

BLUESUN WHITE PAPER: Distribution Performance Management – Readiness Checklist



BLUESUN WHITE PAPER SERIES

Background

This paper provides a checklist of the characteristics commonly associated with companies that generate the necessary business focus to implement a DPM project that results in good ROI.

Use the checklist to see whether your organization has the impetus to succeed.

Characteristics of an organization that is DPM ready

1) **See a huge missed opportunity**

In the developed world it's a well known fact that the majority of people are not insured sufficiently to sustain their current lifestyle after a life or disability claim episode. This even applies to the most wealthy, where the sales agents tend to concentrate their effort.

2) **Understand retention, cross sell and up sell**

Aside from missing the opportunity to sell more to the market place, life insurance companies and their distribution partners often pay little regard to the embedded value of their client base. It is generally accepted that it is six times more expensive to acquire a new client than to sell more to an existing one.

3) **Searching for a better way**

Companies that implement DPM are unhappy with the status quo. There is a realization that the battle for distribution based on 'pay more', 'pay faster' or 'build more product' is almost played out.

4) **Have an eye on cost**

The unit costs associated with supporting wholesaling, distributing product and dealing with new business applications is a problem for most insurers. DPM appeals because of the proximity to ROI both from the delivery of more revenue and the way it focuses on 'in good order' submissions.

5) **Have an immediate project in mind**

Often, the catalyst for a DPM implementation is the presence of an opportunity or a pain that's shifted from chronic to critical, for example investment-linked products maturing causing asset run off. This kind of project shifts focus to driving activity at the advisor level because procrastination and the use of the 'softer' distribution management practices will not bring fast enough relief.

6) **See the need for hardened distribution management**

Companies that drive the best results from DPM see the need to fortify their distribution management function with hard data. The value of the relationships the sales function manages is enhanced around empirical insight into where results come from and how they are produced.

7) **Are not reaching for a 'CRM' solution**

CRM is not the answer to driving the performance of distribution. Many organizations implementing DPM have been through a CRM implementation and are living with the lack of sales impact from distribution. Companies have moved past the belief that sharing information on clients along with some supporting tools are going to give rise to improved sales processes and results. They are ready to look at processes in a deeper, more focused way and pick technology partners and platforms that speak to them in their language.

8) **Create empowered senior management with a focus on implementation and an assigned sponsor**

Maybe as important as all the other characteristics in total is that an empowered champion takes up an active sponsor role in the project. Success comes when there's someone in place that can influence – or better still, drive - the sales, marketing and distribution change associated with the project. They'll also need to be able to partner well with the IT function controlling access to the data that is the life blood of a successful DPM implementation.

About BlueSun

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

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