

Nationwide gains a “360-degree” view of the customer to advance its “On Your Side” promise.

Overview

■ **Business Challenge**

A large multi-line insurance company, Nationwide is highly successful in each of its markets, but lacked a unified, “360-degree” view of its customer relationships. The company’s vision of making processes more customer-centric ran into the prevalent reality in insurance today—product-centric, independent information systems. The company needed an efficient and flexible way to overcome this barrier.

■ **Solution**

With the help of IBM, Nationwide broke through this barrier by creating an advanced integration hub that joined customer information from all its lines of business. With this as a foundation, Nationwide is now able to transform its customer-facing processes and provide a more holistic experience.

■ **Key Benefits**

- *Improved agent productivity and ability to deliver value-added experience to customers*
- *Improved customer satisfaction and retention*
- *Improved prospect targeting and cross-selling capability*
- *Lower selling costs via higher sales per contact ratio*



Based in Columbus, Ohio, Nationwide is one of the largest diversified insurance and financial services organizations in the world, with more than US\$158 billion in assets. Employing 35,000, Nationwide’s companies include the country’s seventh-largest property/casualty, the fourth-largest homeowners, the sixth-largest auto insurance group and the country’s largest farm-owners insurer.

Like the financial sector as a whole, insurance is an industry in the throes of change. Competition is intensifying, sales and service channels are evolving and customer expectations for a consistent, high-quality experience are rising. In an industry where stability has long been the central measure of competitive strength, success—indeed survival—will increasingly depend on agility and adaptability to meet an ever-changing set of challenges and opportunities.

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– Todd Okuley, IT Applications Director, Nationwide

Business Benefits

- Improved agent productivity and ability to deliver value-added experience to customer
- Improved customer satisfaction and retention
- Improved prospect targeting and cross-selling capability
- Lower selling costs via higher sales per contact ratio
- More consistent customer experience across channels
- Improved reporting and compliance capabilities
- Faster time to market with new services via SOA

“Our work with IBM is part of a bigger story of how we’re redefining the way we use technology to serve the customer. We see IBM’s commitment to us as a customer as an important foundation for our success going forward.”

– Todd Okuley

Though nearly all insurance carriers acknowledge the need for increased flexibility, relatively few have succeeded in making it a reality. Among the biggest barriers is the wide range of products and processes that characterize multi-line insurance carriers. While the insurance business on the whole is about finding, measuring and managing risks, the nature of those risks varies dramatically across different lines of business (e.g., auto, life, property and casualty). So too do the highly specialized systems and processes that underlie them. Largely because of these differences, multi-line insurance carriers have traditionally organized their business around products.

From products to customers

In today’s market, the growing importance of the customer experience has rendered this traditional product-centric business model obsolete. It is in the realignment of their processes around the customer—in order to know and grow the relationship—that insurance companies have encountered their stiffest challenges. Nationwide Insurance (www.nationwide.com), one of the largest diversified insurance and financial services organizations in the world with more than 16 million policies in force, provides one example of how to get it done. Besides being a key part of Nationwide’s brand, the phrase On Your Side also summed up a new, more customer-centric strategic direction for the company. For this repositioning to succeed, IT Applications Director Todd Okuley believed Nationwide needed a more coherent and consistent way to communicate the On Your Side “promise”—and that required a holistic view of the entire customer relationship. “Our goal was to gain a ‘360-degree’ view of the customer,” says Okuley, “which we saw as the foundation for a better customer experience and a way for us to be more proactive in meeting their needs.”

Achieving this vision required Nationwide to address the fragmentation of customer information across the enterprise, a byproduct of backend systems that, for the most part, operated independently of one another. The fact that each line of business—hence, service platform—had its own customer database was a natural byproduct of such an approach. What made sense once, however, now kept Nationwide from gaining all but the most rudimentary view of its customer relationships. The problem was most acute in its call center, where agents had no way of knowing if, for example, an auto policyholder also had an annuity or a life policy. To obtain such information, call center agents were required to sign onto multiple systems, thus reducing their effectiveness and diminishing the customer experience. Nationwide’s narrow customer view also made it harder to provide accurate pricing discounts to its multi-line customers, since it lacked the practical ability to integrate the customer data necessary to calculate and apply them.

Building for flexibility

While the need to remedy these operational inefficiencies was a key driver for Nationwide, Okuley and his team sought a solution that would also address the company's broader and longer-term strategic requirements. Chief among these was the need for more efficient, integrated and flexible processes to react quickly to opportunities and deliver maximum value to the customer. Its first and most basic step was to select a platform for integrating its customer information that also fit into Nationwide's bigger IT picture, the centerpiece of which was the embrace of open, modular technologies such as J2EE and a service-oriented architecture (SOA). Citing strong support for SOA, the company selected IBM WebSphere Customer Center (then known as DWL Customer) as its customer data integration platform—but that decision was only a start. Nationwide also knew it needed the right provider to help put the solution in place. The company was fully aware that its move to an SOA marked a watershed in its IT strategy and its business as a whole, and that thorough planning—backed up by solid experience in SOA deployments—would be a crucial part of the implementation to ensure a strong, flexible foundation for the future. To meet this requirement, as well as the nearer-term payback requirements laid out in the business case, Nationwide turned to a provider with whom it had already built up a solid track record in implementing SOA-based customer data management systems—IBM.

Working closely with Nationwide's IT staff, IBM Global Business Services designed and built an enterprise customer integration hub using WebSphere Customer Center (WCC) that employs Web Services to deliver a common set of customer information to call center agents. Where they once had to access multiple product-specific systems, agents now have a single unified view of a customer's relationship with Nationwide, across all of their lines of business. As the agent queries the system, an access platform based on IBM WebSphere Portal triggers Web Services requests to the hub. These requests automatically gather and present all information relevant to the customer's relationship with Nationwide. To ensure that agents are equipped with the most up-to-date information, the hub's data store is closely synchronized with each of Nationwide's core line-of-business systems, all of which employ IBM DB2 to store customer information. The solution achieves this synchronization through the use of IBM WebSphere Business Integration (WBI), which automatically extracts customer information from core systems, provides necessary data transformations and error checking, and delivers it to the customer information hub where it can be viewed by agents. Both WBI and the WCC hub run on IBM System p servers, which were specified for their power and reliability.

Key Components

Software

- IBM WebSphere® Portal
- IBM WebSphere Application Server
- IBM WebSphere Customer Center
- IBM WebSphere Business Integration
- IBM DB2®

Servers

- IBM System p™

Services

- IBM Global Business Services

Time frame

- IT planning/consultation—
6 months
- Phase one of solution rollout—
12 months
- Phase two of solution rollout—
In progress

Why it matters

With the IT systems running insurance companies so specialized, it's easy to see why product-centric, siloed architectures are so deeply entrenched across the industry. By integrating its customer data using flexible SOA technology, Nationwide took a dramatic step toward overcoming this problem, and in doing so established the foundation for a whole new way of doing business—with the customer at the center of its processes.

Transforming the familiar

If there's one thing clearer than the need for insurance companies to become more customer-centric and adaptable, it's the fact that silos—whether they are defined by processes or lines of business—are a major barrier. By integrating its customer data using flexible SOA technology, Nationwide took a dramatic step toward overcoming this barrier, and in doing so laid the groundwork for a whole new way of doing business. In the call center, for instance, the fact that agents now have a full view of each customer's relationship with Nationwide means they can solve problems faster, thus improving customer satisfaction, retention and, ultimately, top-line growth. Equally if not more important, though, is how such a “360-degree” view of the customer provides the cornerstone for a new set of channel-oriented capabilities that will be essential to Nationwide's long-term growth and competitiveness. Foremost among these is a greatly improved ability to identify and capitalize on cross-selling opportunities, a “Nirvana” point that few in the industry have yet achieved. By augmenting its new customer database with analytical capability, Nationwide expects to target high-quality prospects more effectively and, in the process, drive down selling costs. Another benefit is a vastly improved ability to offer a self-service channel covering all lines of business—by all accounts a basic capability, but one that has until now been greatly complicated by the dispersal of customer information. Combined, these new capabilities will improve Nationwide's ability to deliver a differentiated customer experience and a consistent view of the company, regardless of the product or channel.

While Nationwide's Okuley relates much of the success of the project to IBM's portfolio of technology and expertise, he sees the strong degree of commitment on both teams as the essential element that solidified that success. “Our work with IBM is part of a bigger story of how we're redefining the way we use technology to serve the customer,” says Okuley. “We see IBM's commitment to us as a customer—down to the care they take to share knowledge and expertise with our staff—as an important foundation for our success going forward.”

For more information

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