

Zurich Financial Services Transforms North American Operations through Innovative Go-to-Market Project

Executive Summary

CUSTOMER NAME

Global Corporate in North America (GCiNA), Zurich Financial Services

INDUSTRY

Commercial Insurance and Risk Management

CHALLENGES

- Provide unique customer experiences and promote growth.
- Drive strategies and initiatives for cross-selling, marketing, event planning, and broker-relationship management.
- Align sales, underwriting, and risk-management groups.

SOLUTIONS

- On-boarding brings new hires up to speed faster.
- Collaboration tools support information sharing and reduce travel costs.
- Sales-pipeline management tool measures sales metrics and KPIs, and provides visibility into new sales opportunities.

BUSINESS RESULTS

- Evolved go-to-market (GTM) into a strategy for increasing customer-centricity and relevance.
- Increased sales and cross- and up-selling.
- Aligned underwriting, customer/broker management, and service organization groups.
- Increased communications among senior leaders, staff, and brokers.

Background

Zurich Financial Services (ZFS), a provider of insurance-based financial services headquartered in Zurich, Switzerland, has roughly 60,000 employees and operates in 70 countries. Zurich is one of the largest commercial property and casualty underwriters worldwide, with US\$51.9 billion in gross written premium and policy fees for FY 2008. Global Corporate, a division of ZFS, offers large corporations tailored solutions for risk transfer, risk financing, and corporate risk management, and provides an integrated approach to assisting clients in understanding and managing their exposures regarding people, property, the environment, and financial stability. Based in New York, Global Corporate in North America (GCiNA) works through a broad network of brokers to service large corporate customers. Approximately two years ago, GCiNA initiated a formal project to enhance service quality and relevance to both brokers and customers.

Challenges

Like many of its counterparts, GCiNA relies on a tried-and-true business model: develop products and sell them through a distribution channel of agents and brokers. Outsourcing customer relationships to independent channel partners leaves GCiNA little opportunity to create customer intimacy, a sales and marketing culture, and related practices.

Focused primarily on product development, underwriting, and distribution, GCiNA's business model was conservative; most functions were performed in "silos," where knowledge or information within an organization is compartmentalized instead of distributed. While GCiNA had made some progress internally to become more integrated and collaborative, it was splintered in its approaches to customers and the marketplace. Customers had different experiences with the company's various business units, and were not sure where to go for the support they needed.



“The customers’ feeling was that Zurich did not have a whole account view of the overall relationship and all of the lines of business they had with us,” says J.P. Fowler, executive vice president and eastern regional manager, GCiNA. “At the end of the day, they got treated differently by our different business units and risk-servicing teams.”

Despite its top-three standing in the industry and billions of dollars in annual revenue, GCiNA began to feel pressure not only from its siloed approach to doing business, but also from customers asking the company to change the way it addresses the market. “This fragmented approach to sales and marketing poses risks,” explained Blake Chauvin, a GCiNA global relationship manager (GRL) based in San Francisco. “As insurance products commoditize and risk expertise broadens, competing for customers becomes increasingly difficult.”

Given this landscape, GCiNA had to decide whether to remain a product-centric company or to transform itself into a company that excels in providing value—enabled by innovative technology—to its customers, sales and marketing teams, and customer/broker relationships.

Solutions

Products often commoditize over their lifecycle. What does *not* commoditize is the way that companies service their customers. GCiNA understood that it *could* gain market advantage through excellence in sales, service, and relationship management—remaining a product-centric company was no longer an option.

Geoff Riddell,¹ then CEO and now chairman of Global Corporate, initiated a new go-to-market (GTM) strategy in 2006 to accelerate growth by becoming “the most relevant insurance company globally.” According to Riddell, GTM was designed originally to bring new value propositions and messages to customers in a new way—“ones that were clearly labeled Zurich.” That is, the company wanted to ensure that its messaging was not diluted via the broker channel and, therefore, needed a better way to collaborate with channel partners to deliver an enhanced value proposition, especially in the area of custom services.

The GTM strategy was incorporated into a blueprint that focused on building sustainable channel relationships and developing a sales-led culture designed to change the attitudes and behaviors of hundreds of employees used to working traditionally through the various channels. Unfortunately, “The blueprint contained a lot of concepts and processes about how we could change behaviors, but it needed more specific, concrete actions that could be implemented swiftly to drive GTM forward at an accelerated pace,” says Greg Maguire, executive vice president and director of customer and distribution management for GCiNA.

1. In November 2008, Global Corporate in North America announced the appointment of Mario Vitale as CEO of Global Corporate. Geoff Riddell has assumed responsibilities overseeing Zurich’s operations in Asia Pacific and the Middle East, in addition to becoming chairman of Global Corporate.

To create a sales-led culture and bring a number of GTM concepts to life, GCiNA tapped the talent and knowledge of the Cisco® Internet Business Solutions Group (IBSG). An established Cisco customer, GCiNA brought IBSG in to add another dimension to a picture GCiNA had already painted—one that would align GCiNA and its businesses with the needs of customers in practical, actionable terms.

By conducting a small number of workshops, GCiNA and IBSG developed more than 90 action items in the areas of sales and customer management. These were then whittled down to 11 as part of Wave 1 of GCiNA's continued transformation. IBSG helped GCiNA think differently about its core processes in the areas of hiring, collaborating, and managing. The team focused on three concrete measures: on-boarding new salespeople, internal and external collaboration, and sales-management best practices and operations.

Effective On-Boarding of Sales Staff

On-boarding, which began around the idea of training new hires, deals with shortening the process of bringing new employees up to speed. Prior to implementing GTM and receiving input from IBSG, GCiNA treated on-boarding as traditional employee orientation. "New hires were parachuted into the company without a plan," recalls Fowler of his initial experience. "Basically, the attitude was, 'You are an experienced hire, so figure this place out and make it work for a customer.' I banged into a lot of obstacles, and I finally got there, but it wasn't well-thought-out." In this way, it took new global relationship managers (GRLs) one to two years to become fully effective.

IBSG helped GCiNA broaden the way it thinks about on-boarding. Today, on-boarding shortens the time-to-revenue productivity for GRLs and other sales staff. Instead of focusing on the first 30 days of employment, on-boarding now takes into account the first 120 days and establishes mile markers along the way to ensure successful learning and bringing new GRLs up to speed faster. New hires now have access to a number of resources such as an online library that includes the company's history, strategy, organizational charts, educational materials, and information about insurance offerings and services. In addition, employees' managers work with them to put together a 60-day-plus plan for success.

Since its initial implementation, on-boarding has been expanded to other employees to help broaden their understanding of their roles. "On-boarding is probably one of our most important new processes," says Maguire. "It has helped formalize the GRL role, and preliminary indications suggest that on-boarding has reduced sales ramp-up time by 10 percent. With annual sales targets ranging from \$2 million to \$10 million, on-boarding drives significant new business."

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Executive Vice President
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Management
Global Corporate in
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Web-Enabled Collaboration

Global Corporate in North America has offices throughout the United States, including Los Angeles, San Francisco, Atlanta, New York, and Chicago. The company also relies on Zurich offices in a number of other large cities around the globe to support channel partners and customers. To speed up decision-making, deploy complex customer solutions, and provide better service to customers and partners across dispersed geographies, collaboration processes had to be reinvented.

The GTM program, which changes GCiNA's focus from an underwriting to a sales culture, requires ongoing change management from the top. For such a widespread organization, collaboration technologies are the most direct, most effective, and least-costly way to keep employees and partners informed and motivated. Video technology was particularly valued by GCiNA's senior leaders, especially the CEO, who uses short video messages to inform employees about the importance of the company's transformation.

To enable cross-organizational collaboration and reduce travel costs, IBSG detailed innovative uses for technologies such as webconferencing and videoconferencing that run over GCiNA's ISP network to provide frequent, intimate communications with all stakeholders. Impressed by the technology, Fowler approved an internal webconferencing pilot to conduct meetings, strategize on new business, identify cross-selling opportunities, and manage client relationships. Five high-resolution, stand-alone systems with 8- and 10-inch screens were installed at five office locations in North America.

By replacing 20 business trips with more than 40 one-on-one videoconferences, Fowler saved the company more than \$15,000. "Collectively, we saved tens of thousand of dollars in 2008 on our travel budget by utilizing this technology," says Fowler.

In addition to helping reduce travel costs and increase the frequency of meetings, the video systems improve interpersonal dynamics by breaking down barriers. Staff has responded positively to the pilot and to GCiNA's use of the technology.

Fowler says that the company is currently experimenting with videoconferencing technology to reach out to customers, but has nothing in place at this time. "We plan to engage customers in a pilot to tap into their equipment that goes over IP. We are trying to build a software bridge first to go outside our firewall to our customer."

Sales-Management Excellence

Tracking sales and new opportunities is critical, given the global nature of Zurich's business and of its growth objectives. The company uses an internal proprietary software tool for measuring sales metrics and key performance indicators (KPIs). The tool, however, was used sporadically across the business units. "It was catch-as-catch-can, and each group ran their own system using Excel," says Fowler. IBSG helped GCiNA understand the value of a structured, disciplined approach to sales-pipeline management by providing examples from other companies outside the insurance industry. It soon became clear to GCiNA that companies that excel in sales management drive higher growth.

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Executive Vice President
and Eastern Regional
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To help GCiNA improve sales visibility, IBSG helped develop an easy-to-use process for GCiNA's sales-management model. In particular, IBSG consulted on how Zurich's software could be used to measure success based on Cisco's own sales-pipeline-management program, in which the Cisco salesforce records the status of its sales and opportunities each week and reports the data to Cisco Chairman and CEO John Chambers.

Using this new process, when GRLs come across a new business opportunity, they input it to the system, which produces a sales-pipeline report for the CEO. "We do this every other week to keep information fresh and people on their toes," says Fowler. "We are pleasantly surprised at how accurately we can predict sales outcomes since the new processes have been put into place."

The new program is also used to record underwriting information. Having global visibility into its sales pipeline enabled the GRL team to outperform its objective of generating new business in 2008. "We finished at 167 percent of our goal," says Fowler. "The sales-pipeline-management tool helps us coach sales, as well as devote [the right] resources."

Results

In the past 18 months, GCiNA has transformed its business model, resulting in tangible benefits in the area of revenue generation through cross- and up-selling, enabled primarily by new on-boarding, collaboration, and sales-management processes. "With new customers, we are bringing the team together to mobilize sooner on opportunities and cross-sell," says Chauvin, noting, for example, that revenue derived in 2008 from cross-selling increased roughly 20 percent over 2007.

The success of the company's transformation has also been confirmed by positive customer feedback regarding improved service levels during recently introduced stewardship meetings that take place with customers halfway through the year to provide a platform for conversations about what worked and didn't work during the previous year, and so on.

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The initiatives GCiNA defined with IBSG have enabled the company to accelerate the financial impact of the GTM program. For example, revenue from global and corporate customers was up roughly 13 percent during the first half of 2008 versus the same period in 2007, despite challenging market conditions. Furthermore, retention ratios for GCiNA's relationship-driven customers are up roughly 2 percent.

By working with IBSG to unleash specific GTM features, identify future action items, and think differently about its core processes, GCiNA has evolved the initiative into a general strategy for increasing customer-centricity, broker-relationship management, and customer relevance. "Their [IBSG's] consulting model is drastically different from other 'traditional' consultants," says Riddell. "They target quick wins with their clients that deliver value almost immediately. This is appreciated and needed in today's fast-paced business climate."

Next Steps

The current economic climate has given GCiNA pause when it comes to investing further in new GTM enhancements without increased profit. For now, GCiNA will focus on working with IBSG on Wave 1 ideas that have already been identified, such as a customer nurture program intended to enable GCiNA to communicate increased value to customers and brokers on a regular, personalized basis.

In addition, the company is piloting a customer-satisfaction survey tool. Full implementation is planned in North America in 2009. "These surveys drive home the important message to our staff of staying relevant with your customers, and out-pleasing them on a continuing basis is a must to in order to grow," says Maguire.

More Information

The Cisco Internet Business Solutions Group (IBSG), the global strategic consulting arm of Cisco, helps CXOs and public sector leaders transform their organizations—first by designing innovative business processes, and then by integrating advanced technologies into visionary roadmaps that address key CXO concerns.

For further information about IBSG, visit <http://www.cisco.com/go/ibsg>



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