Improving speed to market: Six paths to take
Six tips for achieving better speed to market in a consumer-driven insurance environment

What does speed to market mean in today’s world? For insurers today, the concept of speed to market has come to represent more than just how quickly they can develop a product. To succeed going forward, insurers need to define speed to market in broader terms — ones that encompass:

• Product development
• Geographic expansion
• Distribution channel diversification
• Customer service (perhaps most important of all)

In today’s consumer-driven marketplace, insurance companies must fundamentally change how they differentiate themselves.

In the past, they competed on product features, where a given product’s uniqueness could set it apart from the competition. Today, an excessive feature set can be a detriment.

Consumers expect to quickly understand the products and features available to them. Once they make a choice, they expect to initiate and complete an insurance purchase in a matter of minutes, especially when interacting in an online or mobile environment.

Products must be intuitive, simple
To offer customers and potential customers that kind of experience, insurers need products in their portfolios that are intuitive — quickly understood at the point of sale — and simple — enabling an automated underwriting and issuance process.

With the complex products of the past now difficult to market, distribute and underwrite, insurers can no longer rely on uniqueness for market differentiation. Products must go beyond the basics of indemnification to deliver continuous value.
This is at the heart of speed to market’s evolution. As the very idea of the product has expanded, so too must the concept of how an insurer can “speed” that product’s delivery to market and, later in the process, accelerate rate refreshes and other adjustments. For an insurance professional there are more ways than ever to improve speed to market — and offer better speed to value.

Here are six strategies insurers can leverage:

1. Empower the product owner

Successful product development requires both speed and the ability to tailor a product to the right market segments. The inability to accomplish these two tasks concurrently leaves most insurers with no choice but to follow, rather than innovate — as they attempt to grow geographically or break into new distribution channels.

From this perspective, speed to market and product configuration are inextricably linked. So improving speed to market is an exercise in limiting IT involvement in the product configuration process.

This can be accomplished by externalizing rules and calculations from administration systems. By empowering the business owner with as much control as possible over product configuration, insurers can reduce reliance on IT and make it easier to quickly tailor products for particular market segments.

2. Embrace an as-a-service mentality

Often, the biggest drag on speed to market is the upfront time associated with establishing and customizing a system for practical use. As-a-service solutions, by their very nature, do not require the kinds of large upfront investments that often cause those delays.

Insurers can shave months off of the typical implementation timeline associated with more traditional, labor-intensive approaches — by exploring a combination of Infrastructure as a Service, Platform as a Service and Software as a Service solutions that are available in the marketplace.

By leveraging the right mix of these managed services, insurers can transform their go-to-market strategy and free themselves to seize emerging market opportunities.

3. Consider human capital as part of your managed services

Deploying a full BPO solution represents perhaps the highest order of managed services, encapsulating all the benefits of other as-a-service solutions, but with the addition of human capital. That’s no small difference. In many ways, insurance is a unique and complex industry: It can be difficult to quickly find or develop workers who understand the business.

Effective use of business process services (BPS) couples industry-experienced service professionals with advanced technology to provide a continuum of service options, from standardized to highly customized. This approach gives companies of all sizes the ability to quickly access the same robust functions used by the industry’s top tier insurers.

4. Introduce Lean Startup principles

The advantages of an as-a-service approach are increased if an insurer introduces cultural and strategic changes that complement it. With an eye on maximizing returns with minimal risk, Lean Startup theory suggests going to market with a minimum viable product (MVP) that has no more than the core features necessary for deployment, then iterating until the product finds a foothold in the market, or becomes unviable.

When applied to the insurance industry, this strategy allows a carrier to quickly test if there is an appetite for a product — without incurring the large expenses associated with a full product launch. For new products, this limits exposure and lets an insurer test more products in a shorter period of time — increasing the chances that a new product will be successfully introduced. Beyond that, it also establishes a culture and a set of business processes that are optimized to quickly and effectively respond to customer needs. Then the existing product can be fine tuned, accordingly.

5. Leverage partnership

Many insurers make the mistake of only looking internally for reuse opportunities. Now more than ever, however, insurers can leverage the institutional knowledge of their partners to improve speed to market — through business process improvement and a more componentized approach to product lifecycle management.

DXC Technology’s Global Insurance Centers, for example, support approximately $7.6 billion in premiums with a technology-enabled BPS framework. A pre-built, insurance-centric BPS framework enables a DXC client to immediately “reuse” an extensive inventory of best practices and business guidelines, without having to acquire or develop the necessary institutional knowledge internally.

6. See the forest, not just the trees

New products, applications and services can often be developed and run more quickly using new methodologies and platforms. However, no single product, application or service within an insurance company runs in a vacuum. To achieve true speed to value, an insurer must take advantage of new
technologies within the context of their legacy environment — whose existing aspects quite often still provide a lot of value.

To accomplish this, it is important to focus on integration and the entire product lifecycle as a whole, rather than its discrete parts.

Software is important. Infrastructure is important. Ultimate success today, however, is predicated on the shift to an outside-in business and technology environment. By focusing on the entire product lifecycle, insurers can ensure they are absolutely committed to understanding their own products through the eyes of the consumer.

And big results will follow.

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3 [http://www.csc.com/insurance/offerings/11096]
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