

Sales and IT Strategy Places Lloyd Adriatico Ahead of its Rivals in the Italian Insurance Market

Executive Summary

CUSTOMER NAME

Lloyd Adriatico, Italy—
a subsidiary of Allianz Group

INDUSTRY

Financial Services—Insurance

BUSINESS CHALLENGES

- Retain market leadership in terms of profitability and return on assets
- Deliver growth in mature market for nonlife property and casualty products
- Improve productivity of employees and insurance agents

SOLUTIONS

- Optimize sales and distribution processes and roll out new business applications
- Develop IT model and technology roadmap based on industry best practices
- Connect point-of-sale systems via an MPLS platform and implement better call-center support

BUSINESS RESULTS

- Increased ability to cross-sell and upsell improves customer acquisition
- Enhanced customer experience increases retention rates
- Increased productivity due to streamlined digital processes
- Delivered headcount savings and further reduced costs

Delivering growth in mature markets is one of the toughest challenges facing organizations today. Yet one company, Lloyd Adriatico, has found the key to success. The company's sales and IT strategy has unlocked hidden value by optimizing the productivity of employees and agents, reducing costs, and improving customer acquisition and retention ratios. Best of all, the investment is expected to pay for itself within one year.

Business Challenges

Lloyd Adriatico is a subsidiary of the Allianz Group in Italy, a marketplace that is second only to Germany in terms of contribution to premium income and profit. The company is considered to be a benchmark in the insurance industry when it comes to key performance indicators such as profitability, return on equity, or combined ratio. These achievements are reflected by regular awards for outstanding performance.

This success is based on a comprehensive channel model and extensive network of more than 1,500 offices—including agencies and subagencies, banking partnerships, various claims, and trading offices—that enable disciplined underwriting, superior risk management and asset-liability management, and point-of-sale for life insurance and nonlife property and casualty (P&C) products.

Having established high levels of efficiency and market leadership, the next phase of the company's strategy focused on accelerating business growth for increased competitive advantage. Faced with a challenging mature market for nonlife P&C products, the company wanted to take advantage of this client base—of which roughly 50 percent included customers who purchased motor insurance only—by creating opportunities to cross-sell and upsell other products from its banking, insurance, and asset-management portfolio.



Oscar Borina, head of sales for Lloyd Adriatico, explains: “To achieve our vision for growth, we needed to optimize our sales and distribution network—making it more accessible, responsive, and interactive—in a way that would better serve our agencies, reduce time to market, improve real-time information flow, and stimulate new sales opportunities. IT was the key enabler in making this happen.”

Solutions

Lloyd Adriatico enlisted the Cisco® [Internet Business Solutions Group \(IBSG\)](#) to accelerate the delivery of this vision. “We wanted to enable the business to grow faster by developing a customer-centric sales engine to complement the company’s strong, technical capability,” explains Piero Azzalini, CIO of Lloyd Adriatico. “IBSG added real value to this process in terms of helping us to develop our thinking, prioritize, plan, and then rapidly execute on this opportunity.”

These initial discussions and subsequent workshops helped produce a strategy to offer increased access, improved levels of interactions, and better support for agencies.

Implementation started with the roll out of a new Multiprotocol Label Switching (MPLS) platform—based on the latest [Cisco](#) technology—and was implemented within just five months. A new IP contact center was created to provide a better customer experience through improved interactions and seamless, personalized service and support. This platform has enabled the company to bring to market new Web-based business applications to drive up sales.

The service connects 500 insurance agents and 1,600 point of sale systems, and is already proving to be a huge success. In the past, agents had to rely on local records and paper files to pursue policy renewals. New software applications now identify mature policies that are due to expire and integrate them with the company’s customer relationship management system to provide a complete profile of the client’s interests and needs. This information is delivered to agents overnight and includes a recommended proposal, which can be printed or used by agents to discuss other products such as cross-selling total recovery and breakdown services or upselling personal accident, home, or health insurance.

Once the sale has been made, agents have access to a fully automated sales-ordering process that provides immediate authorization of individual policies for motor damage or P&C coverage, eliminating the need for agents to wait in phone queues to speak to local underwriters.

“We wanted to enable the business to grow faster by developing a customer-centric sales engine to complement our strong technical capability. IBSG added real value to this process, in terms of helping us to develop our thinking, prioritize, plan, and then rapidly execute on this opportunity.”

Piero Azzalini, CIO
Lloyd Adriatico

Business Results

Development followed by rapid execution of its strategy has enabled Lloyd Adriatico to accelerate business transformation and deliver its vision for growth. The advanced sales and distribution platform enables company employees and agents to share and exchange information with customers in real time and, ultimately, win more business.

Increasing customer acquisition rates, however, is not the only source of return on investment. The platform improves productivity and responsiveness of agents and employees, enhancing the customer experience and improving customer retention ratios.

Maria Clara Grego, head of property and casualty for Lloyd Adriatico, puts these business results into context: “When you consider that the break-even point—the sales volumes needed to cover the project costs—would be achieved if we were to move our customer retention rate up by just 1 percent, then you can instantly see the business logic. We are on track to hit this target within 12 months.”

This success owes much to the way the sales and distribution network has provided improved access to re-engineered, streamlined business processes and new digital tool sets. For example, online administration and underwriting processes are now simpler, and the time it takes to issue policies has been cut in half. For the agents, these benefits also translate into increased satisfaction levels from using the new system, as well as offering a path to reduce their own overheads.

For Lloyd Adriatico, there is a clear correlation between these benefits and the company’s financial strategy: Improved productivity equates to a 15 percent savings in head count across headquarter functions. The transformation, however, goes beyond simple cost reductions.

“Those agencies using the network are consistently outperforming their peers by delivering higher growth rates and higher client retention figures,” says Bettina Corves, CFO and chief risk officer, Lloyd Adriatico. Early results show that the top 25 percent of agencies have increased cross-selling for the business by 71 percent. If we extrapolate and apply this trend across the whole portfolio, we can see significant positive top-line and bottom-line impact.”

Next Steps

Looking ahead, Lloyd Adriatico is well positioned to meet new challenges, including expected regulatory changes. The sales and distribution platform provides the agility needed to rapidly deploy new IT services and applications that will help ensure that it stays ahead today and in the future.

“When you consider that the break-even point—the sales volumes needed to cover the project costs—would be achieved if we were to move our customer retention rate up by just 1 percent, then you can instantly see the business logic. We are on track to hit this target within 12 months.”

Maria Clara Grego, head of property and casualty
Lloyd Adriatico

More Information

The Cisco Internet Business Solutions Group (IBSG), the global strategic consulting arm of Cisco, helps Global Fortune 500 companies and public organizations transform the way they do business—first by designing innovative business processes, and then by integrating advanced technologies into visionary roadmaps that improve customer experience and revenue growth.

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



Americas Headquarters
Cisco Systems, Inc.
170 West Tasman Drive
San Jose, CA 95134-1706
USA
www.cisco.com
Tel: 408 526-4000
800 553-NETS (6387)
Fax: 408 527-0883

Asia Pacific Headquarters
Cisco Systems, Inc.
168 Robinson Road
#28-01 Capital Tower
Singapore 068912
www.cisco.com
Tel: +65 6317 7777
Fax: +65 6317 7799

Europe Headquarters
Cisco Systems International BV
Haarlerbergpark
Haarlerbergweg 13-19
1101 CH Amsterdam
The Netherlands
www-europe.cisco.com
Tel: +31 0 800 020 0791
Fax: +31 0 20 357 1100

Cisco has more than 200 offices worldwide. Addresses, phone numbers, and fax numbers are listed on the Cisco Website at www.cisco.com/go/offices.