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HOW DYNAMICS CRM HELPS INSURERS IMPROVE LEAD GENERATION

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The 1992 cult classic film *Glengarry Glen Ross* paints a somewhat dramatic picture of a day in the life of several field salesmen who are feeling the pressure of closing more business to meet their quotas. Playing the role of the demanding corporate sales manager, Alec Baldwin barks at an underachieving sales rep who is pouring himself a coffee during a stern lecture on meeting goals, “Put that coffee down. Coffee’s for closers only!” The collective response of the salesmen as to why they weren’t making their numbers was that they simply weren’t getting the good leads. If only they were given the good leads, they believed, closing more business and achieving their quota would be simple.

Whereas this scene is perhaps a bit exaggerated for viewer effect, it certainly draws attention to the competitive world of sales, something that insurance agents face on a daily basis. There are more competitors in the insurance market and more channels through which insurance can be purchased than ever before. Consequently, insurers face the challenge of differentiating themselves in a new world where buying auto insurance and even life insurance have become more “transactional” in nature. Combine this with the fact that the consumers in the digital age are more comfortable with purchasing a policy online, and it is easy to see how the life of a typical insurance agent has become much more complicated.

Most personal lines insurance carriers, for example, are working feverishly to adapt to this new world by expanding and/or enhancing their distribution channels while simultaneously trying to improve upon their loss ratios. In order to stay competitive, insurers need to grow their customer base; and in the insurance business, adding more customers does not necessarily equate to increasing profits as it is detrimental for insurers to sell to customers whose claims exceed their premiums. The pressure on the insurance carriers trickles down to the insurance agents who, by nature, tend to be more focused on customer growth rather than customer profitability. The net result of these competing factors is that insurers must pay close attention to how they improve upon both the quantity and the quality of leads they generate. The growth of Microsoft Dynamics CRM in the insurance industry is an indicator of just how important it is for insurance companies to refine their lead generation activities. When properly implemented, Microsoft Dynamics CRM can help insurers better segment and target new prospects as well as renewal opportunities for existing policyholders. One personal lines insurance company in the Midwest region of the United States, for example, has deployed Microsoft Dynamics CRM as part of their initiative to increase their auto insurance customer base, expand cross-selling of their life insurance products and to improve agent satisfaction with the

carrier, often referred to as “ease of doing business”. They wisely began their lead generation initiative by identifying specific business benefits associated with each of the three components of their lead generation initiative. By doing so, they were able to stay focused on the key requirements of the CRM solution while avoiding the many distractions that can lead to scope creep and diminishing returns on their investment. Within just a few months of going live with the Dynamics CRM solution the company is already seeing results. They have found that they are able to more accurately segment their ideal customer targets because they can utilize Microsoft Dynamics CRM’s Marketing Lists to query the specific attributes associated with high-value customers and to avoid those prospects that are likely to result in a higher loss ratio. As a result, they are not just adding more customers, they are adding more profitable customers to their auto-policy customer base. Through integration with their policy administration and claims systems they are able to leverage demographic information as well as premium and claims data to identify ideal cross-selling targets for their life insurance products. Lastly, they are improving agent satisfaction by distributing more targeted and more qualified leads to the people they rely on to drive more business in the field.

For companies that continue to rely solely on increasing the quantity of leads without regard to quality, the journey to improve the quote-to-policy ratio is not impossible; but it will certainly be a more challenging and costly endeavor. These are just a few of the ways in which one customer and hundreds of other insurance companies are using Microsoft Dynamics CRM to increase revenue and to weed out manual and costly business processes that can, and should, be automated.



Tap Haley is the Insurance Industry Director for Hitachi Solutions, a Dynamics CRM partner with specialization in the insurance and financial services industry.



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Hitachi Solutions, Ltd., headquartered in Tokyo, Japan, is a core member of Information & Telecommunication Systems Company of Hitachi Group and a recognized leader in delivering proven business and IT strategies and solutions to companies across many industries. The company provides value-driven services throughout the IT life cycle from systems planning to systems integration, operation and maintenance. Hitachi Solutions delivers products and services of superior value to customers worldwide through key subsidiaries in the United States, Europe, China and India. The flagship company in the Hitachi Group's information and communication system solutions business, Hitachi Solutions also offers solutions for social innovation such as smart cities.

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