

Better Together: A Business Case for Outsourcing Multichannel Communications

Advances in technology and rapidly changing consumer expectations are forcing insurance organizations to re-evaluate their policyholder communications strategies. To keep pace and stay competitive, organizations often outsource their transactional communications to a provider that can better manage the increasing complexity and security demands of document production and delivery through multiple channels.

Many insurance organizations have formed strategic partnerships with providers that offer the most advanced technology and the resources that help reduce costs, enhance the policyholder experience and facilitate migration to digital document delivery. According to the 2018 Keypoint Intelligence-InfoTrends study, “The Value of Customer Communications Delivery Forecast 2017-2022,” roughly 60 percent of organizations outsource production and distribution of transactional documents, and that is expected to grow to 75 percent by 2021.

While migration to digital delivery is a common strategy for reducing costs, organizations realize they must consistently provide quality interactions across all channels to drive greater policyholder experiences.

Balancing multiple communication methods, and the required infrastructure, can burden insurance organizations, diverting focus and growth from their core business.

Navigating Change Together

Multichannel document production and delivery are increasingly complex. Insurance organizations must accommodate policyholder preferences, new security concerns and technology advancements. As a result, many organizations have determined it’s neither prudent nor practical to invest in document development and management. In-house production operations face too many challenges, including:

- Quickly advancing technology that makes equipment outdated before it’s fully depreciated
- High real estate and labor expenses, particularly during workflow peaks
- Increasing legislative requirements
- Digital adoption and decreasing print volume

Individually, those challenges are manageable. Collectively, they are formidable. Organizations run the risk of negatively affecting policyholder experiences and business performance if document production and delivery aren’t among core competencies.

The cost to stay competitive and engaging can be too much for some organizations to bear alone. By outsourcing transactional communications, three key benefits emerge:

The Reality of Digital and Paper for Insurance Bills

Consumers receive:

37%

Statements by mail

35%

Both paper and electronic statements

28%

Statements electronically

Source: Expectations & Experiences: Household Finances, Fiserv, 2017

1. Reinvestment

Outsourced partners acquire and maintain the most current hardware, software and facilities, as well as the required supplies and personnel. Outsourcing nearly eliminates capital requirements, maintenance agreements and real estate commitments dedicated to document production, so capital and head count can be reinvested in the core business.

2. Lower, More Stable Costs

Physical mail often becomes a target for cost-reduction efforts. Rather than wipe out a channel that's still important to many policyholders, a reliable partner can help reduce costs and optimize the communication experience across all delivery channels.

An outsourcing partner can purchase cutting-edge technology and supplies at significant discounts compared to in-house operations. That makes the cost-per-document lower and more stable for organizations because they are not burdened with large capital expenses such as labor, real estate and equipment, especially during nonpeak periods.

3. Advanced Capabilities

Cost is only one part of the equation. By outsourcing, organizations also gain access to greater features, functionality and equipment. A proficient partner can guide organizations toward best practices and provide the most advanced tools and techniques for personalization, rules-based targeting, color use, tracking and reporting.

Partnerships can make new things possible, enabling organizations to create sophisticated and enriched policyholder experiences across a number of document and delivery channels.

What Consumers Want

83%

Utilize My Preferred Channel

46%

Make It Relevant and Personal

34%

Make It Easier to Understand

26%

Make It Colorful

Source: Annual State of Transactional Communications Consumer Survey, Keypoint Intelligence-InfoTrends, 2017

Picking the Right Partner

An experienced partner can help meet a variety of business needs, all while managing shifts in volume, resources and channels. Consider these factors when evaluating potential partners for multichannel communications:

Security

Beyond maintaining content and operational control, organizations must safeguard policyholder privacy. Trusted partners should have best practices for security, including third-party security certifications, to ensure protection of policyholder information. An outsourcing partner can also protect its client's assets and ability to operate in any conditions.

Access

Organizations should have 24/7 control of and visibility to policyholder communications through a secure, web-based client portal that allows them to create, review, change and track documents at any time. Additionally, they should be able to easily view all aspects of the document process, including statement samples, production reports, inventory details, postage reporting and more.

Integration

Organizations are challenged to make the communications experience seamless for policyholders, regardless of the document delivery method.

Organizations should consider a single partner that can simplify the process by supporting all communications needs – from data composition through delivery and archiving – to achieve a cohesive experience for policyholders and internal stakeholders.

Communications Can Do More

Policyholder communications have a businesswide effect, from revenue to compliance. Additionally, every interaction is an opportunity to support the brand and consumer-engagement strategies. Rather than view document production and distribution as a cost of doing business, consider how communications could advance the business. Could color reduce call center volume? Would personalized cross-selling offers lead to more sales?

Responding to those business challenges and meeting policyholder expectations isn't easy. To push toward a new kind of experience, many insurance organizations are turning to a single-source outsourcing provider to reduce costs, enhance policyholder experiences and drive seamless migration to digital document delivery.

About the Author

As director of product marketing at Fiserv, Chris Chronis is responsible for product marketing and consumer research for Output Solutions. Chronis joined the company in 2009. He has spent more than 30 years in the financial services industry, including 20 in the customer communications management segment focusing on marketing, competitive intelligence, strategic planning and product development.

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