

Organization Transformation for Thriving in the Age of the Customer

No technological change should not be considered in isolation. For carriers aiming to fully transform to thrive in the digital world, change must be at an organizational transformation level.

By Cindy Coleman



Carriers now have an understanding that to engage new customers they must evolve to survive and thrive in the digital age. Younger, digitally native customers demand individualized services with the expectation that most will be self-service options. These requirements are inherent to how new consumers conduct day-to-day activities and companies must adapt in order to ensure growth.

The good news: carriers are making technology decisions to reflect this changing landscape. They understand that legacy

platforms can no longer support the transformational change that drives market growth, and they are making mobile and online channels a key part of strategy.

Cultural Change Management

However, focusing on the technology alone is misguided. An essential, often overlooked aspect of the implementation process is undertaking *organizational transformation* to leverage and optimize the technology experience. The strategy for a

culture change must run parallel to any technology strategy to keep from undermining the cohesive development of the carrier.

The absence of an overarching strategy that encourages dynamism across all facets will compromise the full potential of technological innovation. At best, this would inhibit leading carriers from meeting new customers. At worst, it would put them at a strategic disadvantage to potential disruptors in the industry.

Research has proven that change management is a key catalytic force in achieving expected results and keeping organizations relevant in the ever-shifting landscape of the digital economy. A holistic approach to change management also greatly assists user adoption of new technology.

The dramatic mismatch between a traditional organizational ethos and technological modernization can even spur dysfunction and psychological dissonance among crucial stakeholders.

The Need for Strong Leaders & The Right Teams

Insurance carriers still have a way to go—and change should start from the top.

It might not be enough to have isolated teams dedicated to technology breakthroughs. For instance, the use of incubators for launching new products and testing digital strategies is great for new products, but the broader impact on the organization is unclear and may be minimal, especially in the case of larger carriers. After incubation, are these products, processes, technology migrated back to the organization? Do they remain external? These questions support the need for organizational transformation.

This drives the need for strong, visionary leaders who would be able to realign strategic intent at the organizational level.

With the leadership on board, it is not only important for these organizations to map the skills and profiles of the resources within the organization but also to make sure that the teams are in sync.

These teams should be built both internally—to identify those who can drive transformation alongside the leaders—and externally. The special skill sets are both personality and execution-driven; an ability to generate fresh ideas, make swift decisions, and drive execution. This might prove to be different from how carriers are traditionally run—by a conservative leadership that has a healthy respect for risk but can still drive growth because of potential advantages.

The team composition should also be inclusive, drawing from all functions—operations, sales, actuarial, finance, marketing/communications—that the change will impact. Involving IT only in early change management planning can

substantially impede the successful transformation of the organization.

The hiring strategy should strike a healthy balance in team constitution by attracting members who, while filling any technology gap, can ensure the relevance of the carrier by bringing fresh, outside ideas and perspectives to the team.

As these professionals will be working with internal teams, expertise—such as in group life insurance—is not as imperative as experience in relationship and management skills, that allow them to learn fast, adapt to change, and generate new ideas.

Where Strategy Should Focus

Carriers must also look at their sales channels and offerings, as any impactful change management should. Technology opens new doors: complex products that may have once only been accessible to brokers can now also be communicated to consumers, expanding the scope of interaction for carrier.

Communications is key to this transition. After strategizing, the leadership must effectively convey the value of transformation to its diverse teams. This would involve constructing a consistent narrative through confidence-building mechanisms right from conceptualization, as well as complimentary training to ensure the teams' investment in the organization's vision.

Additionally, a good change management strategy should be mindful of developments outside the organization to combat any threat of insular stasis. This could be addressed by collaborating with an external partner who can constructively inform strategy with relevant perspectives.

Any technological change, therefore, should not be considered in isolation—in order to fully transform into a carrier prepared to thrive in the digital world, change must be at an organizational transformation level.



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