

Competing in the Digital Age Starts With Collaboration

December 2, 2016 by [Joseph Bracken](#)

There's a lot of discussion about the disruptive impact of the technology revolution. Many companies are scrambling to deploy new technology tools that will help them compete and meet shifting customer expectations. The insurance industry is investing more in social media, mobility, analytics, big data, the cloud and digital transformation, as evidenced by [Novarica research](#).



But something that can get lost in the rush is the realization that this new technology will not deliver results by itself; attitudes and aims must also change.

It's good that traditional business methods are coming under fresh scrutiny. Many companies are now making moves to break down walls, both internally and externally, because they're realizing that collaboration gets results.

The Cost of Collaboration Is Falling

One of the most impactful things about the current revolution in technology is that it's lowering the cost of transactions. It's easier than ever for people to find and share information. As renowned business author Don Tapscott pointed out at the recent Property Innovation Summit, "Transaction costs are plummeting so fast that peers can now come together and create value."

Finding talent in this new connected world is far cheaper than it was in the past. The crowdsourced mass can often outperform a small team of experts. Collaboration has soared, and the results are impressive. Wikipedia, which is written collaboratively by the people who use it, is 20 times larger than Encyclopedia Britannica with roughly the same error rate. Linux, the dominant operating system in the world, is open source. Peer collaboration is achieving great things.

It might require a slight recalibration in thinking, but the insurance industry will also benefit greatly from taking a more collaborative view.

The Partnership Approach

The fastest route to greater success in the enterprise is to partner with the right people. Relying too much on internal talent will inevitably spread them too thin. A refusal to go outside company walls makes it harder to move swiftly. To create maximum value, you have to focus on what you do best and seek partnerships for the rest. You could spend vast sums of money and time internally developing a replica of the system or solution you want, which will likely be outdated by the time it's ready; or you could partner with the right company from the start and have it today.

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Successful partnerships are mutually beneficial and based on shared long-term goals. Jealously guarding every little bit of IP is not serving anyone's interests. Sharing basic foundations can make everyone stronger—and there's still plenty of room to compete on services, customization and delivery systems.

The Customer Is Still Always Right

Taking collaboration one step further, we are seeing the rise of prosumers. Consumers are becoming producers of content for companies. Appeal to them for new ideas and you'll get them.

"So just like we think talent is inside, we think customers are outside," suggests Tapscott. "Well, why not think of your customers as being part of your business network? We can do this now as boundaries become more porous."

[Procter & Gamble](#) went outside its walls and appealed to medium and small businesses and even individuals to engage in research and development. The result was a 60 percent productivity boost in innovation. Doritos successfully crowdsourced its Super Bowl ad, taking the best amateur video from a pool of contestants. Threadless relies on customers to create designs for the clothing it sells.

Imagine the things that individual ingenuity could bring to the table for carriers.

Opening up the forum for new ideas and enabling collaboration takes trust, but it can lead to truly impressive results. Breaking down traditional barriers and collaborating with talent directly to create smart new products and processes can be much more efficient than hunting down people with the skill set you need or hiring people with potential and training them.

Giving people the opportunity to apply themselves to a challenging problem, come up with an elegant solution and effect real change is often all the lure you need.

We Can Achieve More Together

If recent enterprise history teaches us anything, it's that we will always achieve more by collaborating. Low barriers to entry and a real opportunity to innovate have sparked a wave of new companies without any baggage, but we don't need to see competition everywhere. We can instead see opportunity everywhere.

Sharing with other businesses, directly engaging our customers to crowdsource their innovative thinking and opening our minds to fresh approaches will advance us all.

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