

# Zurich's e-transformation



**AT8's Mark Loosmore uncovers Zurich Financial Services' e-enabling strategies and finds advisers are increasingly putting them to use**

This week our roving reviews of providers' IT support for advisers took us to down the M4 to Swindon to meet with Simon Bussy, e-business manager at Zurich Financial Services.

Bussy has been with Zurich some time. Originally he joined Eagle Star before it merged with Allied Dunbar as part of a BAFS Group acquisition, before later being acquired by Zurich.

Zurich has a strong global profile. Through its acquisitions and growth in UK financial services, it has established a major occupancy presence in Swindon and Cheltenham, and a positive reputation in the UK market. Bussy was keen to point out that Zurich was the only top 10 insurer to show positive APE growth in 2009. To say Bussy is organised would be an understatement. In preparation for our meeting, he had managed to deduce my approximate age and circumstances and set up my details in the Zurich Portfolio Planner system (spooky). He also had prepared a pack of information of such weight that it reduced the miles per gallon performance of my car on the way home!

## The e-journey ahead

Zurich has a strong intermediary focus, with good nationals and network relationships, and has largely focused on 'transactional' IFAs in the past. While it still intends to support this business approach, it is also looking at how to offer more support to 'holistic' planners, too. As part of the ongoing journey, Simon talked of the major investment Zurich has made in business and e-transformation, including a 50% increase in the broker consultant team in 2009. Zurich works closely with key distributors, creating partner micro-sites, linking to portals, back-office systems and to platforms.

The philosophy of having multiple routes to its product propositions allows advisers to access its solutions in a way that most suits them. Zurich is a key supporter of Unipass and has been recognised with an 'Ease of Access Award'.

## Switched onto online

The results of the investment in e-business is reflected in its usage statistics with almost 50% of investment business

being done online and 80% of protection business now being online, too. The latter is enabled through the use of smart online underwriting. Such figures are impressive, especially when one takes into account that they have risen from a base of zero only three years ago.

Bussy reeled off a long list of awards, showing how effective Zurich has been in implementing its online support strategy. Many of the awards are derived from recognition by the users themselves, so it could be inferred the targeted customers are getting value from what has been delivered. According to Bussy, Zurich delivers between 300,000 and 400,000 contract enquiry valuations every month; more than 20,000 online quotes per month (two-thirds of which are protection) via the Extranet (more than one million via portals); and in 2009 online new business submissions grew by 194% compared with 2008, with 36,000 e-applications last year.

CSC and BEA built the underlying technology platform for Zurich. The same platform has been developed for potential use in other geographic territories. A surprisingly high number of users – 40,000 to 50,000 – are registered to use the system. Bussy said 22,000 have registered to access the secure areas of the site.

The success story has apparently led to a doubling in Zurich's share of the mutual funds market, while the Zurich Corporate Pensions team won the Royal Mail pension contract in 2009.

Zurich has so far stayed out of the wrap platform market, although its product architecture has been constructed as wrappers. With the support that the Zurich system offers, it does seem to be moving towards a broader platform solution. Bussy indicated that the firm is switched on to both the opportunities and the challenges that platforms present.

## Digging tools

As part of researching what tools Zurich should provide to advisers, Bussy and his team consulted many in the adviser community. Rather than use the design to lead the adviser to sell a Zurich product, the team concluded the tools that Zurich



provides should be 'independent'. Simon believes the approach has been a major factor in how the users have adopted the use of their tools to support their business models. With the FSA position on using provider technology, this independence could put Zurich in a good position to justify the continued use of provider technology post 2012.

Zurich has worked with Financial Express (FE) to develop the Zurich Fund Centre and other tools including the Portfolio Manager Tool. Bussy was positive about the firm's relationship with FE, which he feels has been more a partner than just a supplier. Alongside the FE tools, Zurich works closely with Towers Watson (TW) to develop Zurich Portfolio Planner, which uses the TW E-Value stochastic modelling tool, and which currently has more than 7,000 users.

TW provides about 30 model portfolios for advisers to select and/or customise their recommendations. TW also provides an updated asset file and advisers can see if the portfolio needs to be rebalanced. There are arguments for and against automatic rebalancing of portfolios. Although the Portfolio Planner is not automated, it is apparently quite straightforward, although requires a conscious decision and action from the adviser and agreement from the client.

The Portfolio Planner also has the capability of setting up adviser charges and fund preferences for the various product wrappers used via the system, and users can customise these based on their own terms of business.

Zurich has designed a number of other tools with support from Technical Connections that are available to the adviser community. These include its Wrapper Comparison tool, an IHT tool and a Business Protection tool.

## The personnel touch

In addition to paper-based and online information, Zurich's e-proposition is supported by Zurich personnel, who deliver various forms of training and helpdesk assistance. The Broker Consultants offer first-hand face-to-face training, while the telephone-based e-support team are employed with the sole aim of providing remote help and support. There is also a 'large case' underwriting team that works with advisers to secure more specialist protection business.

We spent time looking at the Portfolio Planner tool that had already been set up with Simon's 'guesstimate' of my age and family circumstances. The system is clean and simple in its approach. While a 'power' user would probably want more functionality, the balance seemed to enable an adviser to quickly and easily set up a new client or

review an existing client. The Planner enables an adviser to carry out an analysis of circumstances, establish goals and needs so that shortfalls are identified and solutions can be modelled and agreed.

Zurich seems to have put its money where its mouth is and has focused on supporting its e-enabling strategy to help the intermediary market. More is planned, but is being managed to deliver incremental functionality and relevant value.

Zurich does not intend to simply write a big cheque to compete with provider-operated or independent platforms. Zurich is a major shareholder in 7IM – one of the niche platforms – and is clear about what business it wants to attract and from whom. Based on what we have seen so far, Zurich is and intends to remain a force of influence in UK financial services.

## KEY INSIGHTS

- A clear business model and proposition strategy are vital;
- Make competitive products and support them in the way the intermediaries tell you they want to be supported;
- Big budgets are not necessarily the answer;
- A focus on service makes it easy to do business with;
- Deliver support for independent outcomes, even if it does not result in an own product conclusion;
- Seek feedback and listen to it.