Transforming the Agency Model in a Digital, Post COVID-19 World

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Presented by:

Christoffer Erichsen, CEO & Founding Partner, Human Inc.

[00:00:00] Welcome and thank you for joining us for today's webinar on Transforming the Agency Model in a Digital, Post COVID-19 World. I am Bernadette Nadeau, Assistant Vice President, International Operations for LIMRA and LOMA and I will be the moderator for today's presentation.

[00:00:17] Before we begin, I would like to take care of a few housekeeping items. To ensure we can hear all of our presentation today, we have muted all of the microphones. However, you are welcome to participate in asking questions by using the Q&A box that you will find on the right-hand side of your screen. We will do our best to get to as many questions at the end of the presentation during the Q&A. If for some reason you do not see the Q&A box, try to click on the three floating dots you will see at the bottom of your screen when you hover the mouse and that will bring up an option box to add the Q&A panel to the right-hand side. Also, please note this webinar is being recorded, so for anyone who is not able to attend a live session or might like to refer back to anything you have heard today, I will release a copy of the recording and slides later this week. And now with that, let's get started.

[00:01:09] Today's speaker is Mr. Christoffer Erichsen, CEO and founding partner of Human Aid. Originally hailing from Denmark, Chris has been on a mission to help corporations and organizations around the world humanize business for the last 20 plus years. With everything that has happened across the globe in 2020, this mission has been further elevated in urgency and importance. Today, he will be sharing exactly what it means to humanize business and how we can enable it within the agency model and insurance. Chris, I will hand the platform to you.

[00:01:37] Thank you so much, Bernadette. I really appreciate the invitation to speak here and was actually blown away to see how many insurance leaders and professionals from around the region decided to spend the morning with me here. And so, thanks guys for joining and I am really excited to share with you. When, more importantly, get some discussion going and some questions and input from you. So this is going to be a very, you can say, interactive and relevant webinar for you. Maybe a short introduction of myself at a personal level. You can see that there is some food here in the picture. So, on the far left is basically what we eat for breakfast in Denmark, where I hail from. And when I landed out here in the region 15 years ago, I discovered that there are many ways to have breakfast and maybe our immolation and Singaporean colleagues joining can recognize the loss of the mark, which is not my favorite breakfast. So, I've learned a lot here as well. Maybe a little bit about my background so you kind of understand where I'm coming from. I am basically very passionate about humanizing business and what that means is that I get to work with the corporate leaders around driving innovation strategies or really figuring out what is a customer centric strategy look like now. And if we need to reskill our people and build a more innovative culture and a culture that is more interested in customer experience and being relevant and constantly revamping what we are doing, how can we actually start doing that and not just saying it? But, we are doing it. And, often that then links with working on specific new solutions or revamping old offerings in different touchpoints, et cetera. I will get a bit more into this in detail later in the webinar, but this was more to kind of give a flavor for the sort of work that we are blessed get to do with colleagues like you.

[00:03:23] Basically, in terms of organizations we work with, it's a very wide set of stakeholders. Not only in a life insurance or insurance, we have seen banking, airlines, fast-moving consumer goods. Many, many different industries are super interested in these questions. And we actually see a lot of similarities in some of the organizational challenges and some differences, of course, in terms of customers and market and competition. What I will really be sharing today is kind of starting a little bit with making sense of where are we now? And that is also where I need some input from you guys. What are you seeing out in your markets and your organizations with your customers, your agents? But then quickly moving into so

what is the empathy opportunity and how can we kind of dial up empathy to really listen louder and hear what are the opportunities in the market and how can we use the sign and grips from the design world as business leaders, as insurance professionals to design better journeys, better experiences, new solutions, new products. So why is empathy so critical in the next normal? Basically, you could say that when we look at what's going on and what has been going on with COVID in the last couple of months, we are seeing a massive negative impact on the markets overall in the region. And what we are curious to hear from you is, in a sense, how does that translate into life insurance and your organization's expected 2020 results? And then my colleague Wilson is going to help with that…on to Wilson.

Question 1: Please rate your estimated impact of COVID-19 on your organisation's FY2020 results?

[00:04:53] Thank you, Chris. Yeah. Good morning. If I could invite everyone on during the call to open their phones to Menti.com or you can open the multimedia viewer on the right side of the WebEx panel and enter five, six, seven, eight, six, five. That should bring you to quick vote. All right, Chris, I am seeing some results coming in.

[00:5:21] Exciting. And just how many have we gotten so far?

Exciting to see some colleagues are getting revenue growth. That is the kind of news we want to hear! We are also seeing a lot of colleagues have very negative impact so far. We will wait just a little bit more to get a few more results coming in. I think this is almost like election night or something. So let us see here. Definitely, the majority has had a massive hit of between twenty to forty nine percent revenue-loss. Some even more than 50 percent with also a fair number, eleven of them having between seven and 20 percent revenue loss. So that, I think, is the overall picture that we can see and that was also kind of what we have been hearing from the market. I have been speaking with a few insurance leaders in the last couple of weeks, and I am hearing similar kind of trends and cost reductions being necessary, et cetera. So, you can see we still have a few more coming in, but, I think we can we can already kind of see a clear trend here. So I think we can pop back to the slides.

So if you can make me presenter again. And just waiting to look here. That does not seem to be showing yet. Could you help make me the presenter?

[00:07:04] Here we go. Right, so basically what we are seeing is in a sense that when we are worried about our jobs, when we cannot go anywhere, when we are worried about cash flow as private individuals, obviously insurance might be the last thing on our mind. At the same time, there may be a rise in claims due to COVID, but maybe also overall more focus on health, which could potentially in the longer term, become an opportunity to see increase in latent demand. Will people become more health conscious, more invested in these questions around well-being, et cetera? So these are some of the kind of shifts in trends that we are seeing. I think a lot of the corporate leaders that I am mentoring and working with, we see there was kind of initially a bit of a kind of panic attack. How are we going to work from home? What does this mean? How can we preserve cash flow since the sales are down? So this was kind of a lot of the focus was just getting through the day of the week. What we are seeing now and this is very important, is kind of moving from defending to attacking, saying what are the actual opportunities for growth? How can we boost customer experience? How can we use empathy and design as a way to do that? And that is very much, I guess, also why so many people signed up for this webinar.

[00:08:16] So what is really then the empathy opportunity? Well, when you see by industry leaders investing customer experience, also amongst friends known as CX customer experience, is because eighty-six percent of buyers are willing to pay more for experiences that have a good customer experience. Twenty-two percent, and this is very relevant for insurance, are of engaged policyholders are more likely to want to buy the product, another product or upsell. So this is, of course, something that could be quite interesting to see. How can we actually increase that engagement? On the more scary side, on the far right in the slides is that only one in 26 customers who experience a poor customer experience will complain. The rest will just kind of shrug their shoulders and say, well, this sucks. And maybe they'll tell their friends, they might share it on social media, but they are not going to tell you. So, unless you make a proactive effort to find out where and when you suck, and most companies do somewhere, unless you obsess around that, you are going to have customers going through your experiences, not telling you. And basically being very unhappy.

So this is in a way, why a lot organizations are so focused on this. is because customer experience itself is in a way, what you are selling and it's your only competitive advantage.

[00:09:29] When we look outside insurance, we also see brands like Apple, for example, that have spent a lot of money and have really been very clever around how do you build experience and then essentially saying maybe you are not selling insurance or life insurance or even the financial protection, maybe you are selling the experience of financial protection or health or well-being. So how could you redefine what business are we actually in and what would it take for us to get people to line up before the next insurance product is launched, as they would do with Apple products? Of course, I am not saying that that is necessarily possible, but at least as an aspiration is interesting to ask ourselves about what would excite our customers and what would create delight, joy, relevance, feeling cared for, etc.? Frankly, when we look at the experience from the customer's vantage point, it is a fairly fragmented one. Where many, many different stakeholders are involved in delivering that experience to us as a customer, you just see one brand, but we know internally in the organization that of course, there are many, many different perspectives, different KBIs and sometimes the individual department of function might win, but the customer might lose.

[00:10:38] So these kinds of fragmented journeys where touchpoints, experiences and communication are not linked well together is creating a lot of friction where we in a way asking our customers to go through extraordinary leaps just to do business with us. This breaks the flow; this kills the party. You can say when things are not clear, when things are not meaningful, when they are not relevant to my situation, you do not understand. Part of this can also be based on misaligned targets and incentives. So, for example, in one of the organization I work with, I heard these issues around that the agents, their sales targets drew a very aggressive sales effort, which in a way led to products being sold that maybe should not have been sold or not being explained the way they should have. And therefore, having very poor retention later. And this is obviously, in the long run, a very expensive way to deal with your customers. So in a sense, you can say there's been a lot of focus on digital and digitalisation has been accelerated by COVID both because of the low touch

economy, but also because of these questions around how can we actually rethink new models and experiences.

[00:11:44] But sometimes there is too much focus on what can be done, what is technically possible, and not enough focus on what is desirable. What is it actually that the human need that technology needs to support and that we need to make sure is viable? This is where these kinds of Venn diagrams need to be pulled together. It is often sometimes when we start new projects, hard to see how do we make these things possible. Which technologies would actually deliver on human needs as opposed to a cool biometric feature or some A.I. that we can implement? Yes, sure, but what is it actually that the customers want and are they all the same? Or, should we actually have different journeys for different customers? So, this is really where empathy becomes a core insurance skill. We all have that innate human ability to share and understand emotions of others. I am not sure why it is when we go to work that we may be dialed down a switch it off completely. Certainly when it comes to the insurance industry, there has been a tendency to maybe be a bit too much looking from inside out on the market as it was just switching the perspective and looking at ourselves from the customer's vantage point and trying to sit in that chair, walk in their shoes, walk down that journey and see how does that actually feel if your mother was ill or if you had just been diagnosed or something else terrible happened in your life. This is where empathy is such a key skill. Now, we want to hear from your empathy and so Wilson is going to help me with that. So, if you can take it from here, Wilson.

[00:13:11] Sure, Chris, thank you. So for the second poll today again guys. So I invite you to open your phone to menti.com, fill in the same code.

And the Web link is still an menti.com and the code is five, six, seven, eight, six, five. Exactly, so grab your phone.

Question 2: Which customer trends have you noticed in the past three months? Have you seen increased sales inquiries? Have you seen increased claims and customer support? Have you seen increased engagement through digital platforms, perhaps decrease customer retention or persistency issues

or increased customer appetites or maybe talk with agent and maybe they are more worried or interested?

[00:13:59] Exciting seeing the numbers coming in here. And, this will show us an average of all of the answers, obviously. On the right, we have people who agree with these trends and on the left, we have folks who do not. And we are still seeing the numbers coming in. And how many answers so far, Wilson, can you see that? We have 43 and raising. We have 50.

Very good.

Just give it a couple more minutes, seconds for more answers.

Exactly.

[00:14:37] So, I think we can already kind of see a trend here where increased sales enquiries is not something we have seen much of. So that is maybe also related to the fact that they were hit on the bottom line. Increase claims, we see some validation of that trend, but not super strong. The strongest one we probably see validated here is increased engagement through digital platforms. The customers are sitting at home are maybe worried about meeting in person and they want to use the digital platforms more. So are we ready for that? And how good is that experience? Just because they use the platforms does not necessarily mean that they are served well. You can say in essence, that is the challenge of automation and that digital service is can you make it as good or better than it would be in person, not make it cheap and worse? We also see kind of some validation of decreased customer retention or persistency issues, as well as the appetite to talk to agents is somewhat there, but not super strong. So, it seems that the increased digital engagement is the main trend we are seeing and also that sales is being hit to some extent. Yeah, thanks. I think we can go back to the slides again. You can make me a presenter. There we go.

[00:15:55] Excellent. So as an example of these kind of changes in the market and how you can respond very quickly, I was quite impressed to see Tencent and

Wesure in China basically providing insurance for volunteers was part of this response against COVID to see there is a specific group here. It is probably not a massive market, but from you can say CSR and maybe also regulator page is probably important to show your responsibility as an insurer. But also seeing there could be other micro-markets like these where changes in behavior, changes and needs and a quick response would be very worthwhile. The other one they did, which was very interesting. Again, not a massive group, but an interesting play was that folks who had already been cured for COVID-19 were actually not. They were classified as high risk and could not therefore not be insured for the following two years. So, they created a special product for them. So these are examples of kind of having this kind of ear to the ground and noticing what is going on, but also the agility to quickly identify what is the need. What is the solution? How can we roll this out? How would it be relevant? So you can say that on the one hand, there is discovering what new things are needed within our market space, but also in what ways should it be delivered? It could be that it is the same old need, but it needs to be delivered through a digital channel like we heard from your responses.

[00:17:18] So, for example, we have been noticed AXA doing this where they have accelerated the telehealth rollout to support people dealing with social distancing, lockdowns, et cetera, through Halodoc, MyPocketDoctor, etc. So in a way, you can see the signing for a low touch market where customers want to engage more digitally and not have to go to the clinic, not have to go and talk with people and agents in several branches. So these were kind of a few examples. Now to the big question around how can we actually use the sign to transform business and how can we use the sign to unlock this kind of empathy opportunity? So just to kind of take a little step back, what is the sign really that some people might be thinking of the sign of watches or cars or things like that? But, the sign is really a practice that is moved from you can say only the creative space into business in a very big way in the last five years. Basically, you can say that the sign is about transforming a current existing condition into a better one, making things better. Making things better you can say.

[00:18:19] So many of us can probably remember back in the day before Grab and Uber where we would have to go to the street to hail a cab to get to that stressed

morning meeting or back from it, trying to call, waiting, where is it, uncertainty. And, based on that observation of a customer's unmet need, folks came up with solutions like Grab, Uber and many other ride-hailing services. But, what they did was not just making the old thing of getting a car easier. They also discovered that people would rather pay without cash. People would like to be able to predict when they arrive. People wanted to maybe be able to share a link to the person that they are meeting or maybe the daughter to the father who is worried about her safety and going back from cinema late at night. So, they discovered all these kind of latent needs that the taxi services had never discovered even though they had been in business for years. Maybe this could be some similarities for insurance. You can say that maybe we are assuming we know what the needs are, but the world is changing every day and very rapidly. And, what are the other things we could do apart from just making the whole thing cheaper, faster and better? What is the other better? What could be other things we could do? And, that is where the sign really helps us to kind of go in and challenge our own assumptions and understand from the customer's standpoint, from a user's standpoint.

[00:19:37] It could even be from an agent standpoint or a managing partner standpoint, healthcare providers, etc. How do they understand the situation and then bring in creative problem solving to do that? So there is some, of course, a little bit more to it than that. There is a process with different steps that I will be showing shortly. There are some tools that you can use. We are not going to go super deep into the tools, but we will look a bit at one of them. There are some techniques, but deep, deep down, it is a stupid mindset where you can say if you think and believe that you can make the world better, that you can make an experience better, then you are right. And if you think it is impossible. No way can we make insurance better? It is what it is. It is impossible with my board, with the regulators, with my boss. No way this will ever change. Then you are also right. If you have given up in advance, surely it is not going to change. So I think we need a little bit more excitement. We need a bit more courage. And we need to think much bigger to find those breakthrough innovations that can help change the stance we saw before in terms of revenue.

[00:20:35] The good news is maybe if your CFO is asking, you know, if there's any CFOs on the call or other people interested in money, is that the sign actually makes more sense. So the Design Management Institute basically researches and quantifies the value of the sign. The value out of the sign for businesses. And what they found was that compared to the S&P 500, design-driven businesses had a 219% better return on investment. So this also means that companies that apply to the sign, not just for the logo, not just for the Web site, but strategic design overall for the organization outperforms those who do not. Funny enough, when they kind of looked at which organizations did this, there was not any insurance companies shown to do that in 2014. There might be new reports coming out soon. So I am not sure. But basically, you can say that there is still this question around what would it take for an insurance company to come in here and rub shoulders with Coke and Apple and other players like that? Right, because experience is so important. Now, of course, all the insurance tech startups are already using design in a big way. And we are also seeing how they are taking each of these experiences exactly like the example I gave before from Grab and Uber on transportation.

[00:21:54] They are looking at what are the challenges that customers are experiencing inside health, but also outside health. So you can bet your last dollar on that they are using these methods and you guys cannot afford not to see. A lot of what we have seen is also that they focus very much on making life easy. It is kind of a keyword. But what is easy? No one is, I am sure, no product manager or head of product is going to say to his team, could you build a difficult product there? Right. So how come it is not? Everyone says it should be easy. What is easy for who, when and where? So understanding what easy means and all those different contexts for different types of customers with different needs is a key answer to this question of what is easy. One of the tools in design thinking that is very powerful is known as the Customer Journey Maps. Customer Journey Map maybe you feel free also to ask in the chat if you have any questions as I go through here. Customer journey maps may be I love to hear if people are using customer journey already. Finding challenges with them. For those who are not familiar with customer journey maps, I will share a little bit more.

[00:23:04] Basically, you can see it is a visual representation of every experience that the customers have with you. And it helps too in a way to tell the story and visualize that experience with your brand. From the origination of the first need, they have the trigger that makes them want to do business with you into hopefully a long-term relationship. Hopefully, they are not some of those that would leave you and shake their head. And there are many touchpoints. And when you start mapping it out, you think you might think, you know. But every time we do this with business leaders, finding touchpoints or problems in connecting touchpoints that no one had really seen and everyone was doing their job and marketing and sales, I.T., call center, et cetera, but when you started talking to customers, you started discovering all these small misunderstandings, certain situations that had not been addressed right where you actually needed to rethink the experience. So, a way to think of this is in a sense that this is stimulus. Someone says, actually, I should have better coverage for something. I am worried my friend had the disease. Maybe I should also, I am getting older or whatever it might be, some article that they read that creates that awareness. And already there you can say, what can we do to raise that?

[00:24:12] And that is typically what every one of us will do, is when we have a problem, we'll take out a phone and we say, "Hey Siri or ask Google what are my options?" So that's also why it's called social discovery. And this is kind of our Siri moment of truth where we start realizing that what is my problem? Is it really a problem. What are the solutions available out there? Who are the providers? And when they then land on some the asset that you have, that is where we can call it the first Moment-of-Truth, where they say, oh, Insurance Company A can do this and Insurance Company B can do that. So that's also where that consideration of purchase takes place. And we are asking friends and family, but also seeing from the social ratings of different service providers often play a big role. The second Moment-of-Truth is then a series of experiences that your customers will have with you. So it is not like one moment only. But all these experiences you put together becomes, in a way, the ultimate moment-of-truth, which is how they see your overall as a brand. So all these different touchpoints I showed before, all these different players, will influence that kind of ultimate evaluation that they have of you as a brand.

[00:25:19] And if any of you have a favorite restaurant, it is probably because of all those experiences you have had with that restaurant that you keep coming back until one day they maybe mess up. And actually, maybe you do start changing or because you had so many good experiences, maybe you can put up with one mistake. What happens now is that those final moments are ultimate moments get shared online, which means that the next customer who is going through this journey will be influenced by your experience and vice versa. So that is also why we call this the social customer journey. So, for example, we can imagine Shah, who is a 64 year old retired business owner, maybe he has a pretty good insurance experience until he needs to make some claims and he was surprised that there was something he did not understand or something that he thought he could get covered and was not covered. And maybe he had a kind of lukewarm overall experience with insurance products. Charlotte, on the other hand, maybe had a bad sales experience, but ended up getting the solution she wanted and overall was maybe happy.

[00:26:18] So it is not to say that you can't change the ultimate moment-of-truth, but it is to say that we need to care about every point. And obviously, the more knows we have, the more red dots we have, the less likely we are to have a green one at the end. But we could even use this to look more internally as part of our value change, to see, for example Lee here is a thirty-seven year old life insurance agent. Maybe he got some unqualified sales leads and maybe he was frustrated with that handed over for marketing, perhaps and he was wasting his time or it could be that then there were some misunderstandings. Complex property products meant that customers were unhappy, confused, or feeling cheated. So these could be examples. I see there was a chat question here.

[00:27:08] As I said before, I think I have covered it plainly. If you have any questions, please put them in. So there is a question here from Surapon who is asking how do I discover latent customer needs for my agency business? So, that is something I will get into it in just a moment. Because when you look at this, this kind of journey, you can say that it is actually fairly complex when you start mapping it out. You start looking at not what systems have we got, not what flowcharts have we

built internally, but rather when you actually almost like, put a camera on the head of the customer and you see what are they actually doing online search, comparing clothes, browsing reviews, checking with friends, you know. There are many things that they are doing and cross multiple touchpoints, some physical and many digital. There is some control by you guys, some on social media and through partners, et cetera. So, that is when it becomes a bit more complex. I am not going to dive into all that complexity because of course that varies from company to company. But, I think the key point here is that when you have complexity, design thrives because it is when you have this complexity, you need to actually separate patterns and see for this type of persona. This is the journey for this type of persona. That is another journey.

[00:28:19] How can you make the touchpoint on social media more relevant? How can we work better with our partners? And what opportunity could there be to maybe partner with some of these interesting folks, for example, or other players in healthcare? So maybe back to this question on how do you actually find latent needs? The first step is basically finding relevant users who are the right type of customers to target, listen to them, interview them, observe them, study them, obsess about their lives and the situation to discover unmet needs. Next is mapping those out and generating ideas and getting a wide set of ideas and maybe bringing in a diverse set of people to generate those ideas. There are also people who are maybe not so used to insurance, and the usual way of doing things can be useful, even working with maybe students. This is people from other industries can be ways to kind of co-create solutions. Signers creating quick prototypes, quickly visualizing the solutions without knowing whether it is going to work or not, and maybe building several different visualizations of the solutions and testing them with real users to get feedback and to learn and iterate, maybe scrapping the idea altogether and going back to generate new ideas, new understanding, because we thought this would work, but it did not. So when you do this, you save a lot of money because it's a lot faster.

[00:29:37] So that is why so many companies have a place to start thinking. You develop products faster. You think of a much wider set of problems. You think of a much wider set of solutions, and you quickly validate whether those problems and

solutions are relevant for customers before even building them. So this is also where you can say there is a lot of cost saving, but also speed to market. So basically you can say that by embedding these kind of research practices that many insurance companies have relied on market research companies to do. I actually think that is a bad idea. I mean, in some instances it can make sense, but you need to at least have the capability internally to do this because you need to do it much more often so it becomes more expensive relying on a marketing research market research companies. But also you need to actually have that empathy. And if they are the ones who have the empathy and they give you that report, your people in I.T., who are building the solution, your people doing partnerships, your agency enablement, functional, wonder if they do not actually understand it, if they did not actually talk to the customer, if they did not hear it. Maybe there is some things lost in translation. And also when things do not work or you are trying to activate it, if you did not have that kind of database of interviews and experiences built it, it is harder to isolate and come up with better solutions.

[00:31:00] So that is in a way back to answer your question. One of the key ways that you can discover these kind of latent needs. After I have shared this last piece, we can see what other questions are there. I can also dive in a bit more. So there is kind of four steps that you can take us as leaders, as organizations to drive this type of discovery. This type of a boost of customer experience and relevance. The first one is more at the strategy level saying create a customer centric strategy and product portfolio. So let us not just assume this is what we have to sell; this is what we have always been selling. Let's really make sense of what is it that customers want now and how can we be different? So, DIFFERENTIATION also, I think, is often missing in the insurance industry. Next is the PRIORITING CUSTOMER EXPERIENCE and really making something that is key and that everybody understands. No matter what part of the organization they are part of and being very clear about based on our research, what is it that we want to innovate? What is it that we want to make better? Setting up a CX task force where you bring all these different stakeholders together.

[00:32:04] It takes a village to raise a child they say, right? So it also takes a whole insurance company and partners to actually create great customer experience. So

how can they both be aligned, but also ensure that everybody knows what part they have to contribute and what they should expect from each other to hold each other accountable.

[00:32:20] So this is also a little bit about driving that kind of continuous improvement of CX goals to not say, oh, now we have done customer experience, what is to continuously be unreasonable and keep pushing to make it better? The next part is then culture and people in leadership, because everybody are familiar with over the saying that culture eats strategy for breakfast. It probably eats customer experience and innovation for lunch. So one of the key things you can do is if you do not have these skills already in your organization or you do not have enough people with these skills, you might want to consider UPSKILLING YOUR PEOPLE with the same thinking scrum and agile. Also, looking at leadership, how does leadership actually create space for more focus on customer experience, more focus on innovation, not just operations? How can you boost your employee experience, the EX? Because if you have happy employees, you are also likely to get better customer service to your customers.

[00:33:15] How can you maybe boost the agency experience or agent experience (AX)? And what could you do to actually make them prefer you over the other brands go over and beyond for your customers? So that is how about empowerment of teams and individuals to also know that they are empowered to make decisions on the front line, just like the waiter in my favorite restaurant when they made a mistake. He quickly gave me a free dessert and a glass of wine. So in that sense, you can see what are the opportunities to empower people at the front to actually make calls and what is good for without, of course, losing control finishing. The third is PROCESS. A process is often what is getting in the way where very process-centric and the insurance industry. So could we move from this kind of internal friction between almost like a civil war between different departments and internal politics to actually having an aligned passion around who are be serving and what experience do we need to create together as responsible villages? How can we adopt an alternative and agile the same process also allow ourselves not to say, oh, but we actually heard from customers that our idea sucks, but we need to deliver the projects or we can show the CEO or the board that we are on time.

[00:34:28] Maybe it is no point being on time if what you are building is not the right thing. And I have often said that with product teams that said, well, it feels normally like we are marching into the hole. We know it is not going to fly, but that is what they want up there. And if I was a shareholder in such a company, I would be terrified. Right? So how can we create a more aligned view and also openness to change in the organization? This is also where I think key stakeholders are very key to kind of senior leaders can help remove these kind of organizational impediments and bureaucracy, for example, a lot of our procurement is taking forever. And I know that there is a need for that. And there is also a requirement for that from regulators. But how can we balance compliance with agility and could we have a little bit more default trust in our people that they are going to make good calls for us? Should we give them small amounts of budget to quickly test something so that procurement is not killing the innovation project and mean that we will only launch the product next year for crises that happen? I am sure an example from Tencent and Wesure, if they had had that sort of procurement, they would not have been able to roll out those products that quickly. And the last one, but maybe also the most important one.

[00:35:37] You know, EXECUTION is everything. How can we, in a way, embed empathy and design in our daily work? So it just becomes something we do not a change management thing. But basically, we have done it so much and driven it so much that by default, people asking, so who's the persona? What are the needs? What is the customer journey? How can we build in more upfront research? It is a bit of slowing down and many leaders don't like that. But sometimes you need to slow down to speed up. It is true that slow down and deepening that you get the insights that gives you an advantage and empathy. And that is where the customer journey maps and you utilizing them and making sure the teams are familiar with how to use them; it is very key. But also the ability to isolate and test and be open to it because it sucks. It sucks when you have been working on something for weeks and then your customer tells you actually, this is not what we want. But if you do not listen to it now, you'll have to listen to it later. So that would kind of be the four ways you can begin driving some of these practices in your own organization. We love to hear from you now.

Question 3: Which of the 4 steps presents the biggest challenge to your organization?

[00:36:49] If you can head to a menti.com and the code is three eight zero seven one.

Wilson, if you could take the screen so we can see the insults as well.

Thank you, Chris. Happy to do so. Kevin, could you pass me? Yep.

[00:37:18] Well, we see the results coming in here and we see execution so far taking the lead in yellow. Leadership and culture, also seeming to be kind of the number two just behind. Wow. It is a tight race here. We can see. And our equal. And, yeah, so just about. So these are kind of the two major impediments, it sounds like, but process is also coming back up strong. So it seems like we have plenty of challenges in life insurance between us and a great, delightful customer experience. Actually, it seems like leadership and culture took the lead here. So lots of maybe here, a little bit more from you also. So what is it about leadership and culture that is difficult? What is it about execution? What is it about process, depending on what answer you put in? Maybe you can put that in the Q&A, because now it is time for the questions and answers. So please do not hold back. Let's get all the tough questions on the table and feel free to give examples as well. And now leadership and culture is by far leading we can see here. So what is it about leadership and culture that gets in the way of responding to the market and creating delightful, easy to use products and expensive services? Put that into the Q&A.

[00:38:57]There was one question around, how can the agency innovate on an existing customer journey to boost sales? So this was a little while back, I guess I did give some examples of it. But you could say, for example, one project I was part of was working with an insurance company and the technology provider. They had at a high level seen that maybe there are some ways that we could, in a way, make use of all the customers that the technology company had and cross-sell them to insurance and vice versa. So that was kind of the high level idea. But the question was, what is it we can do together that would make sense? And instead of looking at technology and say, what can you do with my gizmo? What can I do with my

customer database? They actually said that they engaged us to basically help them do the customer research and find out what are actually these two pockets of customers' needs and how could these two companies create increased value for each other's customers. So that is one simple example. We can see who has pockets of customers that you might be able to talk with and create value for, but also the other way around, who has technology or services that could create a better experience. And if you are looking at from a sales standpoint,

with digital you can say that marketing, sales fulfillment and support has in a way been unified, at least in the eyes of the customer. I know that there are different functions in terms of our organizations, but we need to think of them much more there is a term called growth hacking.

[00:40:32] We need to think of these much more as a continuum. There are some more questions coming in, so that is lovely. So Andy Young is asking - how do we balance the tactical versus strategic agency sales strategies? I think that is a great question, Andy. Thanks for that. Love to hear if there are other folks that have access to it; I can share my thoughts. I think that to some extent we can see the strategy was seen as a very low impediment; that was not really the issue of strategy we did that last year or that came from HQ. But I think actually we are seeing our reality where strategy needs to be much more interlinked with tactical. That we need to be much more agile and intuitive, and we need to use listening to the market to inform strategy, not just this is the strategy and now go find out how to execute it and what he wants to use in marketing, for example. So I think that is, at least for me, part of the answer. I think there is also some questions around a lot of the sales force, of course not so much for agency. I worked with a bank that had a banker plate. And when I saw some of the sales folks and the way they talked about sales, it was very much selling product and insurance products are obviously not the most sexy in the world. They got there fairly technical. So there was in a way a lacking of the skill to listen, to get empathy and to build relationship with customers. And too much focus on a quick up-sell as part of a banking solution, for example. So that can also be where I think engaging agency and bank partners could also be to be a bit more strategic. It could be more meaningful and listening maybe also more to what they have to say, bring them into the workshops, not just the senior people sitting in the HQ or maybe at home now checking in on zoom. But really bringing in people for

these sessions frequently, not just as the private project when we are building a product, but also more frequently having this kind of community of people who all own the customer experience coming together and see what is going on. What are we hearing? How are the numbers looking? There are more questions coming here.

[00:42:32] Let me see one here, so how do you see the trends of insurance companies using micro-insurance as store openers to bigger sales? I think that is a great point, right. When you look at all of these InsurTech players, right. They have found one part of the universe of insurance and your customers' universe that they have sold uniquely well, typically, that is simply ultra-focused. Exact opposite of an insurance company that would have a complex product portfolio, that is often hard to understand, difficult to sell, etc. So you could say that it could be partnering with them and getting access to customers through them. Or that your customers are serviced better because you also have that as part of your product portfolio. I definitely see that the moment that you delight someone, you can say, I started as a GRAB customer for transport, but now I am also buying food from them and sending things through them, etc. So there is definitely opportunities like that where you can also link, let's say travel and travel insurance. If you are making a booking. Have you actually thought about insurance? So there are many ways that you can begin again mapping out these strategies to see how do people behave when someone starts a new sport. What do they need? Does that mean anything for insurance, for example? So what are the different ecosystem players that you can collaborate with to create those micro sales? That starts a relationship. And if you over service them and service them well, they would actually be open to considering like I said before, if they have excellent customer experience, they are 22 percent more likely to basically upsell.

[00:44:08] Yes, we have some pre-submitted that I love to share from the registries. The first is - What are the actions needed for leading change in digital agency transformation?

[00:44:24] Thanks for bringing that question in. And actually, I will try to share a slide for that kind of shows the journey a little bit. Hopefully, you can still see my screen or maybe I need to share my screen again. Here we go.

[00:44:42] So basically, you almost imagine it a bit like a maturity journey in a sense, where maybe initially there is a bit of ignorance or rejection of customer experience and digital. And maybe there are some early adopters inside the company, but the majority do not really see it. Crisis drives to change. We have the perfect crisis now, You can see it from the numbers that we have seen in the polls earlier. Right. So that creates the momentum to also take more radical change. Typically, C Suite will then drive that. Maybe at the beginning to introduce you do hackathons, awareness talks, et cetera. But these are not going to deliver improvements in CX. They are not going to give you new revenue. But it is the beginning of a journey of kind of socializing and making people aware of the need for this and the new way of working.

[00:45:26] When organizations then become a bit more confident and bullish, they typically begin setting up the sign labs and saying we should actually use the sign as a way to improve our digital channels, for example, or the OMNI channel experience that we have for a product. Having these kind of cross-functional projects where you get people for many marketing sales agency coming together and really thinking outside the box and saying, if we put all of our experience together and we really listen to the customers and maybe even think beyond our own company. Who else could we bring in and partner? How could we create those experiences? This is also where building internal capability to host such complex processes is very important. And setting obviously setting up an innovation team, documenting and sharing the business value created from it. Because there is also that element of it if you do not show that value. If you are going to lose confidence and just revert back to business as usual. Getting internal and external partnerships very well developed and having that trust that we do not need to look cool in front of each other, we do not need to look perfect. Actually, no one has a clue what we are doing in 2020. And we all have to find that confidence to get there to try anyway. That is where often agile becomes the stumbling block.

[00:46:40] Once you've found a lot of unmet customer needs, a lot of opportunities to improve the old I.T. function is simply not able to keep up with this pressure unless you transform into an agile way of working, which is not just about the I.T. team suddenly becoming a hundred percent faster, but it is also about product owners and

the C suite realizing that priority is everything. And you cannot do everything at the same time. Some organizations have what I called a project diarrhea. There has so many projects and obviously none of them are going to get done well if you do 99 projects at the same time with a small team, that is just not going to result in anything good for the customer. So, that is where you can see that there is this kind of linkage. When you then move to kind of innovation is in the DNA. Everybody sees the results. You have the capability build out and all of the functions that you needed and you have a deep maturity and capability where what matters the most. So that could maybe be kind of a way to see this kind of shift and maybe you can think about for your organization needs to do. Where are we now? Are we had one, two or three? Are we at four? Are we at five? And what might be the next steps that you need to take? And I will also be more than happy to check in with anyone who is sitting with these questions after the call.

[00:47:57] So related to that, Chris, there is a great question in the Q&A box but it ties in with a question that was pre-submitted. The question in the Q&A box is what is your advice when you have an aging agency, or leader with no desire upskilling? But there was also a question that was pre-submitted about what is the profile of the future leader? So these are kind of two ends of the spectrum on challenging personnel problems.

[00:48:28] I think that is the really good questions, because I think Churchill once said that a mindset is a small thing that makes a big difference. Right. So when you deal with people who have the right mindset, there is almost nothing they can overcome. And you can have very experienced smart people, but if they have the wrong mindset, it can be quite uphill battle. So I think that some of the mindsets that we see are important to kind of practice and get feedback on because we all have the ability to behave like this. But we need to have the appetite and we need to have the support. Right? For any change to happen, you can say there needs to be, first, the desire to change. So what would make someone want to change? Is it the fear of job security? Is it a feeling of growing or getting maybe social reward so people will see you as a successful professional? So for different types of employees, that could be different reasons: monetary rewards, non-monetary rewards, recognition, growth. So it can be a bit of carrot and stick I think in some of some instances and there are,

of course, also some talent where you might say, well, actually the appetite is simply not there and maybe the person should find somewhere to work. I mean, to be honest, maybe this is a bit like the schools, too many bad teachers that they have been spoiling this experience for way too long. So I also welcome a change in that sense where it is needed.

[00:49:49] But I do think that a lot of people are not resisting because they don't want to. They do not know how to. And that is the 'how to' I'm talking a bit about here, because if you can then increase the next part, which is feasibility. I had the desire to change, but it seems kind of a far stretch for me to become somewhat buff at the beach because I have a little beer belly and going to the gym and I don't know how to do the weights. So we can all connect to the human feeling of wanting change, but not feeling that we can do it. And then, of course, there is the resistance. What is it that makes it difficult both in my environment and in my life that makes it difficult. So it is working with these three questions of amplifying the science of change; increasing visibility and reducing and understanding what the resistance is about; and maybe sometimes when you understand the resistance, you can also build it into to how you respond. The kind of mindsets that we typically train, for example, is to work with the leadership team around this question. And there was not much of these mindsets there, frankly. And the beginning of day one, one leader stood up and said - Why are we here? It is the problem of the board and the regulator. And no matter what we do here in this training is going to make any difference.

[00:51:00] After day two, he started realizing from getting feedback from his colleagues that actually he was behaving a bit like a victim and that actually there were many things that he could influence. And they ended up coming up with a solution where they invited the board to spend time together with the C Suite to actually discuss these issues and create better board meetings and also engage with the regulators. Some of these mindsets are wrong and we have mentioned a lot today so I will not mention any more. But also optimism that the future is not as bad as it looks right now. There is actually a huge opportunity for the industry to leap forward. If we are comfortable with uncertainty, we can see it as an opportunity, as well as the other guys, the competitors are also uncertain. So how can we increase our confidence to try things in small ways and very quickly and making things visual

very quickly? Trying small experiments in one department with five agents versus maybe a test with five other agents doing something different.

[00:51:58] How can we quickly make ideas tangible? It may work. It may not work, but it is not about blaming team A or team B; it is more saying this is an experiment. Life is a prototype. So how can we learn from failure? It is okay to fail. If you fail quickly and cheaply and if you link that failure into trying again to isolate, isolate, isolate, and all of these things in a way requires what is known as creative confidence, enjoining to learn, enjoying to try to do new things. So that would be a little bit of the answer. I am also mindful that there are more questions. So let us take some more, Bernadette.

[00:52:35] So there is another question that I think would ring true with many of our registrants in our Q&A box. On leadership and culture, I observe that most of the profit centers are working in a silo mode, less interaction within the organization, especially with the agency. How can we break that silo mindset and move forward to capture more market share?

[00: 52 55] I think that is a great question. I think that maybe you can ask the question back. How did we create the silo mode? What is it we have been doing that has helped us to live in that myopic view? And what would it take to open up, invite folks in and get a wider perspective?

[00:53:14] And that is often where the customer journey mapping can be very, very powerful because you get that 360 view of the journey. Hearing it from the customers and trying it out for yourself. Maybe we can actually jump to those slides here. So, for example, taking leaders out in the field and observing in say a hospital or in a work environment for a corporate client that you provide insurance services to, what is actually the reality of these customers and what do you observe? Sometimes you see something and you think you know what you are seeing. So maybe if you look at this photo, what is your guess? What do you think you are seeing, Bernadette?

[00:53:57] It looks as though the woman might be being followed.

[0054 02] Yes, so she might be worried that she will be robbed. But it could also be that she just got a message from her boss and behind her is her boyfriend that she is just departing from; we do not know the context. So we might assume something, but did we actually ask her? So the empathy is not that I think I know what you want for your birthday. It is me asking you, what would you like for your birthday? What do you care about? And then going over beyond to delight you. So sometimes we assume that we understand what the needs are. So by bringing in this kind of research practices, another one is emotion. Actually, instead of saying, well, we know X percent of our customers are disabled, for example. What does that mean for when they become disabled? Yeah, they need this, this, and this; but have we actually tried this for three hours to live as a disabled person and what it means to move around in the city in a wheelchair.

[00:54:54] So I met a leader in Singapore who had actually had an injury and she got all the people who were involved with the transportation services to take a trip with her for a couple of hours. Everyone driving in wheelchairs. It was a quite sobering experience because they felt they had it sorted out. Singapore is a very sorted city and country, obviously. But even for the best, there is always room to improve. So what if you started trying out your journeys yourself, trying out the experience and getting the different stakeholders involved, the agents, I.T., marketing, to actually try it for themselves and understand more about let's say the health conditions that your customers face. Interviewing, active listening and facilitating conversation is another key insurance skill. So that ability to kind of harvest and bring out insights. It can be done as a focus group or an in-depth interview. In-depth gives you more value, but it is also more expensive. So you can choose when you want to do what. But definitely in-depth interviews. All you need to do is to talk to five to seven customers to map key trends as long as they are selected. So those could be some of the things that we often work with our clients to kind of build in that skill. And we then exit so that they can do this on their own and not relying on themselves.

[00:56:15] Maybe we have time for one more.

Yes, we do and actually have time for one more. There is one in the Q&A that was very similar to one that was pre-submitted, which is the Q&A talks about the

challenge with customer and agent adoption of digital tools. So how to adopt and adapt to that?

[00:56:40] Yeah, I think what we have seen with COVID is actually that a lot of organizations suddenly had to do the thing that H.R. had been talking about for a long time and that progressive employees had been requesting for a long time, that suddenly it was actually not impossible. We had been believing for a decade that it would lead to a loss of productivity, certainly not secure, we cannot collaborate, people are not going to do anything if we give people freedom and empowerment. But actually, what we discovered was that a lot can be done. And of course, it was not probably the perfect way to introduce working from home because there was no plan and no preparation and it was done overnight. But we got through it, guys. And I am very deeply impressed with all the leaders and all the employees who took a lot of extra responsibility on the shoulders at a difficult moment that we all rely on. But I think that mindset you have it in your organization already. It is only how can you come to grips and get more out of it? So it is not that we just that the next normal becomes like the old normal, just worse. So how can we actually kind of make use of this opportunity? Let's not waste the crisis, right. Let's make full use of this crisis to actually move from this kind of fear of failure, lack of motivation, lack of drive to learn new things to embracing change, embracing new ways of working, increasing empathy with each other, because it is not just with the customers. It is also with sometimes I have overheard companies talking very rudely about their partners and about the customers and the like. But, we shouldn't have a conversation in a company that a customer could not hear. That is I guess a significant shift. I think we should not talk that way about our partners. They are friends in the village. We should take their concerns as serious as our own if we want to have a successful relationship with our customers and partners. So that is also about owning it and seeing what it is that I can do differently? Maybe I as a leader need to change. Maybe it is not just my I.T. team or just my marketing team or just the CEO.

[00:58:35] Everyone needs to change. Having that openness and that conversation is key. So I think in terms of embracing digital, I think it is not really just about technology, but it is very important that people make themselves aware of what is going on. Do you follow less or see the insights, for example? Do you know what is

going on in InsurTech? Are you interested in customer trends, etc.? Can you as an organization curate this from maybe CX task force or from H.R. It could be from different points to create a lot of learning opportunities. Could you ensure that talent is challenged to try to work in these new ways and coached and supported by people who know how to? So that is also why we are seeing this kind of upskilling; it is very critical. And sometimes it is useful to get external help. It does not mean every organization needs it, but that is certainly our customers set us up for exactly those questions.

[00:59:30] Well, Chris, we cannot thank you enough for spending this hour with us. I think this was great and I hope that all of our folks on the phone enjoyed it as much as I did. While I know there are many more questions we did not get to, I know, Chris would be happy to talk with you directly. You can see his e-mail on the screen right now and continue the conversation. So we are wrapping up today with that. I thank you for joining us and I hope to see you in our next webinar in about one month from now when we will be having our next topic which is The Old, New and Next Normal: Digitization in a Post COVID-19 World. And that will be Wednesday, the twenty-ninth of July at nine thirty a.m. Malaysia/Singapore time.

[01:00:12] I also encourage you to visit the LIMRA and LOMA Web sites where we have a number of resources available to you to help through the changes COVID-19 has had on all of our businesses. And we look to support you in that as we all face headwinds in the coming year. This concludes our webinar. So thank you again for joining us and look forward to the recording and slides in the next week. Have a great rest your day.

[01:00:32] Thank you.