

Driving Dynamic Distribution Strategies: Adjust, Expand and Grow Your Business

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Today's Discussions Points

Share insights & latest research...

- **Quick State of Industry**
- **Distribution Drivers and Spending**
- **Distribution Roadmap and Solution Marketplace**
- **Call to Action**

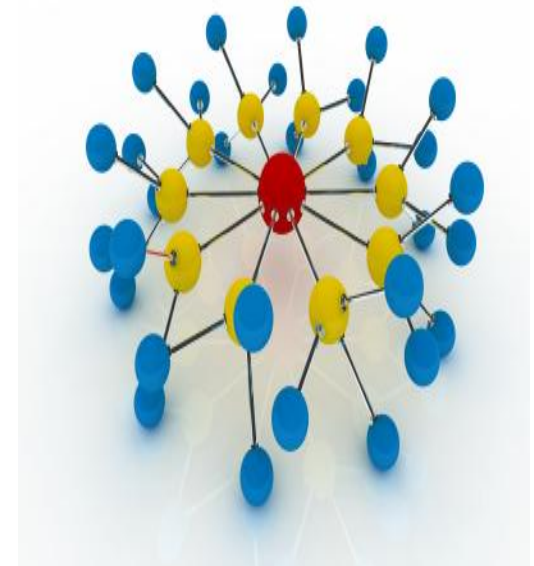




External Influencers

Driving “Change” creating opportunities and possibilities

1. Economic Turbulence & Market Recovery
2. Market Share Competition
3. Business Process Focus
4. Demographics Shifts
5. Distribution & Delivery Changes
6. Mergers and Acquisitions
7. Technology & External Data Adoption
8. Sourcing Strategies
9. Regulations & Compliance
10. Catastrophe/Climate Shifts



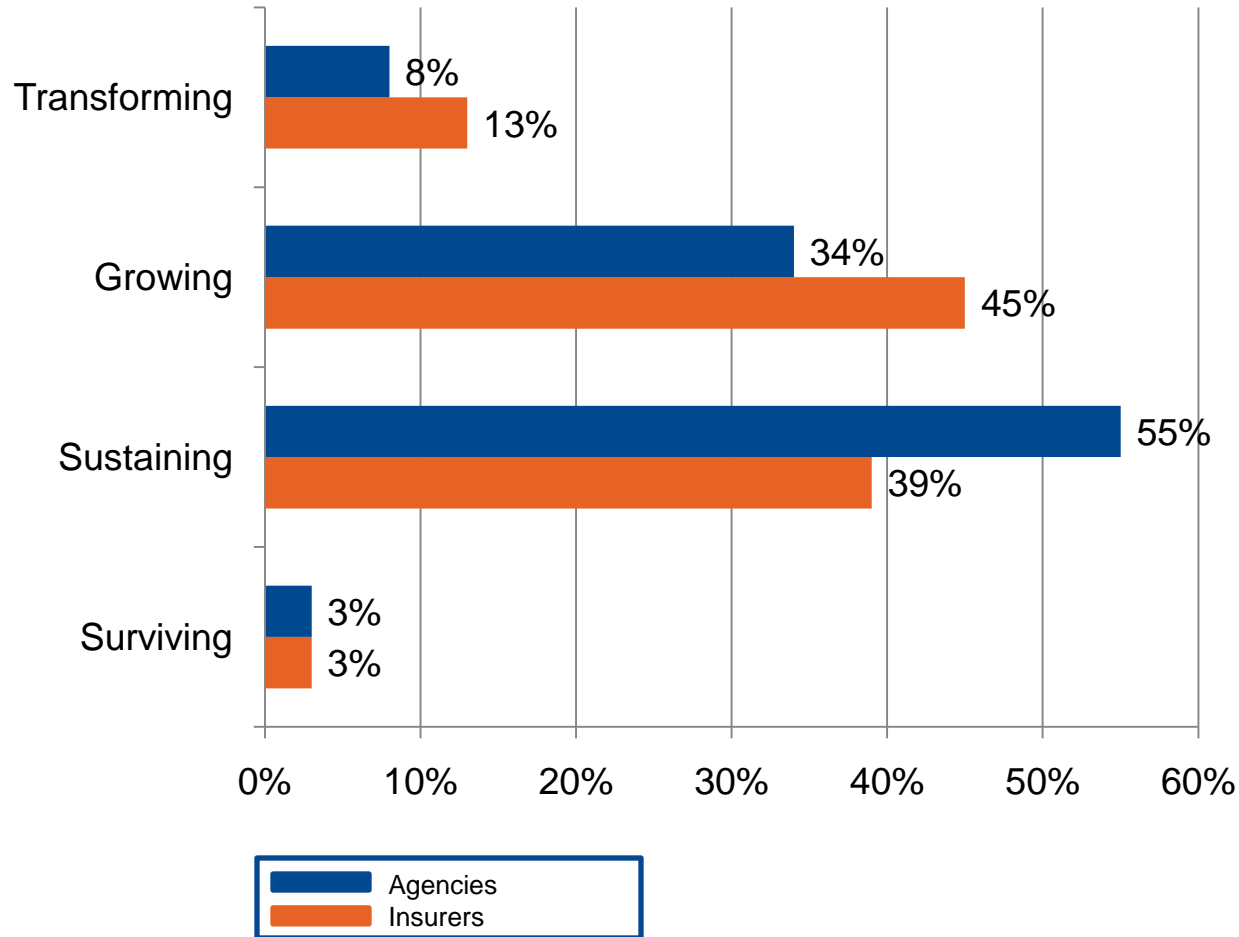


Traditional Business Drivers



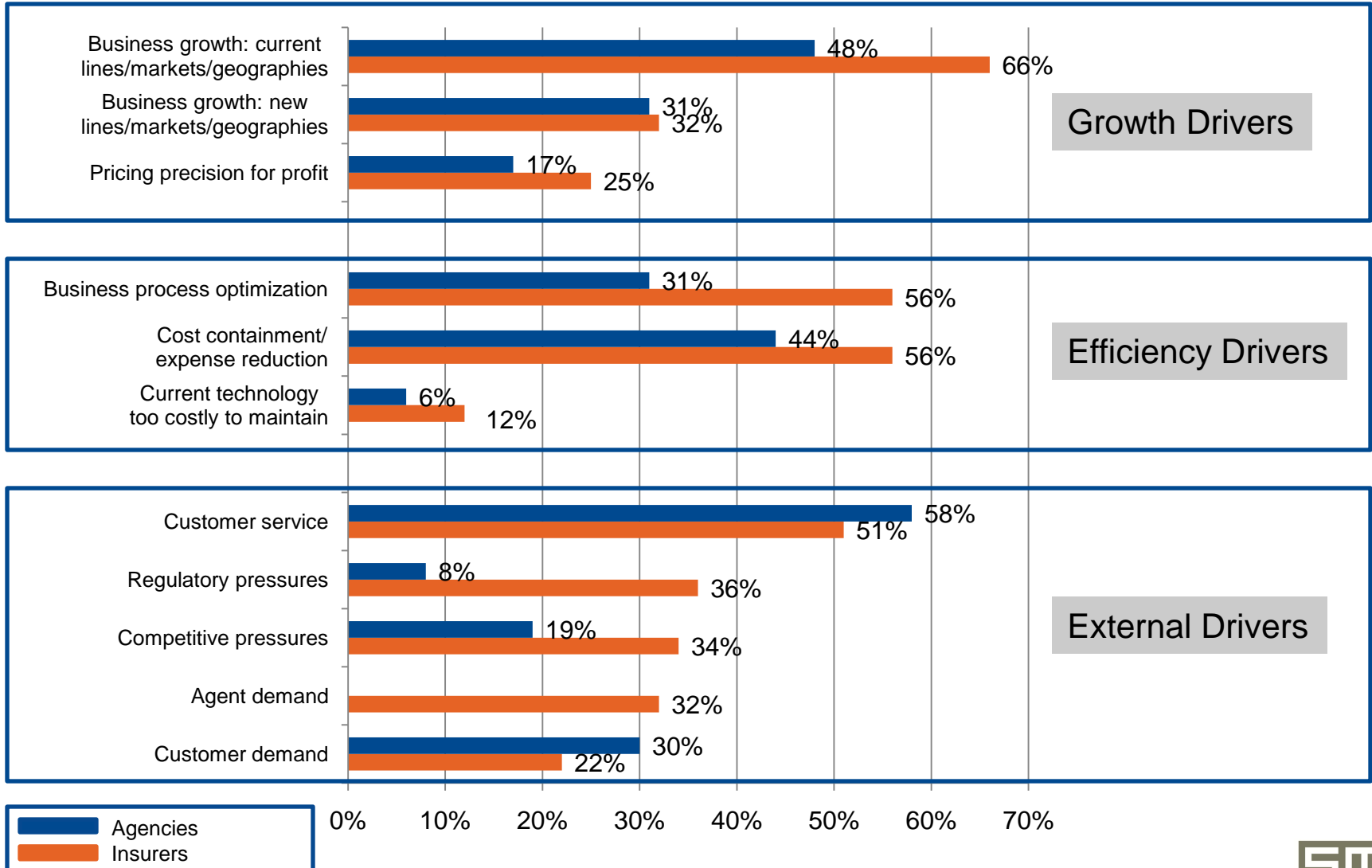


Current Mode of Insurers & Agencies





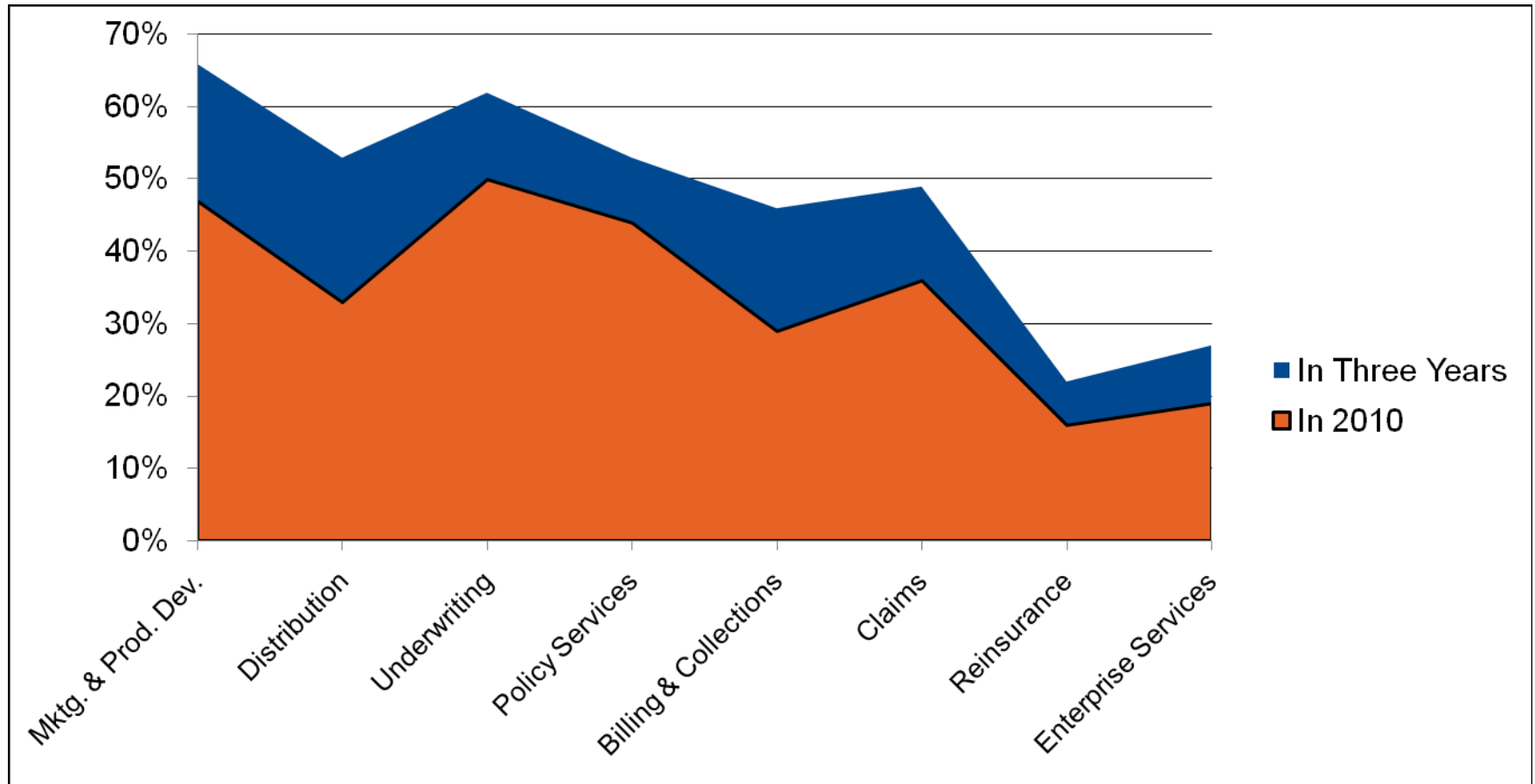
Key Business Drivers – Insurers & Agencies



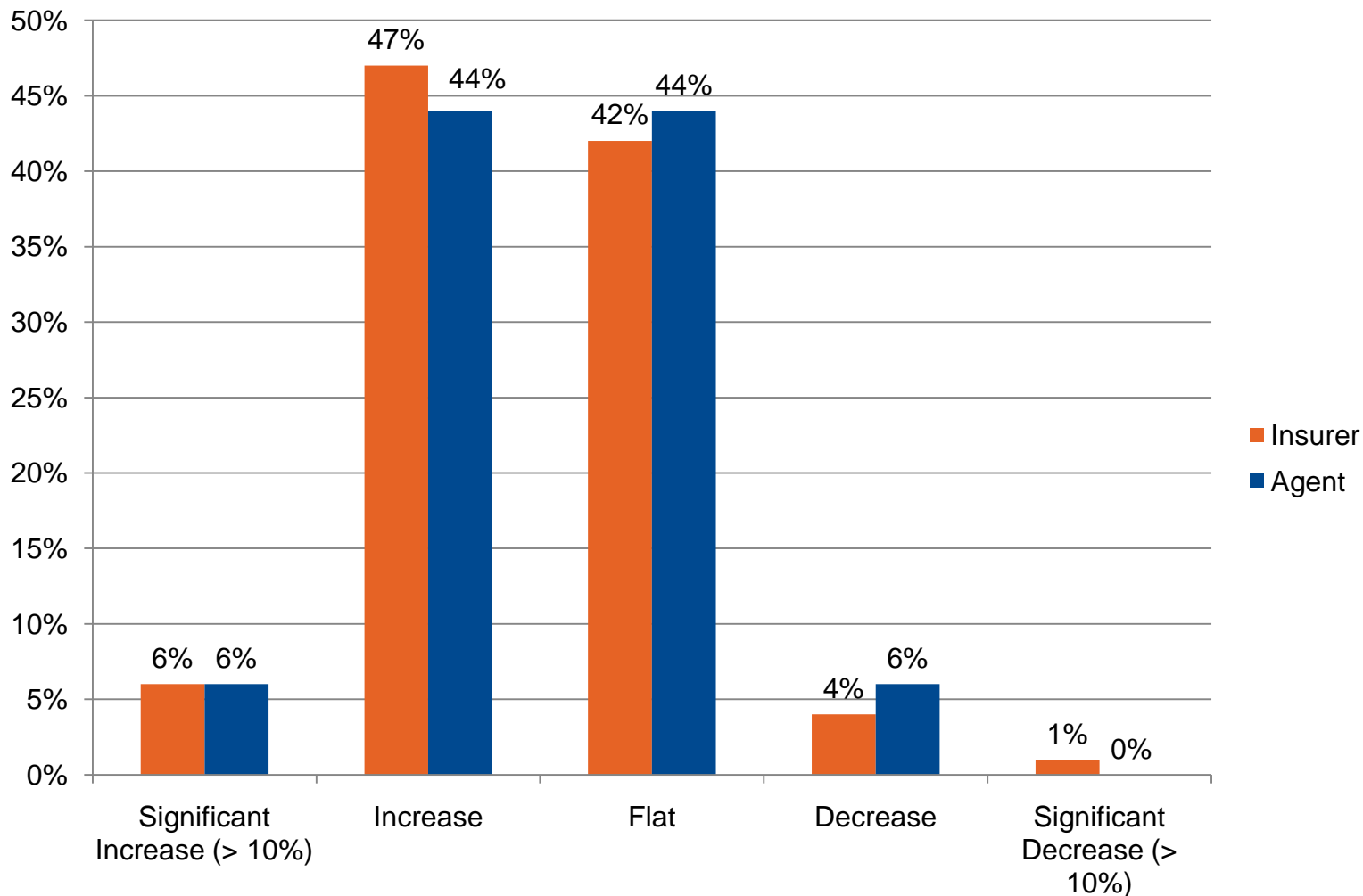


Insurers Trends in IT Spending 2010-2012

IT Spending is Moving Beyond the Front Office

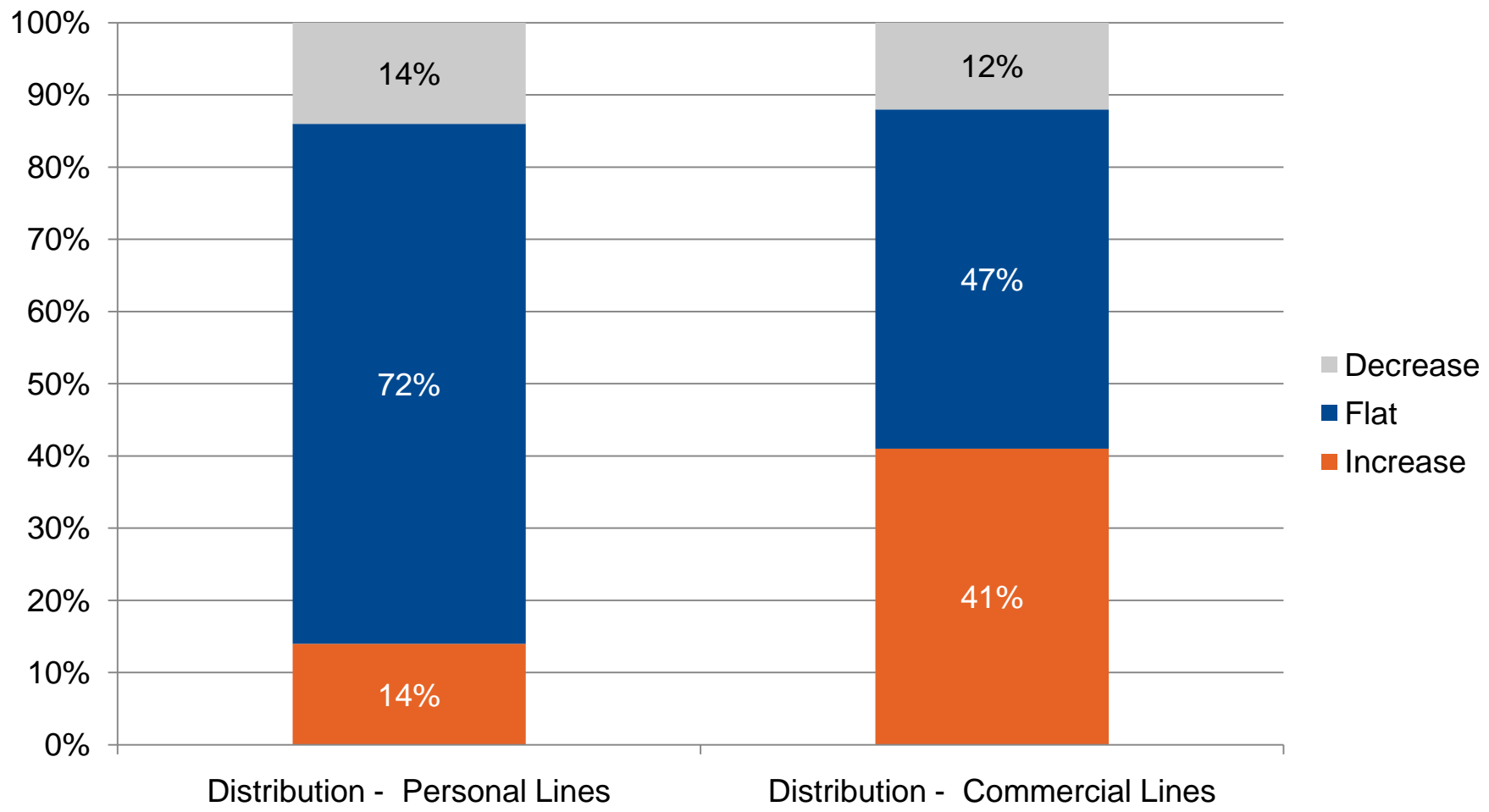


Agency & Insurer Projected IT Spending for Distribution 2010-2012



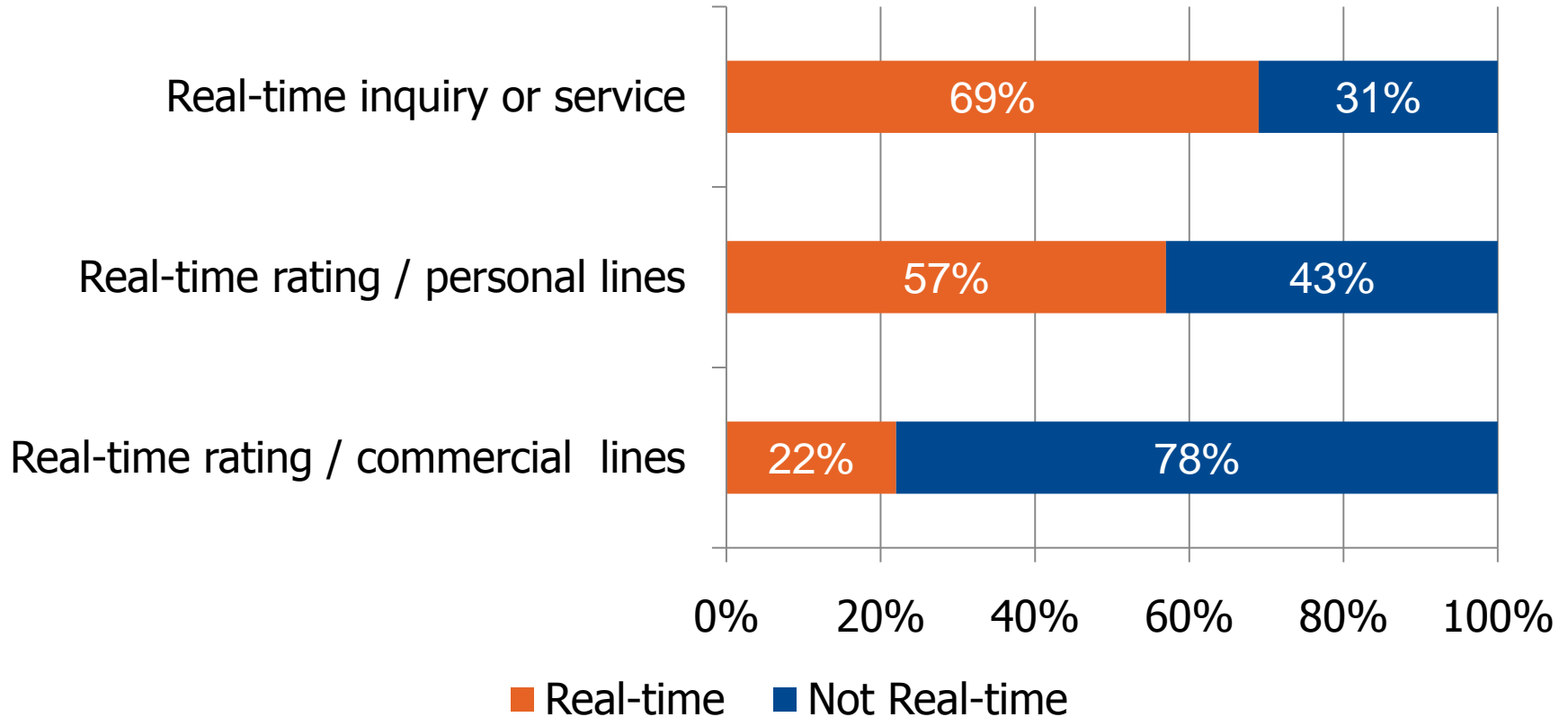
Comparison of Insurers' Projected IT Spending Increases for Distribution by Line of Business over Next Three Years

Personal Lines (PL) vs. Commercial Lines (CL) IT Spending Plans – 2010-2012





Status of Independent Agent Automation



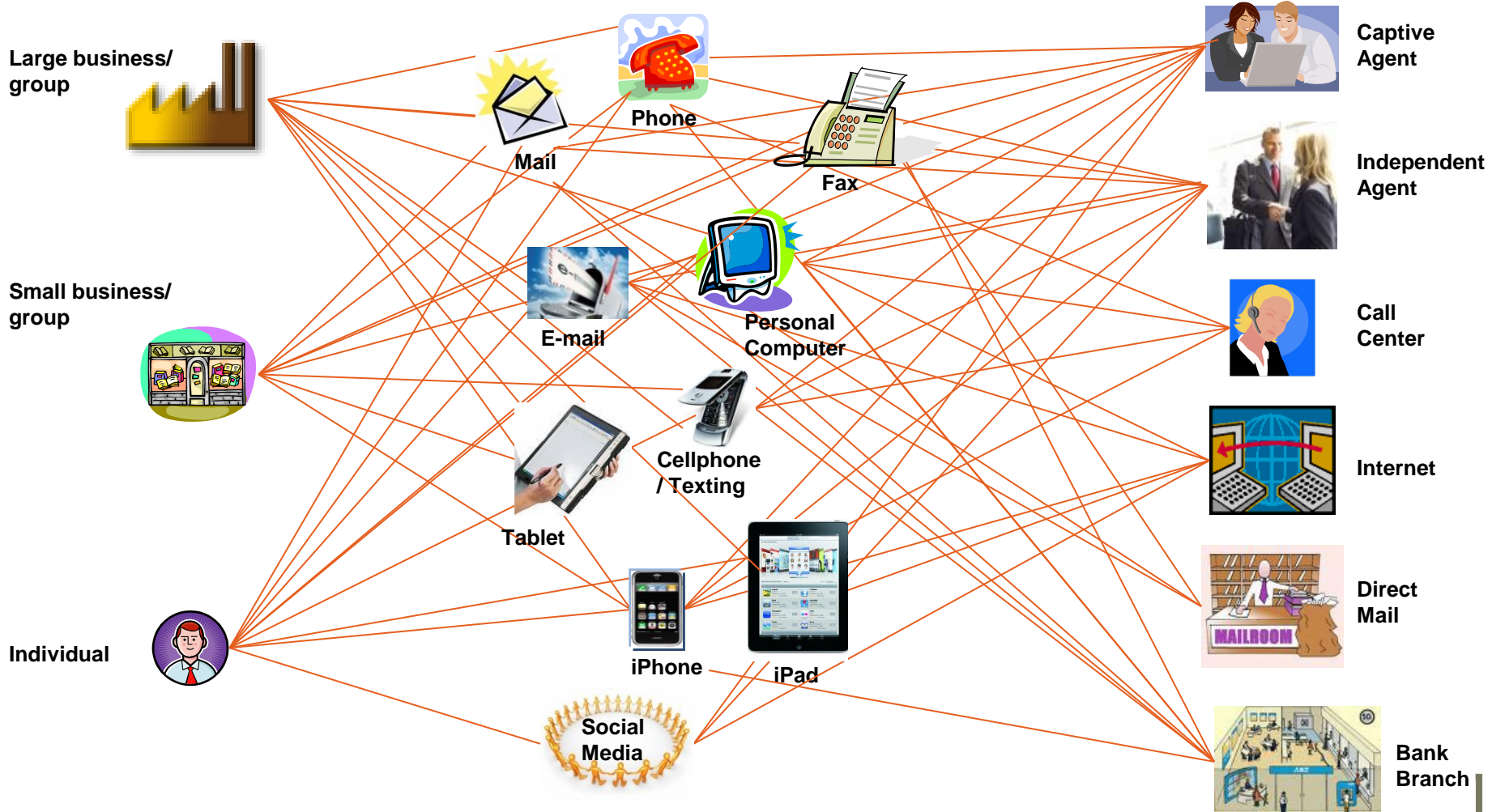
Source: getrealttime.org survey, May 2010

The Distribution Matrix

Customers

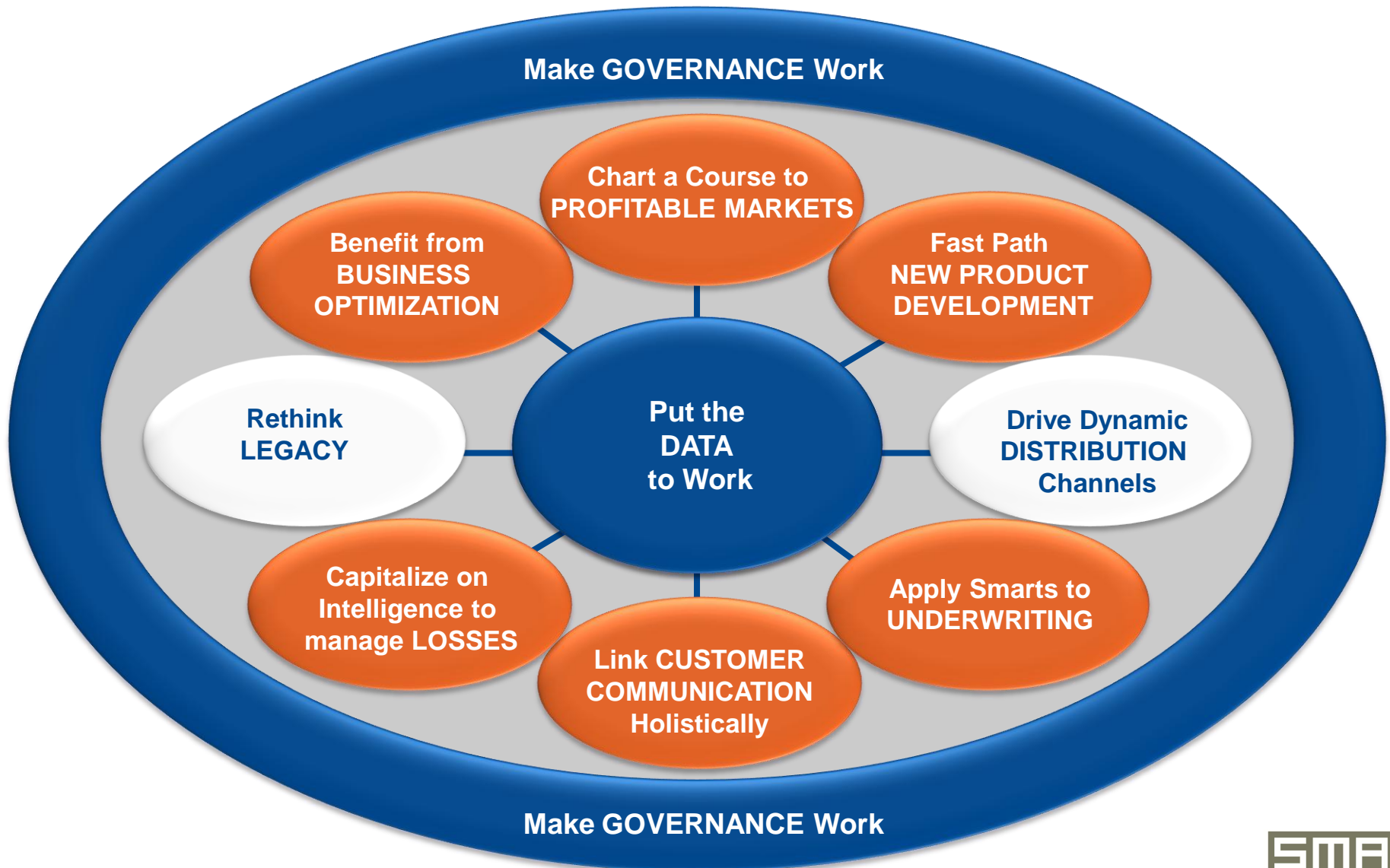
Communications

Channels

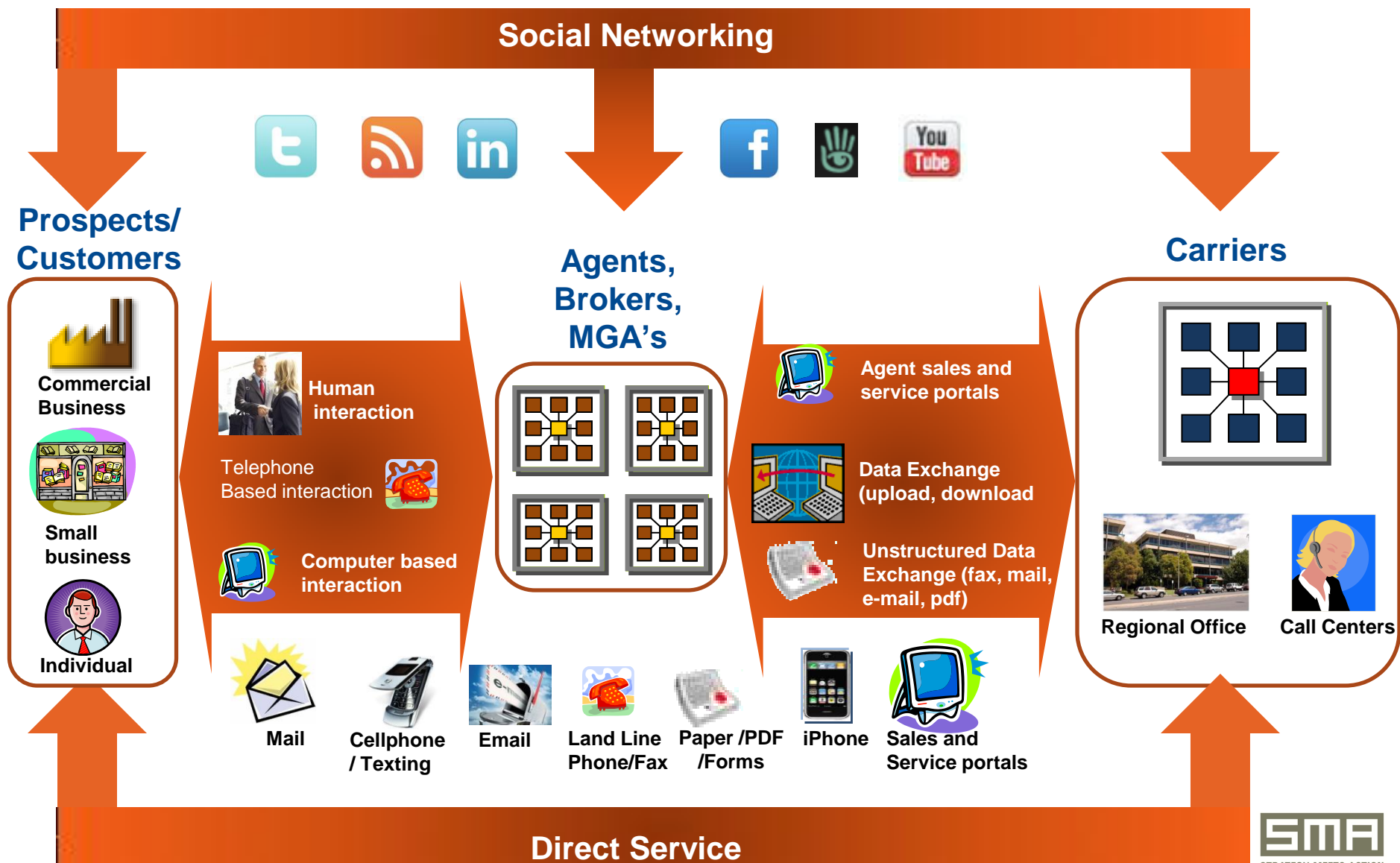




SMA Top 10 Imperatives

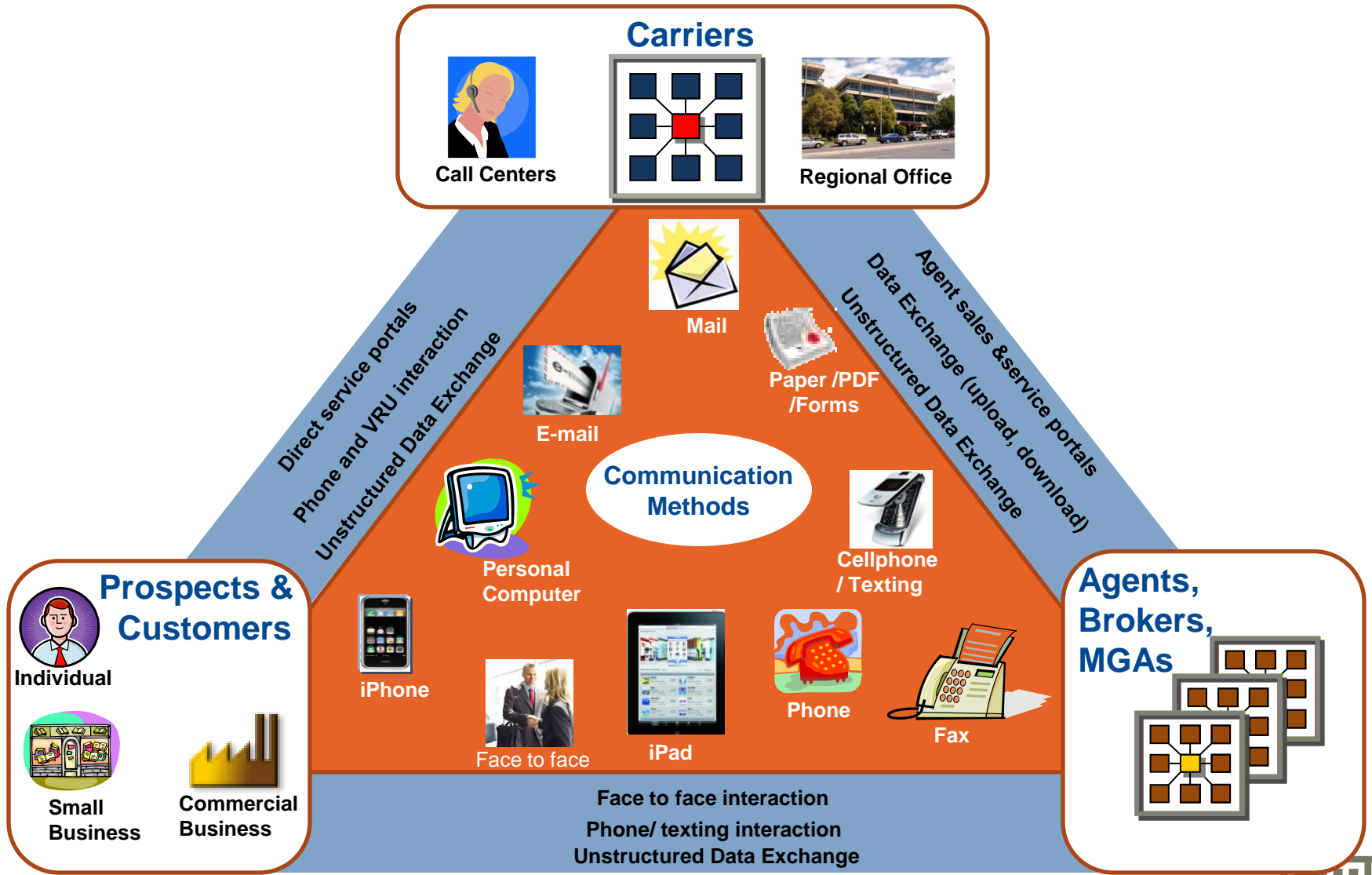


Drive DYNAMIC DISTRIBUTION CHANNELS... navigate and manage expanding channels

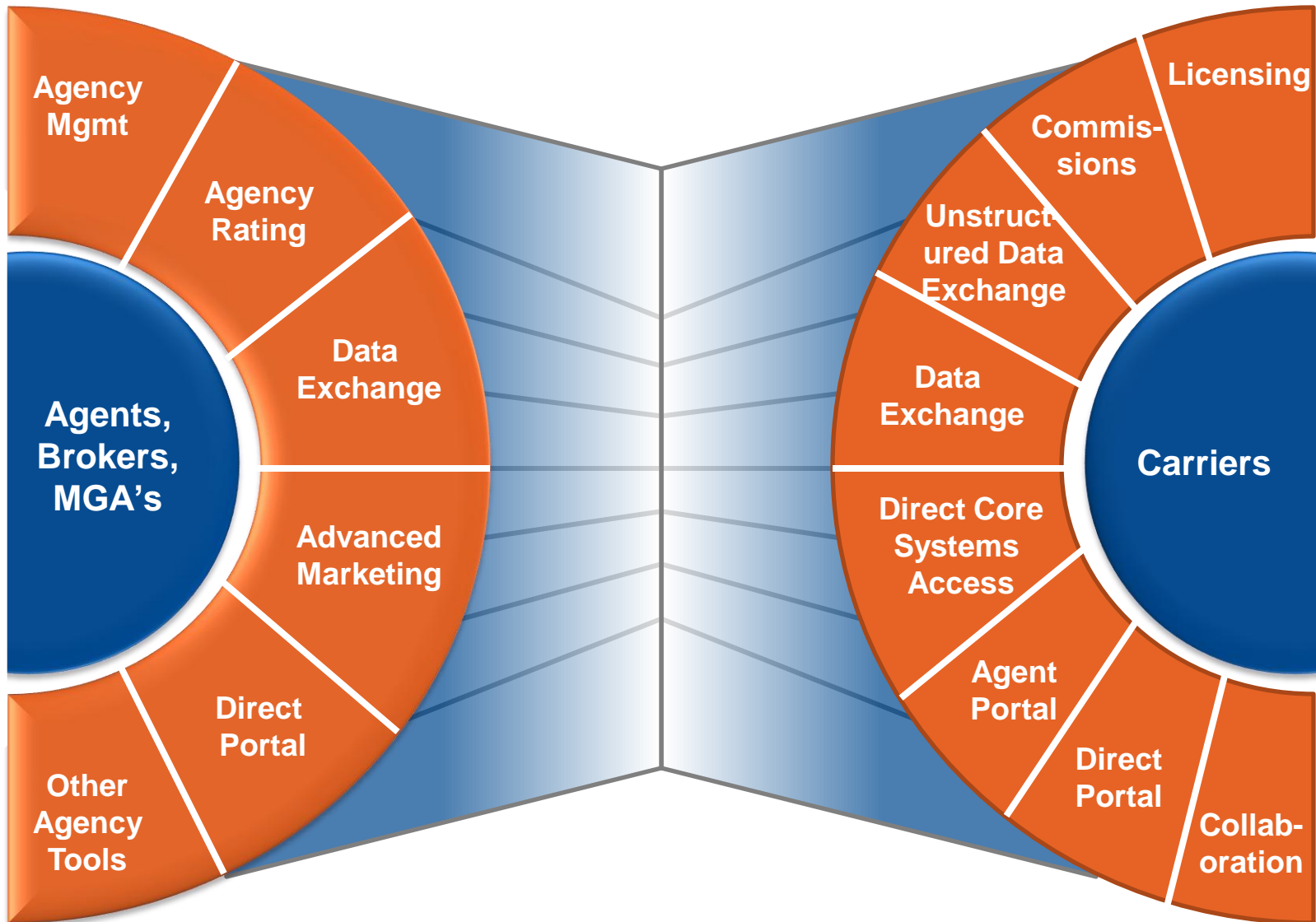


DYNAMIC DISTRIBUTION CHANNELS

... Future State



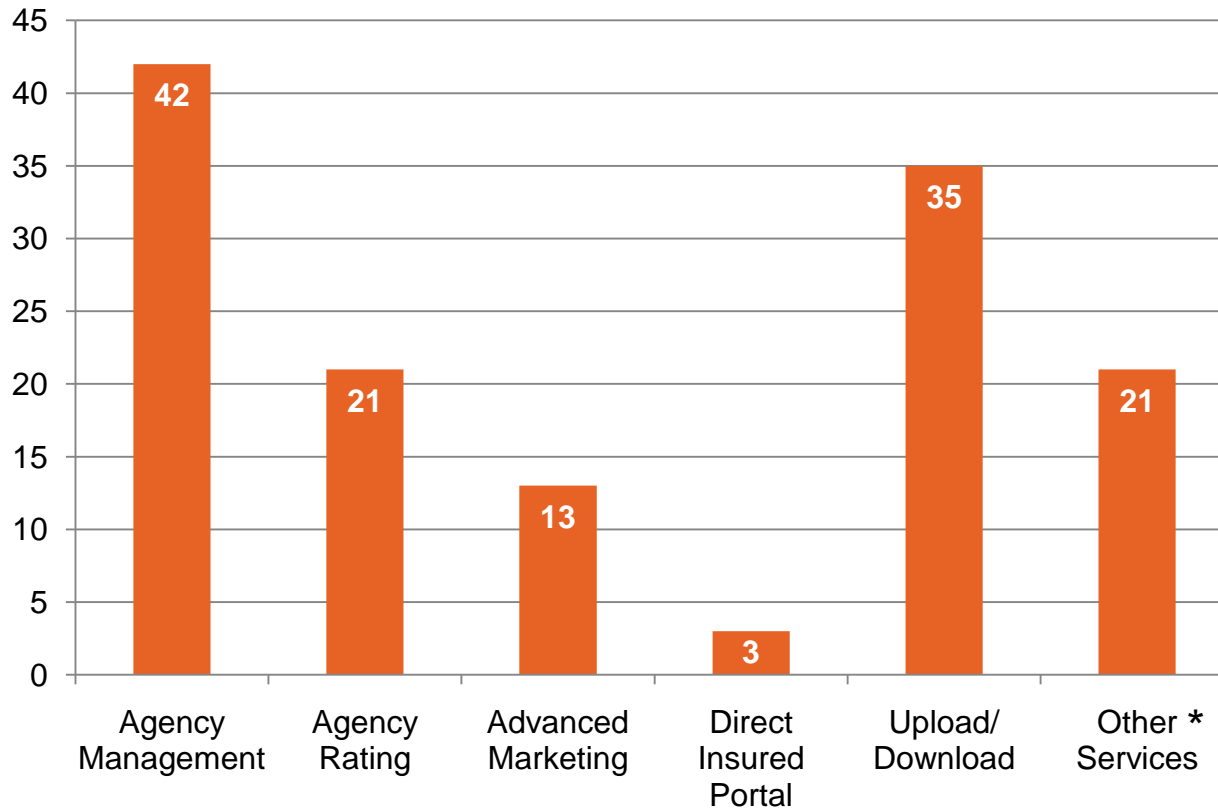
Types of Needs/Solutions for Distribution





Agency IT Solution Providers for Distribution

Number of IT Solution Providers

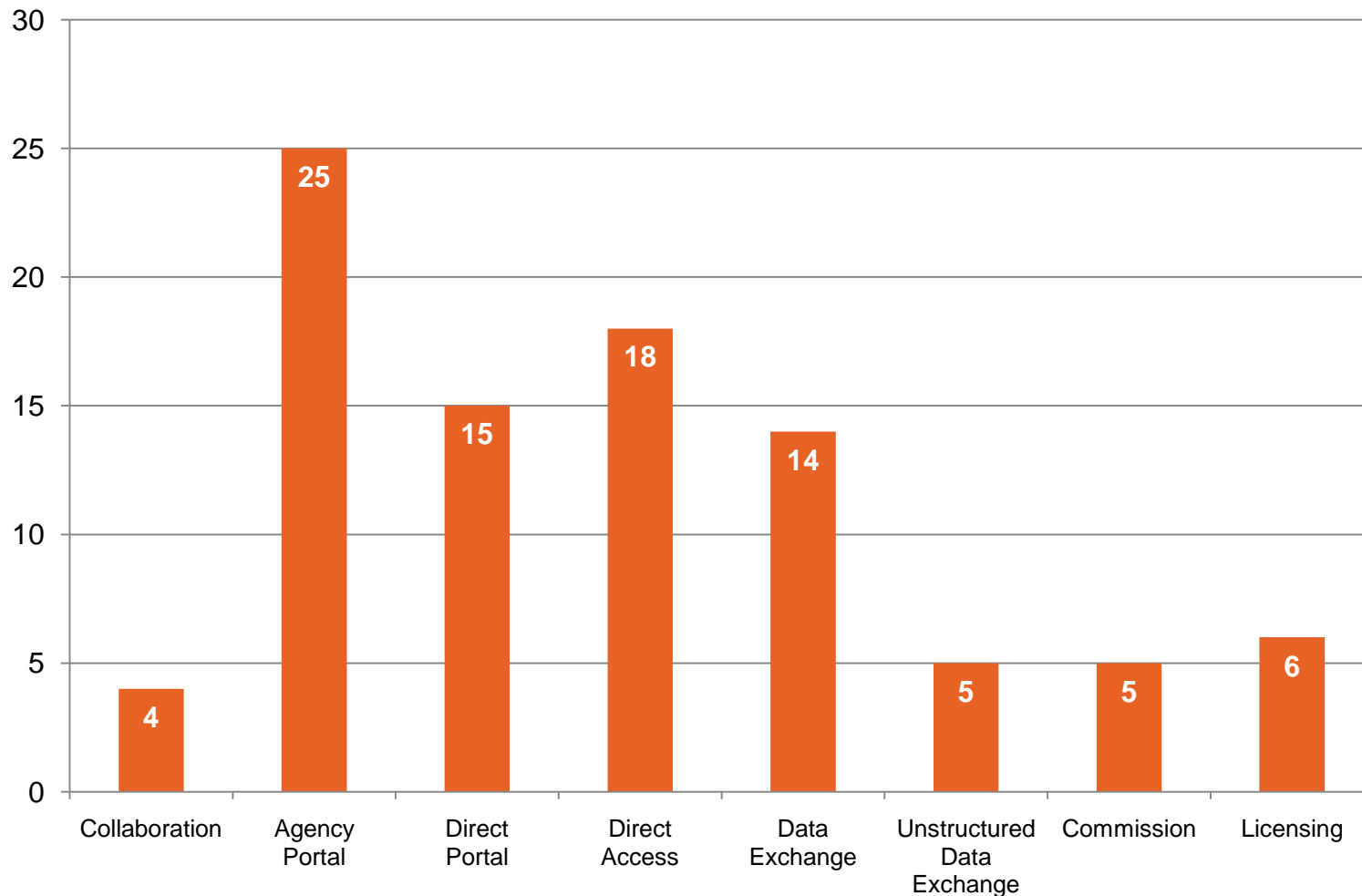


* Other services include imaging, forms, data services etc.



Insurer IT Solution Providers for Distribution

Number of IT Solution Providers



Rethink LEGACY

... use a modern application architecture

COMMUNICATION OPTIONS



USER INTERFACE LAYER



APPLICATION LAYER



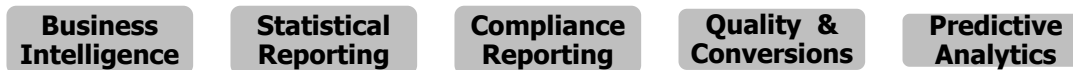
ADVANCED APPLICATION COMPONENTS (SERVICES)



CONTENT MANAGEMENT TOOLS



DATA SERVICES & TOOLS



INFORMATION TYPES

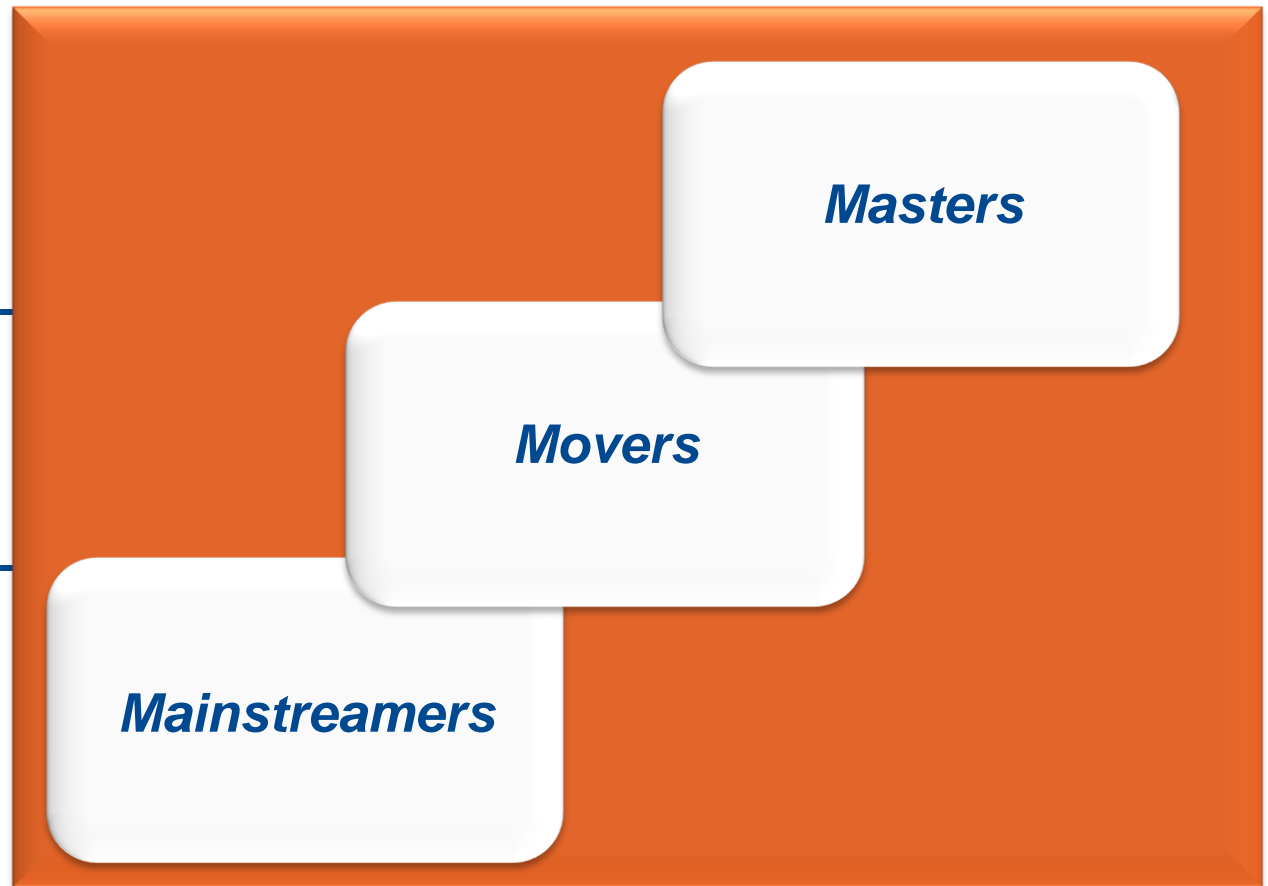




Maturity Model for Distribution

Business Capabilities

- Real-time multichannel integration
 - Ability to capitalize on cross-sell opportunities
 - Business tools for agents
-
- Near-real-time multi-channel integration
 - Customer self-service
 - Single view of customer
-
- Independently managed channels
 - Agent access to policy information
 - Customer information is dispersed



- Agent upload/download
- Agent portals - sales
- Sales tools
- Online quote

- Agent portals – service & sales
- Insurer self-service portal
- Basic mobile apps (text)
- Online quote/bind/issue

- Social media connection
- Advanced mobile apps
- Unstructured data import
- Agent collaboration
- Real-time chats

Technology Capabilities



Call to Action/Summary

- Create a holistic distribution strategy
 - Prioritize what you need to do tactically and long term
 - Understand and determine your tactics and plans to deal with social media
 - Engage your agents and customers in the process
 - Incorporate external data and analytic tools/engines to drive your success
 - Recognize that business process and capabilities are changing
- Create a three to five year roadmaps
 - IT Approaches that deliver the flexibility are mandatory for survival and success
- Execute and communicate



SMA Contact Information

Questions/Discussion

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