

# Distributor Effectiveness: Empowering the network as strategic business partners

Most distributors feel they are not as well positioned as they could be in the market, and 73%<sup>1</sup> have serious doubts about their ability to maximize the potential to provide quality products and services for their customers—and grow their book of business.

## The Growing Need To Improve Distributor Effectiveness

The traditional distributor channel has historically presented insurers with their greatest market opportunity, and still does, but optimizing this channel in today's market is not without its challenges. Although insurers understand the importance of capturing distributor mind share and being able to tap into the market segment influenced by these distributors, most insurers find their distributor relationships hindered by the ease of doing business—a lack of flexibility, information exchange and overall effectiveness. The key factors responsible for this are:

- Skills, tools and processes that support transaction environments as opposed to today's more complex product sets and sales cycle
- Misaligned incentives for selling multiple products
- A view of the distributor as a “salesperson” rather than a business partner

- The absence of a tight interface between multiple product environments and their respective technology platforms to serve the evolution of client and distributor needs
- The high cost of managing the front office in a cost constrained environment.
- Perceived inconsistent service through multi-channel environments

As highlighted in Capgemini's 2007 *World Insurance Report*<sup>1</sup>, many distributors reported feeling out of the loop, and 33% indicated that better tools, such as agent workstations, would enable them to access a single view of the customer, better position a broader set of products, and expand their customer wallet share. The report also found that insurers who fully partner with distributors by providing them

<sup>1</sup> 2007 World Insurance Report. January, 2007. Capgemini and EFMA.



with better tools and services, will be able to generate greater added value for their customers. Two-thirds of distributors surveyed believe they could tangibly increase customer spend if insurers provided them with better data and tools. However, only 27% of distributors believe they are currently well positioned to tap into the full potential of their existing customer base.

### Segmenting the Distributor Force to Improve Performance

Understanding your business partner is as important as understanding your customer. Insurers that are positioned to win will segment and manage their distribution partners much the same as they would their customers. Recently, insurers have begun to align their business results with those of their distributors, differentiating their service platforms and commission structures accordingly. The result—improved performance for all distributors, and a distributor force which understands the compelling need to perform in alignment with the insurer’s business objectives.

### Capgemini’s Approach for Optimizing Distributor Effectiveness

Capgemini brings deep industry experience and unique accelerators to solve front-office problems for insurers. Our proven methodology and frameworks are aligned specifically around insurer’s key challenges and can be tailored to meet the specific business problem of each insurer. Our insurance industry experts provide proven experience and make an immediate impact. In particular, Capgemini helps insurers in the following areas:

1. **Distributor Segmentation**—Capgemini brings experience in building data warehouses to help identify which distributors are achieving results most aligned with insurer objectives to build effective service and incentive platforms around these segments. Our solutions improve information availability and the level of detail visible, making more meaningful information accessible. As a result, the insurer

and distribution partner can target the most meaningful areas of investment by segment.

2. **Distributor Effectiveness**—Through proven tools and frameworks successfully implemented for leading insurers around the globe, Capgemini can empower your distributor force. Our accelerators are designed to help implement comprehensive programs that focus on the most pressing issues that distributors face today—including compensation, service, training and coaching. By enhancing exchange time between distributor and insurer, distributors better understand customers and can offer tailored products to different customer segments.
3. **Advisor Workstations**—Capgemini helps create next generation advisor workstations that support distribution channel transformation. Our approach to implementing integrated workstation toolkits has the power to enable the transformation of a transaction-focused process to a relationship management process. It includes frameworks on customer data analytics, financial management, automated monitoring, campaign, lead and contact management, and customized views, alerts and notifications. As a result, the distributor image grows from “seller” to “advisor” in the customers’ mind. This change in perception allows distributors to increase sales of profitable advisory products to select customer segments.

The most innovative insurers today are shifting from a fixed products model to a more adaptive product model, which allows them to fine tune their offerings according to changing customer demands throughout the product lifecycle. This adaptive model can be sold more effectively by the relationship manager. To support this model, distributors need an easy-to-use front-end that can help them develop their business through more focused customer and marketing information. Capgemini works with insurers to develop intelligent applications that

deliver cross-sell and up-sell opportunities to distributors in a transparent manner. We also support our clients in selecting and implementing packaged applications, by leveraging our alliances with best-in-class providers of the latest technologies.

To transform your business with distributor effectiveness and efficiency, contact us at [insurance@capgemini.com](mailto:insurance@capgemini.com)

For more information visit our website at [www.capgemini.com/insurance](http://www.capgemini.com/insurance)

#### Client Experience

A leading US-based insurer servicing more than 15 million customers was looking to enhance agent capabilities and effectiveness. Capgemini worked closely with the insurer to develop a web-based agency interface that enhanced the agents’ competitive position in the market by:

- Tying multiple lines of business into a common agency platform
- Building a common agency interface to conduct business
- Enabling customer self service with the new agency workstation
- Improving agency sales analytical tools
- Aggregating common policyholder data in one location to take advantage of customer service and sales opportunities

Key benefits for the client in working with Capgemini include:

- Lowered the total cost of ownership for agency applications by reducing the need for maintenance personnel by 50%
- Provided easy identification of “holes” in a customer’s portfolio through a single view of the customer
- Improved agency responsiveness through agency alerts
- Focused alignment of marketing programs on products and geographies using tools that enabled greater understanding of product density
- Enhanced architecture to handle 250 million transactions annually