



Data transformation – The fuel that drives digital transformation success

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Data should not be seen as an afterthought when a business is undergoing digital transformation. Instead, as Eleanore Robinson finds out, it is very much the key to any project delivering true value to customers

Data is the fuel firing insurance companies' digital transformation success, allowing them to upgrade customer experience across the policy lifecycle from the initial sale to claim or renewal.

However, using data to reap its full potential can be problematic, leading to many companies implementing data transformation programmes alongside digital projects.

Marrying up these two transformation streams to create a symbiotic relationship is essential to both programmes' success.

Operations director and chief data officer at Zurich Anita Fernqvist explained that digital and data transformations go "hand in hand". She said: "Data is the core of what we do. I would say if data is [the] what, [then] digital is the how. Digital is the mechanism we can [use to] communicate with our customers by getting that data and turning it into something meaningful that delivers value."

Afterthought

Peter Martin-Simon, Esure's chief trading officer, said that data is often treated as an afterthought, with organisations focusing more on the technology involved.

He explained there was a history of data programmes not delivering as they had been set up as independent programmes. He said: "Just thinking about it upfront, building it in to create a strong pull from a customer and organisational perspective I think is the biggest trick others have missed

in the past. "I think, fundamentally, it is about having data deep in the conversation about what transformation is about."

Not that technology doesn't have a key role to play – and one size does not fit all.

Different angles

Chris Wyard, Allianz Insurance's chief data officer, said: "Implementation of any technology needs to be thought about from many different angles and a crucial step that will later be very beneficial, is to think about data at the beginning of the process, making it an integral part of the design.

"It's really important that both business and data experts are involved to make sure that customer, employee, compliance and reporting needs are met and included. Data and analytics use cases must go beyond 'creating the app or dashboard to report on KPIs' and should describe how data will be used to improve business performance."

Martin-Simon agreed saying "better data folk" become obsessive about measuring the value of the impact of what they are implementing, something they are focusing on at Esure. He said: "Measuring that in a clinical way helps to bring forward a mindset that focuses on digital and data."

The "right" mindset and getting buy-in from everyone involved is critical to any successful transformational programme.

Fernqvist said that, for Zurich, it was

about saying "it's not a tech piece. It's about people, process technology and culture", with culture by far being the biggest factor.

She said it was about "having an organisation that recognises cradle-to-grave that data is critical to our ability to serve the needs of our customers. We need everyone to appreciate the opportunity that comes with that and also the risk that comes with that.

"We need an organisation that is passionate about data and is treating it as such. I think passion for a topic is where people come together."

She added that Zurich had worked at all levels to understand their needs and has worked to have "a foot in each camp".

Allianz is investing in development and operations to improve communication, collaboration, integration and automation.

Wyard said: "If you really understand what your business needs to best serve customers then you can delve into whether data needs to be dynamic (real-time or close to) or more periodic (daily, weekly, monthly) which then informs other decisions around implementation, resource and how, where and why you look for trends, anomalies or issues.

"Essentially, if it's properly embedded from the design stage, then data teams act as enablers for their colleagues so that they can best prepare and understand their data and use it for business decisions."

Getting people to come out of their traditional silos and work together to provide a seamless data flow is one of the major challenges insurers face when implementing these types of programmes.

Data quality

Beazley Digital CEO Ian Fantozzi said that you cannot separate the data capture from data use or reporting.

He said: “So, if a business has silos whereby the data is captured in one place or team, but then is used by others, then you need to clearly identify the end-to-end data flows or ‘lineage’ – this includes being clear on who is responsible for the data quality throughout its journey.

“You also need people to better understand the value that can be gained from capturing the right data. As part of our digital transformation in Beazley Digital, we have combined our underwriting, technology, operations and data specialists into multi-skilled teams by digital distribution channel – everyone is working together to achieve common business goals, and this fosters a mutual understanding of capturing the right data and prevents silos developing.”

James Wright, head of technology at Beazley Digital, added: “One practical way to ensure silos are bridged is by driving a culture of data-driven decision making. When key product or distribution decisions are made, ensure the team has collectively gathered, analysed, and understood the data. This helps the team to improve their data acumen and helps them to better understand their own data needs.”

Removing friction

Martin-Simon said that having common datasets lets claims teams talk to operational teams in a seamless

way. “If you are able to talk the same language organisationally, then you remove a lot of that internal friction.”

“If you make an experience frictionless because the data is moving seamlessly, not only is it easier for customers, but you have less friction internally, colleagues are happier, and there is a positive response to customers because they are not trying to stitch together between multiple streams.”

Fernqvist said that management needed to be clear about the benefits of linking the change holistically. Having a clear, meaningful message about what the organisation is trying to achieve is the start to breaking down the silos.

She said: “Continued focus on breaking down silos is key because each function will have specific directions, they are trying to go in. Our role is knitting that together.”

Wright added that a holistic approach helps speed up decision making, where everyone on the team can trust the data then move on to using and exploiting it for genuine business advantage. He said: “If you get stuck at the trust phase, ‘use’ and ‘exploit’ become impossible.”

Predictive outcomes also have a role to play, providing valuable data that can benefit both insurers and customers.

Fantozzi said: “The more automated our transactions and decisions become, the more important it will be to have predictive models. You need a way to see quickly how business could be affected based on different inputs – such as changing coverages, pricing or question sets.”

Martin-Simon added that predictability is about using technology to say to a customer “have you thought about this?” It is a constructive conversation

anchored on looking at the behaviour of customers and saying these are things that are relevant and may help you, he said.

Martin-Simon continued: “The ability to enhance experiences and learn from what our customers are telling us, you are not just measuring value, you are obsessed about what customers are telling you. That’s the great thing about digital, you can test and learn and see how customers respond.”

He noted that getting genuine insight about customers’ needs and wants “becomes a measure of success over time”.

Digital journey

Customers also want a digital journey that sees data passed between departments and platforms effortlessly so that they don’t have to repeat themselves several times.

Martin-Simon said the way to do this is using data to bring channels together “so I can drop off a webchat and the agent knows exactly what I’ve been doing when I talk to them on the phone”.

Tesco Underwriting launched its integrated motor claims digital journey in May 2021 and customers have reported valuing the simplicity and ease of the journey, and their ability to notify their claim through their channel of choice at a time of their choosing, said claims director Dave Thompson.

He added: “We approached our design for the data elements for claims looking at aspects relating to the customer experience – for example, dwell time, page dropouts, NPS & Ease scores as well as improved audit trail capability, enabling us to capture all entries the customer makes.



Getting full value from the data has proven tricky for insurers, but there are those who believe it is achievable with time and multiple sources.

Creating structure

Whereas structured data, such as numbers or digital analytics, are easy to quantify, unstructured information, such as customers' descriptions when making a claim or feedback, can also be used, as can open-source data, to describe the environment the customer is in, explained Martin-Simon.

He said: "If you can take that very structured, very measurable stuff, finesse the experience with the unstructured stuff that might fit around, for example, a car accident or leak damage in a house, to be able to contextualise it with genuine big data, that is what I think we are trying to ultimately achieve."

Not all data comes from new technology or sources, added Wyard: "There's a lot businesses can do to unlock additional value and part of our focus is complementing existing data patterns with new integrations."

Fernqvist agreed, arguing that insurers should be looking across to other industries and making sure they are learning about customer behaviour and trends, including those in the future.

She said: "The challenge of large-scale transformation is to remain relevant and to evolve that transformation in line with customers' needs, the regulations that will be changing, the industry, the competition and as much as our customers evolve.

"I think the job is never done. It would be lovely to sit there and paint that vision and say when we achieve that, we will be done. The reality is that the world continues to evolve." ■

"We ensured we could link the digital data at both claim and claimant level to add additional dimensions to our claims data that will, ultimately, enable us to settle claims faster for our customers and keep customers more informed throughout the claim."

Tesco captured structured data in terms of digital analytics to measure page, question and information sections. This allows it to look at opportunities to make it easier for our customers to complete and submit their claim online.

Thompson said: "It's important we strive to make it as simple as possible whilst still capturing the data necessary to settle a claim so that we don't require call-backs or emails to obtain required data.

"This is a fine balance and one we are continually improving with a two-week sprint cycle of releases to our digital product. We also capture feedback using our customer satisfaction survey which has been a fantastic source of data to allow us to continually improve the customer journey."

Zurich is using data to it to see how it is doing as a business and what its customers are telling it through channels like its transactional net

promoter feedback and complaints.

That data is treated as a strategic asset in order to deliver for its customers and used to inform the business what changes it needs to make, explained Fernqvist.

"In order for the customer to be at the heart, data really needs to be at the heart", she said.

"At Allianz, our data team is focused on understanding business problems and identifying the data required to deliver said value and meet stakeholder outcomes", added Wyard.

He said: "We have a KPI framework aligned to business objectives which means that we are transparent in our reporting. To support our digital agenda, our data teams consistently measure [the] performance of our product teams to understand cycle time for producing ready-to-use data, [the] total cost of operations, and to identify business process improvements.

"It's constantly a cycle of refinement and examination, which is why collaboration is so important and should be for any business looking to get full value from the data they collect and hold."