



Cookson Walker Consulting

Maximizing Tech Returns

How brokers can get the most out of their systems

By Steven Frye and Chris Venn

Most brokers recognize that technology is vital to their business. Yet how often do they invest in technology, many with the expectation that it will solve organizational ills, and then are heard to lament “I’m disappointed with our latest upgrade or investment” and “our productivity is worse than ever!”

There are many analogies used when explaining technology. One is the comparison made to building a house or putting on an addition. When constructing a home or expanding one, blueprints are required as well as a projected time line, a list of homeowner preferences, someone to build the structure, and much more. With technology, you need many of the same things in order to succeed. Like a new house, investing in technology requires a plan with defined goals.

A technology plan should analyze current operations, identify the need for new technology, set measurable objectives and goals, establish budgets for equipment and training, and develop a detailed rollout for execution. These are really building blocks, with each step requiring time, research and careful analysis.

As well, every plan should be updated on a regular basis, especially when milestones are reached and can be measured.

Document workflows

To return to the construction analogy, residential electricians do not show up and start pulling wires in every direction. They pause, consider the shape and function of the home, and begin to route cables in an organized and consistent fashion. While stringing wires all over the house may result in delivering power to where it is needed, the results can be overshadowed by the amount of resources used and the time spent and trying to track things down later.

The situation is similar when dealing with technology. Frequently, an important step is been missed in the technology projects: Documenting the workflow or process mapping.

Process mapping helps make the workflow visible, and increased visibility will lead to a better understanding of the brokerage information processes and the work involved. While process mapping is used often as a business improvement tool in such areas as benchmarking projects and the orientation of new employees, it is also effective in identifying how new technology will affect daily workflow and hopefully enhance it.

The first step is to identify the main processes, such as new business, renewals, endorsements, claims reporting etc. Then an "as is" map should be made to describe the selected processes as they currently exist. This exercise in itself may highlight inefficiencies that technology won't resolve or will make worse, such as inconsistencies among staff in the way a new business application is processed: This is a training issue, not a technological one, and can be corrected before new technology is deployed.

After an "as is" map is created, then, with the assistance of your technology vendor, process maps can be quickly altered to demonstrate changes that will result from a change in technology. This will likely result in shifts in workflow and appropriate training can be determined.

The long-term benefits of technology require brokerages to adapt their workflows to the technology rather than the other way around. Sometimes the improvement is not necessarily in the change of a workflow but in a decrease of the cycle time to complete a given process.

A process that has been mapped with the technology properly applied will keep the heating bills down (in a matter of speaking). It will insure consistent application of your daily processing, the brokerage's productivity will improve and, by the way, you'll put a smile on your E&O carrier's face!

'Info-structure'

The foundation of a network, like a building, is critical to its long-term stability. And that's where having a solid "info-structure" becomes important – so called because it is the platform upon which all of the brokerage data and information will reside. It's important to stay focused on the data and how it will be used, rather than just putting systems in place.

Items that increase stability usually involve networking devices and servers, such as operating systems, hardware, communication devices, and appropriate wiring and data protection tools. This may seem like a fairly simple list but the differences between various systems and tools is significant. Considerations need to include the level of system fault tolerance, protection against viruses or other malicious software, tape backup and restore tools, firewall and virtual private network solutions, power management and protection, error correcting memory and much more.

Deploying the network foundation properly is crucial to ensuring network "availability," which is characterized as productive, real-time access to the computing tools that the brokerage requires to successfully meet business and client requirements. High availability must be achieved in order to make use of the applications you have chosen for your business.

Selecting, configuring and installing these technologies is complex and must be done properly and to fairly exacting standards. If you have the internal resources to accomplish this, by all means give consideration to managing your info-structure internally. But keep in mind that the ongoing analysis, management and support of the network will require consistent attention by a trained and experienced resource. More

often than not, brokers do not have staff that can deploy and support a network and need to look to the marketplace to find a team to support them.

It is vital to establish a support team with the training, certifications, experience and depth of resources necessary to deliver the required network availability. With a reliable network that is installed properly and supported professionally, you will have access to the information and systems your business needs, when you need it.

Integration

Are you able to successfully operate your brokerage using a single piece of software, one application? The answer, generally, is no because applications are specialized solutions designed to meet specific requirements. One application can't do it all.

With this in mind, start thinking about office automation in terms of a system rather than simply software. To truly automate a brokerage, a solution set of different tools is required in order to achieve peak results. If only some portions of the business are highly automated but other areas are not, then the result often lies closer to the lowest common denominator. Imagine building an addition to a house without HVAC or any electrical wiring.

Most brokerages have a brokerage management system (BMS) to handle core data processing, accounting, information storage, marketing and business reporting. However, true efficiency dawns on the day when offices optimize their business processes by deploying integrated, third-party tools.

A BMS without an integrated word processing tool would create real challenges for creating compelling documents for clients. Accounting analysis without the power of a spreadsheet may be weak. Sending faxes from the desktop, without having to print a document, create a fax cover sheet, travel to the fax machine, and wait for a confirmation, brings true efficiency.

Real-time, comprehensive integration with comparative rating is essential for personal lines success. Sending emails to the insured directly from the customer base with activity logged automatically saves time and mouse clicks. Attaching scanned images of key documents to customer policies can keep staff at their desks and processing, rather than wandering around the office looking for files.

These are just a few examples of tools that should be considered in order to get the most out of your systems. Optimization and integration seem to go hand-in-hand and can take "point fixes" and turn them into system solutions.

Training

The successful application of any technology requires training. You are never going to enjoy your new house unless you know how it works and where things are located. Everyone seems to understand this concept, but what does it really entail?

The first key to training is the technology itself. The easier it is to use, the easier staff will be trained. When choosing the technology, make ease of training a factor in your decision-making. Check out the vendor's support program for training and consider the experiences of those who have already bought the technology.

The second key is mindset. While those involved in the decision to acquire new technology will no doubt be eager trainees, others may be resistant -- because of a fear of change or hostility to someone else making the decision for them. The staff designated for training needs to be sold on the technology: How? Include employees in the decision-making process if possible, communicate the plan for the rollout of the technology, and involve them in the implementation.

Often new technology leads to changes in job design and functions. Staff members will feel less threatened by new technology and the training that accompanies it if they are shown beforehand how it will improve their daily functions.

The third key to successful training is financial commitment. Often the training required for effective use of new technology far exceeds a brokerage's willingness to pay for it. Research has shown that the best programs involve advanced training, training after the technology is installed and training on an ongoing basis, such as periodic refreshers. This can be expensive, but a way to leverage down the cost is to empower designated staff with adequate training and skills to manage in house training programs.

Keeping pace

As a homeowner, you probably know the benefits of a high efficiency furnace but do you know the SEER rating of the latest models? Similarly, do you need to know the model number of the newest, fastest processor chip available for a computer? Probably not. Do you need to know the next trend coming for sharing information across the Internet? Perhaps. Should you know what the next release of your broker management system will include? Probably a good idea.

Keeping up to date does not mean immersing yourself in technology trade magazines or making geek.com the home page for your Web browser. It does mean, however, understanding the next, emerging technology solutions that will be available and recognizing the relative business merit of those solutions. It involves keeping your broker management system at the most current release to avoid errors that have been fixed in a subsequent version.

Keeping current also includes staying aware of "best practices" -- the most efficient ways to make use of the technology you already have. There are many ways to stay up to date, with one of the most simple and effective being to maintain an open, ongoing dialogue with your system vendor(s) and other like-minded brokers. Participation in user group meetings is usually coupled with training sessions and can shed light on better workflows or functions that you have not been using in your software. It can also spark ideas for different approaches to doing business.

Similarly, communicating regularly with other brokers who use the same tools can be a powerful catalyst to finding new ways of using the systems you've already invested in.

Throughout it all, keep your vendors involved. Ask questions and get referrals to other brokers who are using systems in advanced ways. Get connected with people who can help. A little time can go a long way in discovering powerful ways to get more out of your systems.

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