

Digital Strategy to Spur Growth and Improve Retention

Industry & Client Situation

Our client, an underwriter of homeowners and personal lines auto insurance, had for some time been struggling with declining market share and low profitability relative to regional rivals. Among the fundamental causes of its performance issues were product distribution methods that had not kept pace with evolving consumer preferences, scale disadvantages in IT, marketing, and customer service, and increased attention and advertising investment on the part of national carriers in the company's home state, where it still did a majority of its business.

The company engaged Bridge and an IT professional services firm with whom we have worked closely on many projects to address these challenges. Our ingoing hypothesis was that given the company's unique strengths, weaknesses, and market opportunities, it would be best served by a rapid shift to Web-based and Web-assisted methods of distribution. Furthermore, we believed the Web would be an excellent vehicle for extending and building on the carrier's reputation for stellar customer service.

Approach

Our first task was to confirm our ingoing hypothesis, which we did via analysis of company and competitive sales, channel, and trend data, as well as interviews with leaders throughout the organization. The company's strong preference was to avoid the time, expense, and political discord likely to accompany primary – customer and independent agent – research. Our analysis of available data proved sufficiently compelling that we were comfortable proceeding without this further substantiation of our hypothesis.

Following that, we began formulating a Digital Strategy that would play to the company's strengths and position it to begin exploiting market opportunities. The scope of the effort spanned product discovery, evaluation, and purchase, through policy servicing and claims. Key elements of our approach included:

- Interviews with current customers to identify preferences for online shopping and service
- A detailed assessment of the online offerings of the company's top competitors
- A high-level overview of applicable digital innovations from other industries
- Reviews of internal sales, underwriting, and service processes and metrics
- An assessment of the client's IT readiness

We then crafted and gained consensus on an overall vision and set of themes that would anchor online asset development decisions. The themes helped us to identify the core set of capabilities that:

- Were critically important in realizing the client's vision and objectives
- Offered the best opportunity for competitively valuable differentiation
- Aligned with management's broader strategic agenda

Capabilities were singled out as priorities, and staged for early development and deployment.

After completing the initial design, we revisited the client's organization, processes, and IT environment to identify operational impacts, change management issues, and other potential roadblocks. Finally, we developed an implementation roadmap, laying out a detailed, multi-year online capability deployment schedule, including key dependencies and milestones.

Results

Our client is in the process of implementing the Digital Strategy, with expectations that the online offering will reverse the decline in market share and improve profitability over the next 3 – 5 years