factor

The prospect of adopting new technology and incorporating it into a total sales and client communication strategy can seem daunting. However, the beauty part of the new technology is that it can be easily implemented and modified as part of a long-term strategy. "The technology has great power and flexibility. It can be set up in a matter of hours and then you can take it as far as you want to," said Haack.

The portal technology you use should be easy to modify and maintain without IT intervention. The

flexibility of the portal will allow an agency to frequently update and maintain the relevancy of the content, encouraging customers to increase their use of the portal. "For most brokers, a turnkey solution is best. It should be able to lead you on a guided discovery to choose the tools and content that you would like to provide to your clients. It shouldn't just give you a blank page," said O'Brien.

It is important to keep expectations realistic when you first implement client portal technology. Brokers and clients are in the midst of adjusting to a new way of doing business. According to a recent study, 40 percent of brokers still manage their business by paper. Clients are in the habit of finding answers to their questions via telephone. "Clients are used to picking up the phone. It's a change management challenge to get them away from the old model and have their first reaction be to go to the Web portal," said O'Brien.

There is no doubt that client portal technology is a vital competitive advantage for brokers and agencies. Those who implement the new technology should be willing to take a thoughtful look at who they are and what they want to be as well as how they meet the needs of their customers now and in the future. When selecting technology, look for robust tools and built-in flexibility that allow it to be an ever-evolving solution that keeps up with the marketplace and business strategies. "Just like building your business is a process, building your portal is a journey", explained Haack. "There should be no barriers to create the type of customer experience you want – you can create your own future."

Bill Haack is the Chairman and Chief Executive Officer for Zywave, Inc., which provides technology tools that help brokers compete on a high-capabilities basis since 1995. Dave O'Brien is Executive Vice President of Sales and Marketing and can be reached at dave.obrien@zywave.com or 414.454.6100.