



American Family Insurance Mobile Strategy

Project Sponsor

American Family Insurance

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Executive Summary

There is growing competitive pressure in the insurance industry from both traditional and low-cost (online) insurance providers. To maintain competitive advantage, American Family Insurance (AmFam) is continually exploring ways to improve the efficiency and effectiveness of its business practices, including those of its 3800+ independently contracted sales agents. Given the rise in powerful mobile technologies, AmFam is interested in gaining insight regarding how mobile technology can be leveraged to enhance agent capabilities and productivity.

In this project, our team performed an evaluation of current mobile technology and strategy trends to assist American Family Insurance in developing a mobile strategy to improve agent workflow and expand agent capabilities. This report presents our findings including an analysis of the current state of mobility of competitors within the insurance industry as well as leading companies in other industries. In addition, the report provides an overview of various workflow improvements that can be made to AmFam's current sales processes.

We present our findings around the following key elements of a mobile strategy.

- 1) Process – Mobile workflow and capability improvements
- 2) Technology – Devices, applications, infrastructure, and security
- 3) Organization – Adoption and implementation of a mobile strategy

Process

Mobility offers several process improvement opportunities for AmFam. Not only can agents reduce the cycle time for performing tasks, they can also increase the accuracy of their daily work and responsiveness to customers and prospects. In addition, mobility can significantly decrease travel time to and from the office by decreasing the dependency on internal systems. This will allow agents more time to focus on more profitable tasks such as selling and direct customer service. Along with the aforementioned benefits, increased mobility can also offer agents increased flexibility to better deal with unexpected challenges.

Technology

There are several devices and platforms that can deliver improvements to AmFam's agent workflow. Blackberry, with its RIM software, leads the smart phone space. However, Apple's iPhone and Google's Android have gained tremendous acceptance in the consumer space and this effect is starting to roll into the commercial space as many agents are choosing mobile devices for work that will also meet their personal needs. However, there are several challenges with supporting multiple mobile platforms. Because the platforms are not standardized, support of multiple devices places increased burden on internal IT departments. Limiting the number of

supported devices decreases internal IT support efforts; however, the tradeoff is decreased acceptance of the mobile technology, if the agents have mobile devices that are not supported by the company.

The level of security also varies across the devices and platforms. AmFam agents will be handling confidential personal, financial, and legal information related to its customers. Blackberry and Windows Mobile offer the highest level of security, whereas the iPhone OS offers security levels adequate for AmFam's business. The popular Android OS currently supports a lower level of security that may not be adequate for securing the confidential personal information managed by AmFam agents. Generally speaking, the insurance industry currently tracks outside industries in relation to the types of device and application security utilized. The most common security utilized by agents is a passcode to access the device (67% outside, 42% within insurance). Companies also require a passcode to access particular application or restrict mobile access of certain tools and applications.

Organization

Organizations looking to adopt and implement a mobile strategy will likely encounter education and financial barriers. For AmFam, many of the most valued agents prefer to run their business as they have in the past, without mobile technologies. Therefore, convincing these agents to invest and learn a new way of business could prove challenging. However, there is no question that mobile technologies can dramatically improve the insurance agent business. Therefore, younger agents looking to build their business are more likely to be early adopters of mobile technology. Either way, for a mobile strategy to succeed, support will have to exist across all levels of the organization.

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