



How can Insurance
Organisations cash in on
Knowledge Management?

Focus on Technology Platforms



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Generally, there is not much thought given into the intricacies and the interconnectedness of knowledge that flows inside every level of an organisation as well as its business processes, let alone managing the knowledge of it. **Mohan Babu & Prashant Bhide** tell us all about it and how technology has a significant role to play in this.

Introduction

“If only HP knew what it knows it would make three times more profit tomorrow”
Lew Platt, ex CEO Hewlett Packard explaining the importance of managing knowledge within the company.

With a shift from an industrial economy to a knowledge based economy, customised service and business expertise have become the core functions of organisations across industries. But this economy is characterised by changing dynamics and cut throat competition. To race ahead and win in this economy, the differentiating factors are **knowledge management (KM), innovation, operational efficiency and talent management.**

Insurance organisations across the globe are inundated with information, both internally and externally produced. But not much knowledge is available 'hands-on' to bring in tangible business benefits. So how are insurers turning this wealth of information into knowledge they can use? They do this with **knowledge management** – the process of capturing information, organising the collected information and presenting it to people to take effective and timely action.

The benefits of knowledge management can be seen across the insurance value chain – right from **reducing time to market** for new product launches, **improving agent productivity** through collaboration tools, **increasing customer satisfaction** through established Frequently Asked Questions (FAQs)/ self-help documents, and **reducing operating costs** by streamlining and standardising internal processes.

In today's world, more and more insurance organisations are extensively leveraging technology, to enhance knowledge management processes, equipping people with the right information at the right time, **thereby achieving increased productivity, lower expenses and improved employee performance.**

Knowledge Management and the Insurance Industry

Knowledge management helps the insurance industry to gather and collate; analyse and evaluate; and present knowledge in the most

suitable, accurate and actionable form. The result is analytical knowledge drawn from the insurer's internal staff, systems and external information systems that aids the company in making better decisions about accepting and retaining clients, determining appropriate underwriting fees, managing the sales cycles, monitoring policy performance and reducing the loss of clients due to policy lapses.

In the Asian region, the insurance business is **extremely competitive, people-intensive and constantly adapting its processes** to cater to changing consumer demands. The challenges being faced are:

1. **Brain Drain** – One of the biggest challenges being faced by insurance companies today is the high turnover of employees, agents, brokers and other third party assessors. When they leave, they take with them the wealth of knowledge acquired as a result of their association with the organisation. This results in lower productivity as the on-boarding time for new hires is high.
2. **Lack of Structured Information** – Most insurance companies in this region rely heavily on manual work. A huge amount of information is collected in silos as part of employees' ongoing activities. This unstructured information leads to loss of knowledge as it is not shared with people who need it.
3. **Diverse Markets** – The Asian market is very complex in the sense that, each of the markets has their own set of business processes. Some are mature whereas some are emerging; some are well regulated whereas some are open. A global insurance company will have to leverage their knowledge framework to streamline processes across the market to achieve operational efficiency.
4. **Lack of a Sound Knowledge Platform** – Currently, the industry does not have a robust knowledge platform, which can be used to promote a knowledge culture within the organisation. With the outburst of emerging technology platforms, there is a huge opportunity for insurance organisations to apply these and build an innovative knowledge framework.



One of our clients, a large insurance company specialising in Life and Annuities in Midwest US, had a business need to change its Disability Insurance claims system. One of the key challenges they were facing was the lack of a centralised repository of documents, processes and correspondences.

Infosys provided an end-to-end solution for the client building various components at the enterprise level including – developing a single document management system that could also be extended by other areas/applications in the client organisation thus making it cost effective. Some of the business benefits delivered to the client include:

1. Improved claims analyst productivity from consolidated information required to adjudicate case being made available in one system
2. Improved administration of claims due to workflow and paperless based functionality
3. Reduction in claims cycle turnaround time resulting in cost savings from penalty and interest charges applicable on late payments.

KM Opportunities across the Insurance Value Chain

Knowledge management is considered one of the most important priorities that insurance companies need to embark upon. There are tremendous opportunities where knowledge management can help insurance organisations deliver measurable business benefits throughout the insurance value chain – sales & marketing, product development, customer service etc. The figure above shows

opportunities where a knowledge focus, supported by technology enablers can deliver substantial return on investments.

Role of Technology Platforms

Choosing the right technology platform is a major decision for an insurance organisation. IT plays an important role in implementing Knowledge Management. In this section, we provide an insight into a few technology platforms that help insurance organisations achieve knowledge creation, storage,

distribution and most importantly, knowledge application.


Content Management: Enterprise Content Management (ECM) tools are used to capture, categorise, save, and supply relevant content and documents related to organisational processes. ECM tools are also needed to automate processes involving workflows and document management. The unstructured information and collaboration strategies would remain ineffective in the absence of a good content management system. Thus, ECM should be seen as a foundation to knowledge management rather than an enabler. ECM solutions will lead to higher process efficiency in areas such as new business, underwriting and claims.

Collaboration: Essentially, knowledge management is a collaborative effort. An assortment of collaboration technologies like cloud and SharePoint can be used to support knowledge management practices in insurance organisations. They allow people to send secure emails, share artefacts, participate in discussions, blog, web conference and do secure instant messaging (IM) – thereby supporting collective learning. A typical example would be an agent collaboration platform, which would allow agents to collaborate more easily with all the stakeholders. Mobile technologies and social media have also seen unprecedented reach, adoption and impact. Social media can help insurers promote collaboration amongst agents, brokers and customers, while mobility could empower agents with information anytime, anywhere and on any device.

E-Learning: In global, multi-cultural insurance organisations, there is a huge amount of information present across multiple locations and languages. There is a need for on-job training to enhance knowledge and skill bases, thereby avoiding re-inventing the wheel. E-learning platforms are proving to be a reliable solution to this. These platforms could be used by insurance brokers to enhance their knowledge and skills. Through such courses, insurance organisations can develop a cost effective way to onboard qualified/certified agents in their field force. E-Learning platforms are also being extensively used to render “Application – Knowledge transfers” to business users using the IT Application.

Business Process Management – The insurance industry has knowledge-intensive, complex and manual processes prone to vibrant changes of goals, information environment and limitations. A typical Business Process Management (BPM) System for an insurance organisation supports the process lifecycle across the entire value chain – including process identification, definition, design, and implementation and monitoring. Thus, insurers are achieving operational efficiency by building a knowledge repository of business processes and making it readily available to business leaders, which has enabled them to visualise and gain hands-on control to improve their business performance outcomes. Some of the areas where BPM suites help streamline processes include claims handling, new business and underwriting and billing.

Conclusion

Knowledge management needs to be deep-rooted in an insurance organisation's culture. To gain competitive advantage, insurers need to make the wealth of information accessible at the fingertips of people across the organisation. IT and business leaders should agree upon a knowledge strategy and clearly define the role that technology plays. The overall knowledge management journey begins with understanding the requirements and investing in the right technology solutions that deliver measurable business outcomes. 

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