

Enterprise Need

*Unified, Interactive & Transactional
Customer-facing applications*



Chapter 1: Introduction

The on-line availability of almost every category of product, service and information has dramatically changed consumers' expectations and their shopping sophistication.

Today, Consumers are demanding products configured to meet their exact custom needs, information personalized to their interests and a high level of service that reflects their value and commitment to the Enterprise. And they expect all of these to be delivered to them, at a time and place convenient to them and without any delay.

Consumer electronics companies, airlines, banks, brokerage houses and others are already providing consumers with personalized information, instant account access and end-to-end online transaction capability. This is fuelling consumers' expectations of the level of service they expect from any business including Insurance and Lending Firms. Customers of these industries are demanding quick turnaround time for policies and mortgages, quick policy and loan approval and pricing, instant and regular notification of the status of a claim; online bill payment and needs based product offering and bundling.

To be able to meet these expectation levels and to do better than competitors, Insurance and Lending Enterprises have introduced Customer-facing Applications. However, these applications have been introduced only in the last five years and are not yet fully mature i.e. there is considerable room to evolve them and generate better competitive advantage, customer loyalty and overall ROI.

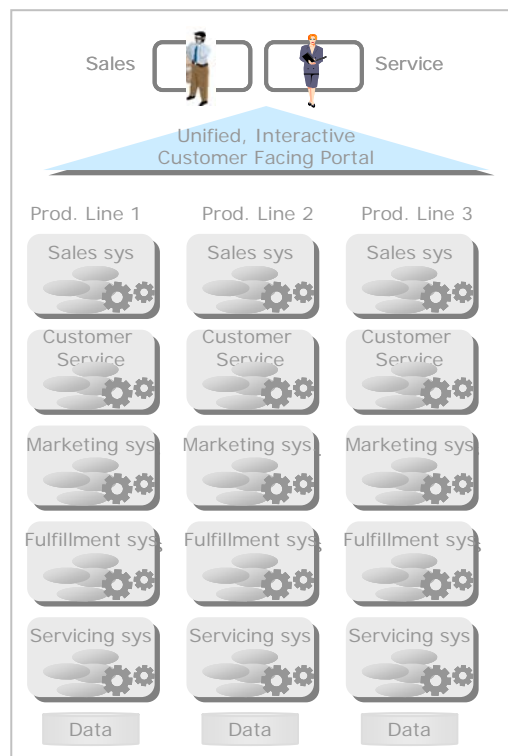
Insurance and Lending companies need to critically analyze some of the Enterprise application and business issues that will surely impact the roll out of next generation Customer-facing applications. These issues include:

- A portfolio of Enterprise applications that have been mostly built using a silo'd approach and are not yet fully connected
- Lack of a 360 degree view of the Customer in the Enterprise
- Lack of personalization – be it content, service or offerings
- Disconnected processing rather than straight through transaction fulfillment
- Need to deal with unstructured data and paper documents such as appraisal report, police report, medical reports etc.

The key goals that Enterprises have for building and deploying next generation Customer-facing applications are:

- Unification. When Customers or Agents interact with an Enterprise via a Customer-facing application such as a Portal, it is important for them to get a uniform experience across LOBs or Product Lines. For this, it is important that Customer Facing applications present a single entry point to the Customer to access Enterprise' products and services. Also, Customer-facing applications should be able to access various information sources in the Enterprise. Examples: Unified sales portal, unified order entry system, unified self-service portal, common front-end across LOBs / Product lines etc.

- Interactivity – responding to Customer inputs. Customer-facing systems (e.g., Customer Portals) are a totally automated interface between Enterprises and Customers. Hence, for them to be well received by Customers, expert engineering is required to make them respond appropriately to Customer inputs. Depending on the Enterprise's strategy, such engineering may include creating customer centric Dynamic-processes, access to a multitude of data sources, access to decision logic, access to pricing logic, access to product logic etc.



- Interactivity – needs analysis, best-fit recommendations, bundling and cross-selling. Customers are expecting products and services that are tailored to their needs. Providing an online product catalogue and asking them pick what they want is not a suitable approach as it expects Customers to know Enterprises products well enough to be able to make the choice. Even in an Agency driven model, taking such an approach is detrimental to Enterprises' risk management and marketing strategy as statistics have shown that Agents tend to sell only products that they are most familiar with, not products that are best suited for the

Customer. Hence, the Customer-facing systems should be able to quiz the Customer on their needs and, through interactions with back-end product configuration and other decision logic, be able to provide best fit product recommendations including options and suitable bundles. Such interactivity can also be useful in self-service situations, where the Customer-facing application can suggest to existing Customers, based on their profile, additional products that they may want to consider.

- Interactivity - reducing order entry errors. When Customers or Agents enter an order, claim or a service request in a Customer-facing system there may be errors in the data or information they have provided. If such erroneous data is processed as is, it may result in an order cancellation, customer dissatisfaction or create additional paper work to correct the errors. Hence, it is important for the Customer-facing applications to be intelligent enough to recognize errors, by accessing validation logic, and prompt the user to correct the same.
- Rich content management capability. Insurance and Lending businesses have certain processes that involve unstructured data. As such, it is important to enrich Customer-facing applications with the capability to manage a variety of content.
- Straight through transaction fulfillment capability. As Customers do not like to submit their information and check later to see status, straight through transaction fulfillment and not disconnected processing, should be the focus for Customer-facing applications. This applies for most transaction types including quoting, issuance, claims submission and inquiry, first-notice-of-loss, loan approvals, loan pricing etc. For enabling this, Customer-facing systems should contain Customer centric Dynamic-processes that are well integrated with other Functional and Cross-functional processes in the Enterprise.

This white paper is part of a series of papers addressing the topic “Enterprise Needs – 2006-2010. To view other papers, please visit www.valuemomentum.com/WhitePapers/index.htm

About ValueMomentum

ValueMomentum is a global professional services firm assisting Insurance Carriers and Lending Firms by leveraging industry process experience with strong technology expertise, to achieve full potential through the implementation of Agile, Real-Time & Smart Value Chains.

Headquartered in South Plainfield, NJ, ValueMomentum has world class delivery centers in South Plainfield, NJ and Hyderabad, India. There are additional Client Services and Business Development offices in Chicago, IL, Sunnyvale, CA and Hyderabad, India.

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