

# Turn Pain into Gain

How to Turn the Insurance Industry's  
Top 5 Problems into Your Biggest  
Competitive Advantages



A publication by:

**FONALITY**  
[www.fonality.com](http://www.fonality.com)

The ancient curse says, “May you live in interesting times.” Well, as an insurance industry professional you may be feeling a little cursed lately. These are interesting times indeed.

Not only are you dealing with perennial challenges like competition from direct sales by carriers, the struggle to find and keep top talent, the ever changing technical landscape, but you've also had to adapt to price and underwriting changes and the whole new world of social media. That's a lot of moving parts. You are not alone if you feel overwhelmed.

But, if you can look at each of these challenges from a different point of view, you'll find hidden opportunities to outmaneuver the competition and flip the impacts of these forces to your advantage.

Let's tackle a few now.



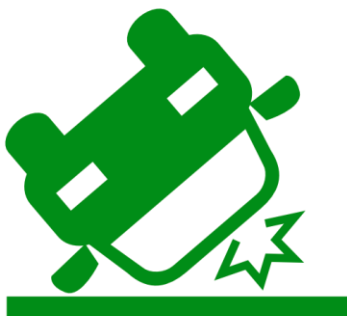
## Pain: Direct Competition from Auto Carriers

## Gain: Become Your Client's Trusted Advisor

There is no doubt that the way people buy things – almost all things – has changed. Purchasing things online has become the de facto choice for many consumers, particularly younger ones. Like many others, the insurance industry has been profoundly changed by the customer's desire to click-to-buy.

But the news isn't all that bleak. Deloitte University Press surveyed 1,080 auto lines buyers and found that a significant number, even of younger buyers is willing to switch from buying direct to buying through an agent (or vice versa) if the incentive is right. In addition, they found that clients who use agents would require a 20% decrease in price to switch to the direct model.

Why? Liely because between 70 and 75 percent of the respondents said agents would give them more objective advice, better represent their interests, and take care of all their insurance needs beyond auto coverage.



Agents should take advantage of the opportunity to educate consumers about the value they bring to the table. Customers who buy online may not fully understand their coverage selections and how what they buy would play out in a real-world situation.

There is a PR opportunity here as well. The industry is seeing a shift in customer behavior, get out there and talk about what it means for agents and customers alike.

## **Pain: Social Media is a New Frontier**

### **Gain: Connect More Deeply with Your Customers**

Your clients are more connected than ever. They are connected with their friends, family, peers, and with the brands they love through social media. Yes, it is one more thing to have to manage, but those who do it well will put themselves in the position to gain new audiences and establish deeper relationships with clients.

Today's information economy is all about communication, so it is essential that you can connect with your clients and prospects using the modes they prefer. The phone, email, chat, text and social all have a role to play.

Keep in mind as well that customers are talking to each other about their satisfaction with service providers of all types through social channels. This makes managing your online reputation essential to long term success. Be sure to encourage your customers to post positive reviews and ratings. Give them useful, educational content like eBooks or blogs that they can share with their networks.



## **Pain: Rapidly Changing Technology Landscape**

## **Gain: Invest in Flexible, Productivity Enhancing Solutions**

It's almost impossible to keep up with how fast technology is changing the way we do business and interact, but it is critical to find and leverage solutions that can help you and your team be more productive.

Invest in solutions that:

- Can grow with your business over time
- Include access to new feature enhancements and upgrades
- Streamline communication and collaboration
- Provide business continuity in the case of a natural or man made disaster
- Are available on PCs and mobile devices alike
- Provide rich analytics and decision support for your business
- Enhance customer service by helping your customers get to the right person, right when they need them



## Pain: Good Help is Hard to Find

## Gain: Identify Candidates with a Fresh Perspective

As baby boomers retire and other forces destabilize the work force, it can be hard to find experienced agents to help grow your business. Even finding qualified support staff can be a challenge. But there are also opportunities to identify talent in new ways.



**Hire Outside the Industry** – Look for candidates who have experience in adjacent fields who can bring insight to your team. Technically challenged? Hire an IT professional who wants a new challenge. Look to the banking, healthcare, and customer service sectors for creative, ambitious people looking for a change.

**Hire Millennials** - There's a whole new generation of workers ready to step up when given the opportunity. Augmenting your staff with these younger workers is a great way to get a fresh perspective and better understand the preferences of younger buyers.

**Hire The Best, Not the Closest** – Modern communication technology makes it possible to be productive from anywhere. If you are willing to consider remote workers, you can expand your search and avail yourself of the best talent available.

## Pain: Increasing Cyber security Risks

## Gain: Educate your self, staff and clients

Cyber security should be an important consideration for every agency. After all, the deeply sensitive, personal information you have about clients makes you an attractive target for bad guys. In order to protect yourself you must:

- Understand how every technology you use protects client data from outside access
- Practice good security hygiene by using strong passwords and changing them frequently
- Educate staff members about the danger of data theft and what they can do to prevent it
- Keep data protection software up to date
- Ensure good physical site security to prevent unauthorized individuals from accessing equipment
- If using mobile devices for work, consult with a security expert

Your customers are also at risk from the growing threat of cyber crime. Educate them about how coverage against this threat is an important aspect of protecting their business and personal lives. Connect them with experts in the field who can reduce their exposure. They'll thank you for it.



Hopefully, you've come away with a few new ideas about how you can turn the tide in your favor and take advantage of these trends.

In business, those who are most adept at turning lemons into lemonade are also those who are best at turning a profit.

Good luck and good selling!



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