5 Tips for Successful Digital Transformation

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New digital technologies are transforming the way business is done across the enterprise. The potential benefits of a successful digital transformation are compelling. What business would pass up the chance of delivering a better service for customers, improving efficiency and cutting costs? However, realizing that potential requires careful consideration and planning.

While 92 percent of IT decision-makers surveyed for Fujitsu's "Walking the Digital Tightrope" report classed their organizations as "somewhat" or "extremely mature" with regards to digital maturity, 70 percent felt that digital projects were a gamble and 65 percent admitted their digital projects were not aligned. For any insurance organization working up a digital strategy, there are clearly challenges to overcome, but they're not insurmountable.

1: Gather Feedback, Discuss and Plan

One of the main reasons digital transformation strategies fail is because they aren't properly planned out. The pressure to compete, or the fear of falling behind, can lead to bad decisions. Almost half of insurers don't think they have a realistic plan for digital transition, and 60 percent report that they're missing key elements like clear vision, compliance and risk processes, according to Bain & Co.'s "Global Digital Insurance Benchmarking Report 2015."

To avoid this problem, you need to get all the key stakeholders involved in the planning process. You need to look at internal and external feedback to identify key areas to target for improvement. It's vital to choose new technologies for the right reasons. Get all the cards on the table, discuss the merits of different strategies, and make sure that everyone agrees on the right path forward. Once you have a plan, lay out a clear road map for delivery. Set up metrics that allow you to measure the progress and impact of your new processes and tools.

2: Put the Customer First

A customer-centric approach is the key to securing loyalty and attracting new business. Consider how expectations have changed. Customers want easy access to their products 24/7, and they expect personalized service. Provide an accessible web portal and convenient apps. If customers want to update their contents inventory at 11 p.m. or upload a photo of some damage from their phone, enable them to do that.

You can also harvest the data you collect for useful insights that allow you to develop new, innovative products and better serve your customers. It's not about sweeping away the old. The digital technologies you choose should support and complement your current services, building on your existing foundations. Always keep the customer in mind and ask—what will this new technology deliver for them?

3: Equip Claims Pros With the Right Tools

You can free up claims adjusters from laborious, time-consuming tasks and make life more convenient for your customers by employing the right tools. A cloud-based claims management system enables mobility and provides an efficient and clear workflow. With the right data and intelligence working behind the scenes, possibly fraudulent claims are automatically flagged for investigation. Self-service portals allow customers to capture inventories and check on claim progress at a time that suits them, and they cut the workload for adjusters.

4: Keep Security Tight

The risk of a data breach for any company is severe. The average consolidated total cost of a breach is $3.8 million, according to Ponemon Institute research. But for an insurance carrier, the reputational damage is incalculable. Customer concerns about privacy must be treated seriously. Security has to be baked into any digital transformation plan.

Hire a qualified CISO and consider engaging some security experts to test your system, help you find the weak spots and plug them. Ensure that data is always encrypted. Protect all data at rest and in transit with the latest encryption technologies. This will drastically lower the odds of any malicious activity exposing any customer data. Security is an ongoing concern, not a task that can be ticked off, so make sure you provision for regular checks and updates.

5: Find a Balance

It can be difficult to juggle all of these considerations. You want to deliver tangible improvements for your customers as well as for all of your internal departments. You'll need to balance and integrate new technologies with legacy systems. You also need to make sure that data is secure without sacrificing convenience for employees and customers.

Finding the right balance will be different for every carrier, and your digital presence will have to evolve and adapt. Drawing up an initial digital strategy is about starting a conversation that will continue for years to come—that's why measuring your progress is so important. You need to know what's working and what isn't, so that you can change direction when you need to.

The beauty of digital transformation done right is that it's mutually beneficial for your business and for your customers.

CONTRIBUTOR

__Robert Chase, Enservio__

Robert Chase is Co-CEO & Chief Customer Officer of Enservio, a leading provider of contents claim management software, payments solutions, inventory and valuation services for property insurers. He was previously with OnDemand Capital, a boutique strategy and operations consultancy he founded in 2003 to serve pre-funding startup companies.