

Collaboration Boosts Productivity for Generali Group

Executive Summary

CUSTOMER NAME

Generali Group,
Trieste, Italy (headquarters)

INDUSTRY

Financial Services/Insurance

CHALLENGES

- Customer satisfaction low because of difficulty contacting agents
- Productivity and speed of execution hampered by lack of effective collaboration tools
- M&A activities impeded by high cost of travel and inadequate collaboration tools

SOLUTIONS

- Reengineered and technology-enabled processes improved workforce productivity and accelerated business-model changes
- New Cisco IP telephony platform enabled unified communications, resulting in increased collaboration
- New IPCC-based call center improved access to agents
- High-speed video-conferencing system cut costs while improving collaboration effectiveness

RESULTS

- New solution increased agencies' network capacity by 40X
- Telephony costs were decreased by roughly 10 percent
- Call center productivity increased by 10 to 20 percent

Background

The Generali Group is one of the most significant participants in the global insurance and financial products market. Generali is the leading insurance provider in Italy, and Assicurazioni Generali (founded in 1831 in Trieste, Italy) is the group's parent and principal operating company.

Characterized by a strong international outlook and operating in 64 countries, Assicurazioni Generali has consolidated its position among the world's leading insurance companies and is ranked #47 on the *Fortune* Global 500 list with annual revenues of \$103 billion. It enjoys a strong position in Western Europe (its main area of activity), with significant market shares in Germany, France, Austria, Spain, Switzerland, and Israel.

In recent years, the company made a significant return to Central and Eastern European markets, and also set up offices in principal Asian markets, including China and India. The group widened its product offerings from insurance-only to include the entire range of financial and real estate services and asset management.

Business Challenge

Generali Group felt pressure from investors to deliver growth and returns more in line with those of leading competitors. The group started a systematic planning process with the goals of accelerating growth and innovation, improving operational performance, and optimizing capital.

As part of this strategic planning process, Generali assembled different workgroups for specific focus areas. Generali asked the Cisco® Internet Business Solutions Group (IBSG) to support the company in exploring ideas to drive sales productivity and enable world-class customer support processes—while at the same time reducing operating costs. Generali Group's CIO, Dario Scrosoppi, who led the project, says, "The reason to engage with IBSG was to gain access not only to Cisco's core capabilities in collaboration solutions, but also to IBSG's deep understanding of industry issues and processes, and its ability to adapt to our specific situation and culture."



Cisco Internet Business Solutions Group (IBSG)

Solution

The Generali project team and Cisco IBSG conducted a series of business workshops in four countries to evaluate how reengineered and technology-enabled processes could impact workforce productivity and help accelerate business-model changes. In these workshops, the project team identified a wide range of business improvement opportunities that address Generali's challenges, such as:

- Enhancing service quality for end customers through better-educated and better-supported agents
- Improving time to revenue by rolling out new products to market faster using web-based broadcasting solutions
- Increasing productivity of high-cost labor such as managers and agents, and enabling cross-border teaming for groupwide projects through new collaboration processes and tools such as e-learning, web and video conferencing with remote experts, and computer/telephony integration for instant access to customer information
- Strengthening infrastructure reliability and performance for better response times to front-line staff

Web technologies and collaboration solutions have been identified as the most important enablers of these process and productivity improvements. In addition, Cisco IBSG recommended a change from traditional telephony to IP-based unified communications (UC) technologies to reduce communications costs and strengthen infrastructure reliability and performance for better response times to front-line staff.

All findings were summarized in a business case for management to demonstrate how transitioning to new processes based on an IP collaboration infrastructure could positively impact Generali's business architecture and economics. The planning process revealed that the potential benefit to Generali Group was in the range of €100 million to €130 million per year. "With our concept, we could show the business units and IT organizations that the economic impact on our business model, core business processes, and productivity was about 10 times greater than a pure cost-saving view resulting from a change to IP technology," says Scrosoppi.

It became clear to Generali that the proposed new collaboration processes required significant changes in the network, which had been architected, governed, and operated on a country-by-country basis. An international team was formed to develop a blueprint for a new, groupwide network platform called the Generali Group Net (GG.Net). Cisco engineers were invited to support the

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Generali Group

Generali specialists early in the process. The Cisco engineers provided a full set of technical- and process-oriented best practices and ideas, allowing Generali to deploy advanced network technologies at low cost while providing maximum flexibility to the business units to develop collaborative processes.

Following the centrally developed business concept and network blueprint, several country operations of the Generali Group launched implementation projects to drive revenue productivity and reduce operational costs. The three following examples from Switzerland, Italy, and Germany illustrate achievements to date.

Generali Switzerland: Business Transformation Enabled by Unified Communications Infrastructure

Challenge

Generali Switzerland was struggling to improve its customer service. The organization’s obsolete information technology and telecom architecture were inhibitors to changing business processes. For example, if a customer called outside traditional European business hours, some agencies were completely unreachable. In addition, Generali Switzerland was building a new center for all administrative staff in the western part of the country. With this, the timing was right for the replacement of the backbone infrastructure and major telephony components, as these two situations alone justified an investment in new technology.

Solution

Cisco IBSG helped Generali Switzerland identify new processes to optimize its customer service. This required an upgraded ICT infrastructure, however. On the basis of the group business case, Generali Switzerland issued a Request for Proposal (RFP). Cisco IBSG created a plan that demonstrated how technology could best be aligned to meet the firm’s business objectives. Cisco IBSG recommended replacing the existing telephony and WAN/LAN infrastructure with a new UC platform that would improve business agility, enhance productivity, and increase collaboration. At the start of 2007, Generali Switzerland embarked on a two-year implementation of UC, consisting of 3,000 phones.

The new solution addresses both customer satisfaction and productivity issues. With UC, managing communications is significantly less complex because customers can reach Generali more easily than in the past. UC inherently improves the quality of service, which in turn increases productivity. The solution provided immediate business benefits:

- Call forwarding helps assure that customers always speak to the same person whenever possible.

“IBSG really opened our eyes to the potential of these technologies.

“When we considered other providers of UC, we realized that Cisco was more prepared for the future of UC. We felt safer with Cisco. Cisco has done a great job helping us, and we would absolutely work with them again.”

Marc Abbt, CIO, Generali Switzerland

- Immediate online access to relevant information through computer/ telephony integration helps agents respond to customers more quickly and efficiently.
- Fixed and mobile telephony integration enables flexibility and improves service.

Results

While 2009 is considered Generali Switzerland's first full year of operating with UC and IP telephony, initial results are outstanding:

- The new solution increased agencies' network capacity by 40X, and is now a prerequisite for future applications to serve agents better and improve sales productivity.
- Telephony costs were decreased by roughly 10 percent, driven by reduction of administration/maintenance efforts and on-net calls.
- The ability to implement organizational changes quickly has improved dramatically.

Thanks to a single global and standardized solution, the company has been able to implement the same quality standards across the entire organization. In addition, Marc Abbt, CIO for Generali Switzerland, estimates UC has enabled an immediate productivity increase. The efficiency and quality gains have been significant in customer-facing organizations, and as a result, customer satisfaction has increased. Abbt is pleased with the success of this project, which was completed within a tight schedule. Switzerland has become the first Generali subsidiary to implement UC across an entire country's operations.

Next Steps

Generali Switzerland's success with its new UC platform has spurred its interest in enhancing customer experience and gaining additional efficiencies. The business will continue to push for ongoing product/service innovation to improve customer service and differentiate itself in the saturated Swiss market. Internally, Generali Switzerland intends to capitalize further on the available technology to increase employee mobility and flexibility. Examples include changes in process (such as in the claims or sales organizations) to harness estimated productivity increases of up to 10 percent. The current solution also enables exploration of opportunities such as the merger of the internal switchboard team with the business unit (Europ Assistance) that operates the call center for Generali Switzerland.

Europ Assistance Italy: High-Availability Call-Center Operation Enables Business Growth

Europ Assistance Italy is Generali Group's global assistance service provider with operations in more than 200 countries and territories. In Italy, Europ Assistance Italy is the leader in assistance services with a staff of 1,000-plus employees. The organization supports more than 750,000 cases per year by offering emergency services for travelers, drivers, and homeowners.

Challenge

In the last few years, the complexity of Europ Assistance Italy's business has grown exponentially: new products and services were added to the portfolio; the number of calls from customers increased to almost 5 million per year; and customers' service expectations have increased substantially. For example, for a long time, customers communicated with the company only by phone. Today, customers want to use a wide range of communications channels such as email, instant messaging, and mobile-phone-based SMS alerts to make contact or obtain service. In addition, the number of external service providers (such as commercial car garages) that must be managed has grown to more than 3,000 to provide the best possible geographical service coverage for customers. Better collaboration with customers and partners has become crucial to grow the business profitably.

Solution

Central to delivering the core assistance services are more than 500 call-center agents who handle an average of 15,000 calls daily. To best support those agents at low cost and to keep up with the market demand, Europ Assistance Italy had to change its business architecture. Cisco IBSG worked closely with business executives at Europ Assistance Italy to develop the business concept. Core processes, such as mobilizing external service providers as needed, were reengineered. Some services were "offshored" to lower-wage areas of Italy. To cope with the ever-growing variety of product-related inquiries and increasing customer expectations for instant support, skills-based call routing was introduced, and the organizational structure of the call center operation was changed from a multipurpose operation to approximately 15 virtual centers.

Cisco IBSG recommended using advanced technology solutions to enable changes to the business architecture. The core of the new architecture is a highly available and reliable call-center solution operating 24 hours a day, 365 days a year, from two main sites. This has quickly become a competitive advantage when dealing with large customers such as car companies, which ask for 100 percent service availability. When recalling the internal decision to implement new interaction processes, Guido Buratti, CIO of Europ Assistance Italy, says, "We relied on the quality and innovation capabilities of Cisco. Since then, every year

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Guido Buratti
CIO, Europ Assistance Italy

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Results

Thanks to its new processes and technology solutions, Europ Assistance Italy enjoyed a call center productivity increase of 10 to 20 percent in the number of calls processed, with no increase in the number of agents.

"In addition," says Buratti, "we are better able to answer our customers' needs more quickly. We are also able to identify our customers' needs within a shorter period of time, and move them to the service delivery stage faster."

Next Steps

Due to ever-increasing customer expectations, better internal collaboration across organizational boundaries becomes even more important. That is why Europ Assistance Italy launched a project to become a "more web-based, collaborative company."

Recent events like the swine flu pandemic and the growing likelihood of weather-based natural catastrophes have led management to conclude that call-center agents should be able to operate independent of location—even from home. That is why Europ Assistance Italy currently runs a "homeshoring" pilot with 10 agents. If successful, this concept may be rapidly extended to further increase service availability as well as the productivity and satisfaction of call-center agents.

Generali Germany: Accelerating M&A While Securing Quality with Cisco TelePresence

To improve profitability of the German operations, Generali Group embarked on a merger of Volksfürsorge (headquartered in Hamburg) and Generali Versicherungen (headquartered in Munich) into one company in early 2008. The goal was to reduce costs by €80 million within the next few years. Through this merger, Generali Versicherungen will become one of the largest composite insurers in the German market with more than 6 million customers and income from premiums of more than €5 billion.

Generali Versicherungen had an aggressive timeframe for the merger. Operations of the merged company were targeted to begin on January 1, 2009 without negatively impacting production.

Solution

Frank Karsten, responsible for operations and service on the board of Generali Insurance, knew that intensive collaboration between Volksfürsorge and Generali

“Cisco TelePresence is a new type of experience. It allows far more effective collaboration than traditional video conferencing.”

Frank Karsten, Member of Executive Board of Generali Versicherungen, Germany

Versicherungen was necessary to achieve the plan and help overcome cultural barriers. He was particularly sensitive about merging the cultures of the two organizations—always a critical factor in a successful merger. Regular physical meetings between Munich and Hamburg would be too expensive and unproductive. Karsten started to explore video conferencing as an alternative for meetings—only to find that existing in-house solutions were not sufficiently reliable and lacked the quality of interaction necessary to build trust and collaboration among the teams.

Generali Germany Informatik Services, which had begun deploying Cisco Unified Communications, suggested exploring Cisco TelePresence™ because this solution would run on the same integrated Cisco Unified Communications platform that the company had already deployed. Karsten asked Cisco IBSG to help him identify a new approach to speed up efficiency in the merger and acquisition (M&A) process and to develop a business case, insisting on a conservative calculation that took into account only reduced travel expenses. The executive board gave the green light to implement Cisco TelePresence upon finding that payback would be less than three years in the worst case.

Results

Ten months into operations as an integrated company, Generali Versicherungen is on schedule to deliver the promised integration benefits to the market. Cisco TelePresence has become an important enabler of the new approach to M&A. “Our expectations are fully met. Room utilization is nearly twice as high as the business case assumptions and the average number of participants is higher than expected. Executives are excited with the ease of use and quality, and most important, they are pleased with the new form of collaboration that accelerated the integration,” says Karsten.

Next Steps

Based on current success, additional Cisco TelePresence rooms are planned for operations in Aachen and Hamburg, and the German holding company will install TelePresence in its new building in Cologne. Additional operational improvements are planned, such as replacing today’s concierge services with integrated electronic room scheduling.

Conclusions

Tangible business transformation can be achieved with a combined approach to process redesign and implementation of relevant enabling technology. Based on engaging with Cisco IBSG, Generali has been able to create tangible benefits in three main areas: improved customer service enabled by UC technology in Generali Switzerland; improved customer response rate and call center productivity in Europ Assistance Italy; and a new, more efficient M&A process using Cisco TelePresence in Generali Germany.

More Information

The Cisco Internet Business Solutions Group (IBSG), the global strategic consulting arm of Cisco, helps CXOs and public sector leaders transform their organizations—first by designing innovative business processes, and then by integrating advanced technologies into visionary roadmaps that address key CXO concerns.

For further information about IBSG, visit <http://www.cisco.com/go/ibsg>



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