Issue Snapshot
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Building a Business Case for Sales Automation

A step-by-step overview

Why Automate?

With the evolving individual insurance market and health reform forecast, health plans need more self-service options built into a fundamental sales platform where the most important tasks – whether on the front-end or the back-end – are fully automated and fully integrated.

This guide highlights the benefits your health plan can gain as you tackle the challenges of acquiring new business, retaining your existing business, and reducing your administrative costs.

Acquiring new business

Whether you want to break into a new market segment, grow a line of business you're already selling, or increase top line revenue across the board, acquiring new business is an almost universal goal of health plans. Automating your sales cycle will:

- Drive member growth and increase response rates to marketing campaigns through the use of micro-sites, analytics, and other online capabilities
- Decrease your reaction time to market changes, thus making your business nimble in a time when you need to respond to consumer demands quickly
- Increase the effectiveness of your communication with prospects
- Reduce your new business cycle time; thereby, enabling you to get new enrollees as quickly as possible
- Increase broker loyalty by making it easy for brokers to do business with you

Retaining existing business

Retaining customer revenue is taking on increasing importance right now with the declining membership growth of group business. Customer retention is a critical piece of the revenue stream, and automation can increase your retention. Retain more customers by:

- Tailoring your renewals package for each customer with systematically generated alternate quotes

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Sales Automation can positively impact:

Acquisition of new business

Retention of existing business

Reduction of administrative costs

- Making the renewal process easy for both the customer, broker and health plan with online presentation, re-quote, and acceptance of renewal plans and rates
- Presenting your alternate product lines that may appeal to your customers during the renewal process
- Efficiently, accurately, and consistently managing the renewal process using robust and easy to use online renewal administration tools
- Simplifying the delivery of your renewal proposals and collateral
- Providing superior customer service when your team has instant access to your customer's account history including notes, plans, and renewals

Reducing administrative costs

Introducing automation into your sales and underwriting cycles will reduce administrative costs on many levels. Using sales technology throughout your new business and renewals process will:

- Decrease number of administrative tasks across all phases of the sales cycle
- Significantly reduce the time-in-process to enroll a new and renew your existing business
- Increase underwriting efficiency, accuracy and consistency with instant access to more information about an applicant and their health status
- Decrease the volume of telephonic support needed with self-service tools for both the broker and customer
- Reduce the amount of data entry required during installation when customers and brokers complete the application online
- Eliminate duplicate data entry with straight-through processing

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Build Your Case

Remember that a successful business case is conservative.

Present both your expected and worst-case scenarios.

Knowing that you will benefit from implementing sales technology is only the first step. Most often the challenge is proving the benefits to your team. Based on years of experience helping health plans automate their sales and service processes, Connecture has put together this overview of how to build a business case for sales process automation solutions.

Step 1: Research the way your plan currently does business

Mapping out this process will enable you to take a high-level look at your biggest opportunities for revenue increases or administrative cost reductions. Certainly, automation can touch nearly all points of your business, so you want to look at all aspects of your business cycle.

- Map out all of your business processes
- Take inventory of your current technology and ask where can automation be improved or applied?
- Determine where the pain points are:
    - Opportunity pipeline
    - New business win rates
    - Customer retention rates
    - Case load per sales rep
    - Average turnaround time for quotes and renewals

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Step 2: Determine the key metrics to measure

Once you have made the case for automation, these metrics will enable you to build return on investment (ROI) estimates.

- Top line revenue increases
  - Determine the value of each renewal, and how automation will increase the volume of renewals won
  - Determine the value of each new business quote, and how automation will increase, not only the volume of quotes but the volume of purchased quotes
- Bottom line administrative cost reduction
  - Illustrate administrative activities that can be minimized or eliminated
  - Identify specific operating costs that will be lowered by automation

Step 3: Develop estimated return on investment

ROI estimates are incredibly important to a business case and perhaps one of the most difficult items to estimate.

- Use the metrics you have developed as baselines for ROI estimates
- Avoid relying on others' ROI scenarios for your own business case. Even departments within your own plan will have different returns on automation within their specific situation
- Use ROI estimates you gather from others as benchmarks to double-check the ROI estimates you have developed with your own metrics

Step 4: Build ROI milestones into your business case at every point

You want to ensure you have benchmarking opportunities at every step along the way so your business case can be used as a roadmap during the implementation phase. Identify critical points during or after the project and build a comprehensive rollout plan to drive internal and external adoption.

At a Glance

Take time and learning curves into consideration when building your ROI estimates.

- Automation can impact your business on almost every level. Map out your entire business process to ensure you're considering every potential pain point that can be eased with automation.
- Work with your IT department to map out your current technology processes and identify how automation can help consolidate the number of processes your plan must integrate.
- Focus on the high-level considerations your executives care about. Pay attention to bottom-line administrative cost reduction and top-line revenue increases first and identify finer details as they relate to these two goals.
- Always build solid, provable metrics into your case and use ROI measurements from other projects and companies as benchmarks rather than starting points.
- Take time and learning curves into consideration when developing a rollout plan and build ROI milestones into your case that cover project management, implementation, and post-launch adoption.

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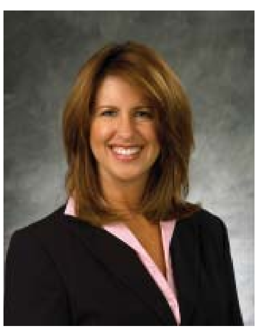
About Connecture

Connecture is solely focused on delivering integrated Web-based sales, service and process automation solutions to the health insurance industry. Connecture has automated elements of the insurance sales and service process for more than 80 health plans and insurers, and its InsureConnect suite of solutions currently supports the sales and servicing of 11 of the 20 largest health plans and insurers in the country. Its industry-proven solutions encompass the entire spectrum of multi-channel insurance sales and services for small group, large group and individual markets. Connecture offers an end-to-end business process transaction platform consisting of focused modular applications that fully integrate with existing systems. Connecture's solutions have proven to deliver increased sales, enhanced broker loyalty, improved back-office efficiencies, lower customer-acquisition costs, and decrease overall operating expenses.

About the Author



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Lorrie has 23 years of insurance industry experience, which includes 14 years at Geico, where she managed many facets of the insurance business. She began her career as a licensed agent and went on to manage many divisions throughout the company. Lorrie has extensive call center and broker management experience, and also directed the underwriting functions at Geico. Her extensive knowledge of insurance carrier processes and operations gives her a unique view into the challenges insurers face as the next generation of health insurance begins to take form.

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