Currently, the Insurance Industry is in a state of change where today's insurance field is becoming extremely complex and more competitive. As the industry continues to search for growth, obtaining clients has become difficult due to large market share ownership by the big insurance providers. Economic downturn is making it a problem to realize top-line growth, placing a higher emphasis on improving profits by way of cost management. It seems like today, anyone who is able to form some sort of insurance products, is. They are marketing, selling it, and in turn creating even more competition. Banks have begun to become the main cause of this new insurance surge, and there are a larger percentage of people out there buying this insurance that really is not as beneficial as buying coverage from a true insurance carrier. Today's customer is capable of doing their own research on the Internet, comparing who is the best buy for the right amount of money, adding to the increasing pressure of reaching target margins, return of equity and capture the wanted market share. Compounding the problem over all of this is the recent blast of mergers and acquisitions, which have taken place. Regulations have also impacted how business is run, causing the insurance world to be additionally complicated. The sluggish economy, regulatory changes and the ever changing state of transitions technologies are all reshaping the insurance industry.
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1.0 Introduction
Currently, the Insurance Industry is in a state of change where today's industry field is becoming extremely complex and more competitive. As the industry continues to search for growth, obtaining clients has become difficult due to large market share ownership by the big insurance providers. Economic downturn is making it a problem to realize top-line growth, placing a higher emphasis on improving profits by way of cost management. It seems like today, anyone who is able to form some sort of insurance products, is. They are marketing, selling it, and in turn creating even more competition. Banks have begun to become the main cause of this new insurance surge, and there are a larger percentage of people out there buying this insurance that really is not as beneficial as buying coverage from a true insurance carrier. Today's customer is capable of doing their own research on the Internet, comparing who is the best buy for the right amount of money, adding to the increases pressure of reaching target margins, return of equity and capture the wanted market share. Compounding the problem over all of this is the recent blast of mergers and acquisitions, which have taken place. Regulations have also impacted how business is run, causing the insurance world to be additionally complicated. The sluggish economy, regulatory changes and the ever changing state of transitions technologies are in, is reshaping the insurance industries dynamics.

Insurance organizations have now found themselves caught in the race to continually enhance products, adjust to new challenges, while trying to use this change as an opportunity. These once 'product-centric' business's are finding the need to turn into a 'customer-centric' operation in the attempt to achieve business goals, retain customer retention, reduce operation costs, to hopefully in the end see some revenue growth. This transition can seem straightforward, but is a substantial implementation requiring good preparation and careful planning. It seems that to become and remain customer centric, success can only be found when supported by the right, on demand, enterprise-wide, small business CRM (customer relationship management) deployment. Customers have made service an issue for Insurance organizations, and to support your customers with everything they need to be and stay satisfied is a huge challenge on top of all the ones mentioned above.

The difficulty of providing quality service in order to set themselves apart from competitors is a challenging task because of the low frequency of client interactions due to the nature of insurance products. The need now is to make every interaction with the client count become important because of the direct correlation with the bottom line impact it creates.

Today, in order to gain the needed knowledge and comprehensive view of small business to better manage customers, brokers and agents, the insurance leaders are swiftly and aggressively deploying small business CRM solutions that have been specifically tailored to meet the needs of the insurance company. These insurers are looking for small business CRM implementations that are designed to help them reach small business goals, improve client retention and lower costs across the board, while remaining efficient. The undisputed need to find a flexible tool that is easy to utilize to support small
business operations, create opportunities to leverage and integrate the future’s technology is a top concern.

2.0 How CRM Software Meets the Insurance Industries Needs

So most insurers now are automated or in the process of becoming so, but these systems are still geared towards being product-centric. They can meet the call for claims management, billing, policy admin, actuary systems and so on, but are falling short in the capability to be customer-centric. Not being fully integrated in all of the small business processes, companies cannot improve efficiencies, resolution times or accuracy of responses. Many years have gone by where insurance businesses believed that customer management was directly connected with service delivery and paying broker commissions on time. No longer is this infrastructure sufficient enough to support a pure customer centric operation. The forward thinking insurance companies have started to realize small business CRM ventures are the catalyst to delivering the high quality service clients are looking for and reduce operation costs all at once. Small business CRM has become a very powerful tool in the goals to satisfy current customers and win over new ones. Nothing else directly affects loyalty or the ability to consolidate accounts like relationship building activities. If you implement an operational small business CRM solution, well-defined, quantifiable effects will happen to the institution that is choosing this as a strategy.

There are four crucial customer centric areas that will be affected by a small business CRM solution, creating long-term relationships.

- Amalgamated customer view
- Targeted marketing for growth and retention
- Incorporated, multi-channel services and sales
- Efficient management of distribution channels

3.0 The Simplified Unified Customer View

Due to the many acquisitions and mergers that have taken place over the past few years, these newly combined insurance organizations are finding that the amount of fragmented data from various points to be quite complex. The wealth of customer data is there, but is quite incoherent. This data is difficult to access and never readily available when the sales force needs it immediately.

Silos of information are enhancing this ability to create the single view needed of the customer, and letting customer value, and interactions are accurately determined. This eliminates the aggravation customers feel when they are forced to deal with a multi line channel, having to identify themselves more than once, repeat themselves over, or have their calls transferred beyond the one time that is acceptable. Customer Service Representatives need to be able to meet the customer expectations that have been set, and when there is the inability to access the customer data, this highly impacts their
effectiveness. If there is a failure to anticipate and take care of the needs there can be a risk of affecting the profitable long term relationship.

CSR's with on demand, real time sales software access to all of the customer's information that has been integrated from the various systems impacts their effectiveness. Having access to the most current information, a CSR can be confident in the information they are providing the client, become more comfortable cross-selling the products and up-sell offers all the while providing that personalized individual service. Disparate business Processes will raise the chance of errors, impede rapid response time and reduce the CSR's productivity. The multi channel organization will eventually fall behind and lose a grasp on future profits and market share when failing to integrate or consolidate client data.

Web based, self-service routes are able to sustain the amount of customer transactions that come through on a daily basis. The amount of functions it is able to handle is amazing; customers can do research on products, have access to FAQ's, get their hands on quotes, applications and submit them. Any covered individuals, like policyholders or beneficiaries are able to check claim status, modify their account information, submit complaints or issues or file loss reports via this web based system.

It has become clear that unifying customer data obtained from disparate business systems will help enhance client relationships, and by doing so, your operation will also learn to leverage this information to create better opportunities, making business more profitable. When you begin to use existing policy, claim, rating and billing information, which are all valuable parts of the enterprise, your small business CRM solution will use the analytic tools to forecast future profits, customer behaviour, and future business operations. Through advanced analytical capabilities like executive dashboards and key performance indicators, employees can access the most relevant and timely information. Having the capacity to do so, critical customer info will aide in making business decisions based on the complete understanding of the situation possible, in an effective and timely approach.

Among many other financial institutions like banks and brokerages, over 30 percent of the knowledge they have is from workers using business intelligence tools (sales marketing software) to improve decision making, while less than 25 percent of insurance knowledge staff use these intelligence tools.

Because the banks and other financial institutions have invested more heavily in automated customer-centric applications, the customer services costs they incur are typically lower than those that insurance companies see. Over one-third of all bank's customer inquiries are handled electronically. When compared to insurance operations, only 20 percent of the customer inquiries are done electronically. In the effort to reduce operating expenses that go hand in hand with customer service, these insurance companies are beginning to investigate the integrated multi channel customer interaction systems available.
4.0 Eliminating High Turnovers and Expensive Training Costs

High turnover in CSR positions and long training time’s makes it tough to retain the high-quality, highly productive staff that is needed to supply good customer service. With inadequately trained or inexperienced service staff in place, they contribute to lengthy resolution times, inaccurate responses to queries and generally provide your clients with unsatisfactory service. Traditional service centers cannot seem to find answers when trying to solve this sort of problem. The already existing channels such as phone, fax, IVR (interactive voice response) must be properly integrated with the newer channels of contact like emails, web based self-service and live, web based chat areas. With these ways of contact in place, your service staff, whether they are newly employed or not, can maintain the level of customer service your company is striving for, keeping clients content, resonating loyalty, turning them into more profitable clients. Training you staff to handle multiple types of transactions can streamline business processes, reducing unnecessary steps; empowering management and agents of higher levels of authority.

It cannot be ignored that some clients will fight to the death to use the less efficient, integrated channels of communication, feeling that older methods of communication are the most reliable ways to find out the information they want or to accomplish their requests. When deploying a small business CRM solution to align the lines of communication, it is smart to remember that these types of people still exist and marketing of some sort should be ensued to show the benefits of such methods.

5.0 Time for Expansion, Target Marketing, Campaigning

In the increasing challenging economy, insurance companies now are looking for ways to raise existing client’s product portfolios, in a way to stop customer churning. A small business CRM application that supports business processes will help insurers distinguish any opportunities which arise to cross-sell and up-sell additional products or services. Also, Customer Relationship Management tools can alert service staff as to who is likely to move to another insurance carrier or financial institution. This enables the staff to ensure proactive steps are taking to stop the churn before it happens and raise the possibility of new programs to be implemented with the client. As opposed to obscuring the client base with generic messages and offers, your small business CRM solution can improve any marketing transmissions by making sure that the messages go to the relevant customers, offering personalized communiqué’s, making certain that campaigns are more effective. This way of service will aide in understanding your client better, and give you the ability to measure the usefulness of each campaign attempt.

Insurance companies where disparate, non-integrated systems are still in effect, life-event marketing is basically impossible. In order to make sure that most of your customer data is working for you not against you, seamless small business CRM deployment consolidating your various customer systems is essential. Insurers today are beginning to test life-event marketing that is geared towards specific demographics of clients, like targeting all of your clients who are new home owners, newly retired etc. To make the most of these marketing efforts, there is a need for a comprehensive understanding of the client base.
Executing such campaigns and gaining the ability to measure their effectiveness requires a comprehensive small business CRM infrastructure. This support is necessary to beat the challenges outbound marketing raises i.e. direct emails, cold calling or telemarketing. Having comprehensive views of who you are directing the marketing, and lets insurers take advantage of market analysis, performance measurement and campaign management and execution in the most synchronized manner.

5.1 Benefits of CRM Implementation

<table>
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<tr>
<th>Insurance Process</th>
<th>small business CRM Application</th>
<th>Benefits</th>
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| Product Definition| Product quick reference, catalogues, information to help decide when key selling times are beneficial | • Reduces the time it takes to add or make product changes  
• Gives more control to business user. |
| Distribution      | Web capture cases, accounts, contacts, create forums for feedback, emailing capabilities | • Provides faster communications, reduces costs of distribution on paper.  
• Improves response times and your customers satisfaction |
| Underwriting      | Web based Project Management to help underwriters stay focused and up to date with new cases | • Customers get answers more quickly about their insurance applications |
| Issuance          | Web based Document Management to store, share, and manage client’s policies to brokers, agents, and clients. | • Reduces printing and mailing times.  
• Decreasing costs. |
| Servicing         | Web based Contact Management Center systems | • Reduces printing and mailing times.  
• Decreasing costs. |
| Claims            | Event & Task management, Web based forms for filing losses, claims, keeping servicing staff on task | • Provides policy holder more control over their insurance process  
• Can reduce the volume of calls the service center receives. |
| Marketing         | Marketing Automation | • Increase qualified leads, market segmentation, list management, response tracking.  
• Never lose a lead again |

6.0 Preparing to Launch the CRM Software Program

Organizational planning is the key to accomplishing a successful introduction and acceptance of business process changes, and with small business CRM it is no different.

Prior to an insurance company beginning to implement a small business CRM strategy, the following steps should be taken.

• Introduce and ensure small business CRM as an enterprise wide initiative.

• Identify your primary and secondary customers.
• Collect and take ownership of customer data.
• Create realistic budgets and timelines.
• Develop a defined ROI strategy
• Seek out experience resources to help with seamless deployment

7.0 Small Business CRM Initiative
Educate and communicate with your employees to prepare them for the new small business CRM deployment, helping them to prioritize the solution and understand that it is a strategic initiative for the organization. Upper and senior management is responsible to manage the needs, provide vision and leadership during this time, so that small business CRM is adopted with open arms. Quite a few insurers underestimate the challenges that may arise from employees with new software system integration, so there is the need to market this and have the employees buy into it for complete success.

Insurance business has been traditional and conservative compared to other financial service markets, so when making such changes in the way business is run, and introducing new technologies, any type of resistance can slow down the adoption or small business CRM. The changes, which are made after the solution has been put in place typically, impact every business and tech department. This makes teamwork and constant communications essential between the two groups. Goals, objectives, timelines should be defined and agreed on to make the implementation quick and as pain free as possible.

8.0 Identifying Customers
Knowing who your main customers are, like policyholders, beneficiaries, insured, agents or brokers are important when customizing and developing the small business CRM strategy, because these answers can significantly change how the design and implementation of the product is done.

To add some complication to the mix, traditional insurance distribution methods can interfere with, whom and how relationships between the policyholder, their broker or agent, and the actual company take place. In many institutions, the lines of information and communication must follow a certain flow, for example - client wants questions answered about their policy, they must contact the broker who sold them the insurance, then the broker calls a servicing agent to receive the information in question. To become customer-centric, these insurers must understand the business processes that are in place, which cannot be changed. This is another issue when designing your small business CRM solution around situations, which are cemented into place.

9.0 Collecting and Owning Your Customer Data
There can be much confusion over which the customer really belongs to. With the broker or agent in place, insurers have little or no contact with customer unless it is for certain sales and service
procedures. When an intermediary is the main contact, insurers assume that this person owns the relationship. With such confusion about the ownership, it is important for insurance organizations to take this ownership during the change from product-centric to customer-centric models. Failure to do so will ensure difficulties in migrating data. Your business will gain the maximum benefits of the total customer view, capturing and combining this data as one.

10.0 Budgets and Timelines
The small business CRM budget and timeline need to remain as realistic as possible, ensuring that any projects, which are vital to the small business CRM deployment, must be completed prior to the actual installation. This should or will include such items as updating any admin systems, updating web sites, and web based channels. Not considering this step up front can make the perception of the project costs high or out of control possibly affecting the implementation deadline.

11.0 Your ROI Strategy
The ROI measurements should be in place to help the company measure the effectiveness and justify any future investments with Customer Relationship Management. Avoid any wishing and hoping of better results by developing business-focused ROI criteria to enable, define, measure, and analyze the impact of small business CRM. Setting realistic goals, which are supported and measured, let you calculate the return on the small business CRM initiative.

12.0 The Experience Resources
To implement your small business CRM solution, ensure that the small business CRM vendor and the company’s IT professionals have the technical proficiency and experience. Technological challenges, like integrating existing IT systems with new customer facing systems can sometimes create challenges for an insurance company deployment. Seeking the assistance of the small business CRM vendor consultants will bring their experience and guidance to you business to develop the best-fit solution. To reduce any project risk further, seek out and find a well-established small business CRM company who can offer you industry specific software that comes with experienced support resources.

13.0 Summary
Insurance organizations today are facing unprecedented competition and a sluggish economy, so building a customer-centric company will help ensure long-term success. A small business CRM solution can enable Insurance business's achieve better service records, improve operations, reduce costs, help retain customers and turn those customers relationships into profits.

Insurers should realize that small business CRM implementations cannot be taken lightly; the endeavours require true commitment and leadership to realize the rewards it can bring. By developing
task-based action plans, and detailed budgets, insurance providers will see improvements in business processes and customer focused activities.
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