

BLUESUN WHITE PAPER: DPM – Getting Started



BLUESUN WHITE PAPER SERIES

Overview

Often when new technologies appear, the litany of failed implementations very quickly follows. The problems rarely rest solely with either the technology or the business – but they all stop before they deliver a return on investment.

The life insurance industry brings the twist of the differing perspectives of the carrier, distributor and individual producer. As a result, this market has been slow to adopt CRM compared to other sectors. Life insurance has distinguished itself as the technology-adoption laggard.

DPM projects can deliver return on the investment from early on in their adoption, then scaling through the organization to provide a platform around which the carrier, distributors and producers all align their push on the marketplace to make more money. This is because a successful DPM project will move an organization toward a distribution 'machine' that operates much more like Dell than one that seems to depend on the quality of relationships between wholesalers, distributors and the producer.

This paper will help you understand how to start a DPM project. The goal of DPM is to drive the performance of distribution in a controlled, scalable and measurable way so an organization can do more of what works and less of what does not. Many technology projects demand a major capital expenditure, a heavy draw on internal resources and a commitment to operate in a way dictated by the tools themselves. In contrast, DPM focuses on impact; getting to a return on investment quickly is the catalyst for expanding its adoption.

This paper assumes a company has no DPM infrastructure and wants to learn 'how to start'. The intended audience is both the business and technical teams involved in these first steps.

11 Steps to Getting Started

Now we'll move to the steps involved in getting your DPM project moving.

1. Measure before you start to try to control

How will you know if your DPM project actually delivered? You will need baseline data for distribution performance or it will be very difficult to understand if your new programs actually delivered value.

The first part of any DPM project should be the establishment of a reporting environment that allows you to see how effective distribution is – as it stands. You may not have details of activities included at the outset or the concepts or campaigns that drove them, but you will be able to see – at least on a temporal basis - where sales have been coming from and to whom in your sales structure they can be attributed. At the start these baseline reports can be established quickly around the administration system housing the products lines that are the focus of your first campaign.

The initial structure of these reports will be extended through the course of the DPM implementation to include details of campaigns, activities and their relation to internal, external and sales partners later on. Steps 2 through 6 below, whilst powering your DPM engine, also provide the foundation for the kinds of reports you are going to need to understand your current and future sales performance.

2. Identify the system of record for targets of your initial campaign and establish a regular extract

The next step is to establish a data extract from the data source that holds the targets for the campaign. As an example, the term life administration system with policies nearing the end of their renewal periods. The extract should be frequent enough that the marketers can develop

filters to mine out the sales targets and present it to the field in time to act on the opportunity. Ideally this extract should include more data fields than those just required for the current campaign. If so, future campaigns may not require further programming by your IT team.

3. Identify the system of record for the product being sold on the initial campaign, and establish a regular extract from that system

Results are everything, so 'closing the loop' on the marketing activity so that management can see the results accrued from the campaign is vital. As previously stated, this extract should be established on as broader base of data as practical. It is not uncommon that this and the previous extract are from the same system.

4. Model the Sales Channels Hierarchy

The DPM platform needs to be linked to the systems that manage the distribution hierarchy. The DPM platform can then model the structure of the field force and ensure that all parties active in that structure can see leads, reports and materials relevant to their position in the structure. As important, it can make sure the complex security and data visibility rules are enforced.

5. Consolidate the View of Distribution

In many field sales structures producers can be licensed according to product line or the MGA/BGA/AGA to which they are aligned. The net effect is that they actually turn up in the hierarchy multiple times according to their product licensing or agency affiliation. Effective DPM will consolidate these multiple instances and provide truly consolidated reporting.

6. Setup Your Internal and External Sales Force Structures

With the field structure established you will need to overlay your own internal and external sales force structure against that hierarchy so reports, contact details, activities and outcomes are structured appropriately.

7. Setup the Compensation Structure

Nothing motivates sales people more than compensation. Making sure that the DPM solution distributes opportunities with a clear dollar value is an important part of gaining the fields' attention and making them act on the opportunity.

8. Develop Support Collateral

The lead is not necessarily enough for the producer to act on. DPM integrates your sales and marketing collateral so that the value proposition for the insurance customer is very clear. It also helps to support the process the producer actually follows so that their assistant (if they have one) can successfully book the meeting with the client.

Packaging everything for the producer so that they can conduct a meeting with no extra effort on their part helps to ensure that the opportunity you send to the field returns to you as the source. Integrating e-Applications and processes that produce 'in good order' applications are an important consideration. They ensure that the whole process for the producer is streamlined whilst reducing the workload on your underwriters.

9. Develop the Marketing Filters

A great way to start a DPM implementation is to target opportunity that can be mined from current systems, like retention renewal or cross sell programs. This approach has the advantage of leveling the playing field with respect to demand generation – your results will not be swayed by how good the sales force is at generating new leads. The focus goes to the

execution around opportunity you have produced, the products you want to drive, the support materials you have developed, and a process you want to execute.

10. Go!

Now it's time to fire up the DPM platform and get the leads you mined sent to the field with the relevant collateral attached on the schedule you established.

11. Measure the Results and Adjust

Once the campaign is underway you will be able to measure the sales performance of distribution alongside the leads produced, leads viewed, meetings booked and much more. With this information, you will be able to adjust the parameters of your channel activity.

About BlueSun

BlueSun Distribution Performance Management software increases the sales performance of insurance carriers and large distributors in North America.

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