

RESILIENCE THROUGH ADAPTABILITY

Part four of an economy series
brought to you by Bravo Group.



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INTRODUCTION

What does resilience mean to you? In this four-part whitepaper series, we explore how brokers can build resilience through growth, planning, community strength, and adaptability. Here's what we've learned so far:

In the first three parts of this series, we focused on growth, with an explanation from members of the leadership team as to why the acquisition model of the business was thriving despite the challenging times.

We heard how, with five acquisitions in as many months, it's the people-centric model which is responsible for the success of Ethos Broking.

Next, we looked at how businesses could plan for future strife by building resilience not just through growth, but through acquiring and retaining clients, rooting out detrimental practices, and making solid financial plans around a forecasted dip in revenue. Part two covers these areas with actionable guidance around all three.

In part three of our series, we drew on the crucial role a community network has to play in building resilience during a crisis. We saw examples of how our members and Ethos Brokers supported business and individuals as they went beyond broking in their efforts.

We also took a closer look as to why and how a strong community is at the heart of economic recovery, with insight from partner insurers of the networks, representatives from BIBA, and our Chief Financial Officer, Simon Drew.

What's next?

In part four of this series, we explore one of the most essential qualities in remaining resilient; the ability to adapt.

Very few businesses have not had to alter their operations, and we focus specifically on technology processes which were perhaps intended for much further down the line.

Hear from representatives at Bravo Group who look at the challenges and opportunities of technology from a broker and insurer perspective, as we accelerate digital plans across the board, and gain an insight as to how global software provider Acturis prioritised consistency amid change as we interview Co-CEO, Theo Duchon.

Ready? Read on.

FAST FORWARD:

HOW NECESSITY HAS BROUGHT NEW TECHNOLOGICAL POSSIBILITIES TO THE INSURANCE INDUSTRY

Mass migration to home working, a barrage of cyber threats, business continuity plans that didn't account for the fact that contingency premises were not an option, the outage of offshore administrative support...

COVID-19 has thrown a lot even at the businesses which could remain open, and the challenges which unfurled as a result could have easily been interpreted as disastrous. But, perhaps surprisingly, they haven't been.

This much has become apparent as many countries across the world have found their operational foundations being upturned, shaken, and put into a new version of normality for the foreseeable future.

Almost every pipe dream of advancement in working processes and systems has had to become a reality. We've heard how aspirations forecast for several years have been forcibly crunched down into a matter of months, or even weeks.

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Satya Nadella is the CEO of Microsoft, the company behind Teams which a wave of businesses have relied heavily upon in the last few months to communicate and collaborate, including the staff at Broker Network. Technology giants have had a clear viewpoint of the phenomenal acceleration in digital compatibility as businesses have had to take that leap of faith they'd been avoiding, as Satya explained on releasing the company's performance results back in April,

"We've seen two years' worth of digital transformation in two months. From remote teamwork and learning to sales and customer service, to critical cloud infrastructure and security - we are working alongside customers every day to help them adapt and stay open for business in a world of remote everything," he said.

The remote-working hurdle hasn't just been faced by UK-based brokers. Insurers who had found a low-cost solution to ancillary claims and information support offshore years before had precisely the same issues in remote working that reverberated around the globe. Automated solutions that seemed viable, if pricier and difficult to implement, in the future were suddenly on the table for more immediate consideration if they were able to communicate with their customers and brokers at all.

"We will see a huge reduction of back office administration being outsourced," MD of Networks and Products, Jaime Swindle predicted.

"The impact of lockdown in countries such as India, where a huge amount of outsourcing was taking place, resulting in the need to bring that work back onshore

– it is very likely that this will not go back to anywhere near the scale it was previously and there will be an accelerated drive to even more automation.”

While bringing ambitious developments forward, the crisis also highlighted a big gap in traditional business continuity planning as not many had thought about having to mobilise their whole workforce and have them working from home.

“You never imagine there will be anywhere you can’t go, so the challenge of not being able to switch on live chat or not being able to get some of these technology-driven centres up and running is because most people’s plans assume you have another site that you can go to,” Jaime explained.

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- Jamie Swindle, MD, Networks and Products

Aside from insurers exploring automation much sooner than anticipated, many brokers have had to bring VPN onto their radar for the first time in their working history to accommodate remote working. This in itself can be incorporated into future business continuity planning, alongside an increased threat – cyber phishing.

Without the safety barrier of a company firewall, educating employees on the risks needs to be front and centre of any robust cyber security strategy, as Richard King, Head of Group IT explained,

“It’s making sure that people are educated enough to know the difference between a genuine email and a phishing email. 70% of breaches are down to human error.” He said.

He, like others working in the IT sector, began to see practices and tools that were not new, but which carried great benefits for businesses, such as multi-factor identity verification, suddenly being more widely and more willingly adopted. But it’s been more of an adjustment for some,

“Covid-19 has moved the conversation on very quickly in terms of IT. People have realised they need to invest and if they’ve not been investing it comes as a bit of a shock.”

Richard has seen system elements and methods which were previously absent from many brokers’ working operations being implemented to get them up and running from their “home office” as soon as possible.

“Remote VPN set up was a first for a lot of members. They were so office-centric it wasn’t even a consideration.” Richard noted,

“In an office environment you’d normally protect people with a firewall and that would be your edge. With a move to a home working environment that edge is

disappearing and making sure you have a proactive and resilient security system in place by using identity is where every business needs to be.”

Systems Consultancy Manager at Broker Network, Carl Chapman, agreed that many hadn't factored in the possibility of remote working.

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- Carl Chapman, Manager, Systems Consultancy

The systems providers, however, were ready to lend their support for the switch. In one instance, Open GI came to the aid of a broker who had no remote connection capabilities and arranging this on their behalf within a week.

Having managed the increased volume of queries and seen a return of a level of normality in both the number and nature of support requests, Carl and the team are looking at their own processes with regards to training, and how essential changes to ensure they can continue to deliver training sessions will work out for the best.

Plans to revise day-long sessions that required travel are underway as shorter training modules using virtual conferencing tools that many more are familiar with now than at the start of the year are currently being explored. Taking out the travel and the intensity of a full day becomes a solution with a lot of perks, and it's not the only example.

Whether it's building an entire service around zoom conferencing, giving brokers the flexibility to take their work with them, evolving a business continuity plan, or providing education around staying safe online which people can carry into their lives outside of work, businesses of all sizes have come out the other side of the upheaval and are beginning to make proactive decisions about how technology can work for them moving forward.

Insurance products that weren't previously viable will be enabled by automation, while others will be switched off due to the associated offshore costs.

Insurers, already are, as Jaime says, “being smarter, more proactive and more digital in their interactions.”

Brokers with a new-found confidence in previously uncharted remote working territory, are returning to the office with a refreshed view of what's possible, and where they can save costs – such as getting rid of the franking machine and sending policy documents in a digital format.

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And the wider businesses that work with both brokers and insurers are looking at how to support these grand transitions with the same proactive energy born out of change. The digital shift may have seemed a scary prospect, but not when compared to a global pandemic.

Now the industry is better prepared and has proved its adaptability, the question is, is there a limit to what's achievable?

MEETING BIG CHANGE WITH CONSISTENCY:

WE TALK TO CO-CEO THEO DUCHEN ABOUT ACTURIS' COVID EXPERIENCE

Digitisation developments are now starting to pick up the pace, and with heavy investment in AI and an app which allows brokers to manage client accounts on the go, or on the sofa, SaaS provider Acturis intend to stay ahead.

But the value of consistency amid trying circumstances worldwide is not to be underestimated, and despite having to mobilise a workforce of over 800 staff to homeworking in six different countries, Acturis continued to maintain that consistent service to make the transition for their clients as smooth as possible.

We caught up with Co-CEO Theo Duchen, to discuss how the business went through similar challenges to their clients, what they've learned and how they've been making lemonade out of the lemons the global community has been given.

What have been the challenges you've experienced at Acturis since March?

We just had to make sure that customers had a consistent experience during the crisis to that which they had beforehand.

This was our overarching objective in terms of platform availability and the service we deliver to customers.

As our clients transitioned to working from home when the lockdown was introduced, we aimed to be in a position whereby they never had to worry about our service and wouldn't notice any change in the way we operated.

They depended on our service being consistent, and we aimed to deliver that from before the crisis right the way through it.

We just had to make sure that customers had a consistent experience during the crisis to that which they had beforehand.

To achieve this, we set up an emergency COVID Committee which encompassed six countries. We had to deal with the various rules and situational differences in Denmark, Germany, Canada, France, Poland and the UK, as each country was in a different stage of advancement in terms of coronavirus. We also used this forum to ensure that we shared knowledge to create a sense of best practice within the Group.

Then we had to look at how we could easily make the transition to working from home. We had two or three trials with 30-50% of colleagues on different days, and we needed to make sure colleagues created a suitable home-working environment.

This involved incorporating the right toolsets such as sufficient laptops, as well as tools for virtual team sharing.

Another challenge we had to grapple with was a new phone system for our call centres, as the current solution didn't really work well remotely. We had to find a system that enabled people to take calls from their mobile phones, which we found and quickly introduced.

We also had to ensure that we had the right set of operational tools to alter our working practices such as looking at ways to deliver training and tools for virtually meeting clients and colleagues.

We also had to get into a different pattern of working in a new environment and in that sense, I'm sure everybody's no different.

We're now just starting to contend with onboarding new recruits as we figure out how they best enter the company in a changed working environment.

I'm glad to say we've been pretty successful at the transition, and we've received a large number of emails from clients saying that they felt that the transition was extremely smooth and that there was no difference in service. This is something I take as a real compliment.

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What have been your learnings from the past five months?

We've certainly learned that it is possible to move 850 people in six countries to working from home, and it's not that difficult to do. I expected a lot of teething problems but in reality, the transition was easier and more seamless than I could have ever hoped for. I'd like to think that's down to good planning and good colleagues.

In addition, we've found that our clients have been equally if not more adaptable than we've been. There was an initial shock and we saw a drop in activity on the platform of roughly 10%. But over the next week or so we quickly saw activity levels returning to normal, and we're at a point now where we're seeing activity levels of about those of last year which is pretty encouraging. By and large, that's a good example of our clients adapting to a massive shock, and getting measures in place and simply carrying on as best they can.

We've learned that in this crisis you've got to be resilient and your standard of service is critical. If anyone is considering their service partners, you've got to ask yourself, 'Does this company have a good track record in these kinds of situations, and have they proven themselves?'

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We've also established that the move to digital is only going to speed up. We've certainly seen our customers start to embrace this and use the Acturis

mobile app, as an example, in increasing numbers, as well as moving to more of a customer self-service approach. Brokers had started to embrace this, but this has increased significantly.

Has the recent widespread digital acceleration brought forward any of your plans at Acturis?

It's certainly forced us to think about propelling our own digital plans, and there are a lot of different areas that this could encompass.

We, along with brokers and insurers, need to increase our activity in the electronic trading area. In the UK we're fortunate in that this is already quite well advanced, but it's nowhere near where it should be, and most brokers would tell you that. We're starting to see a gradual increase in the numbers of policies and premiums which are electronically traded.

It's too early to tell whether that's accelerating because it was always growing, or because of the specific situation, but I'm sure we'll see an upward trend in the next couple of months as it goes hand in hand with digitisation and self-service.

Brokers really need to consider their digital channels and we need to make that as easy for brokers to adopt as possible. We're trying to do that with very standardised methodologies that can be rolled out easily and quickly and then customised over time.

Finally, we think we have a market-leading mobile app which is available on IOS and Android for brokers to use while they're at home, sitting on the couch watching TV, getting a request from a client on the go or while they're in the garden.

Brokers really need to consider their digital channels and we need to make that as easy for brokers to adopt as possible.

They will be able to access the system, from their mobile phone using the app, which is critical in this new world. We've pushed ahead on this and we think we've got an amazing product which is free with the system.

Are there any other innovations that are now on your radar which you're considering exploring in the more distant future?

AI is something we're starting to invest quite heavily in. It goes hand-in-hand with where things are moving, and we'd like to be able to support our clients. It would almost be like having a digital adviser offering helpful prompts and the next best action to pursue.

We see this coming up fast, and we want to put ourselves in a position to be a good provider with a great service offering.

It seems there are a lot of positive developments at Acturis to have come out of a negative situation, despite the initial shockwaves...

When you get lemons you've got to make lemonade - we've tried as best we can. I hope it tastes pretty good!

