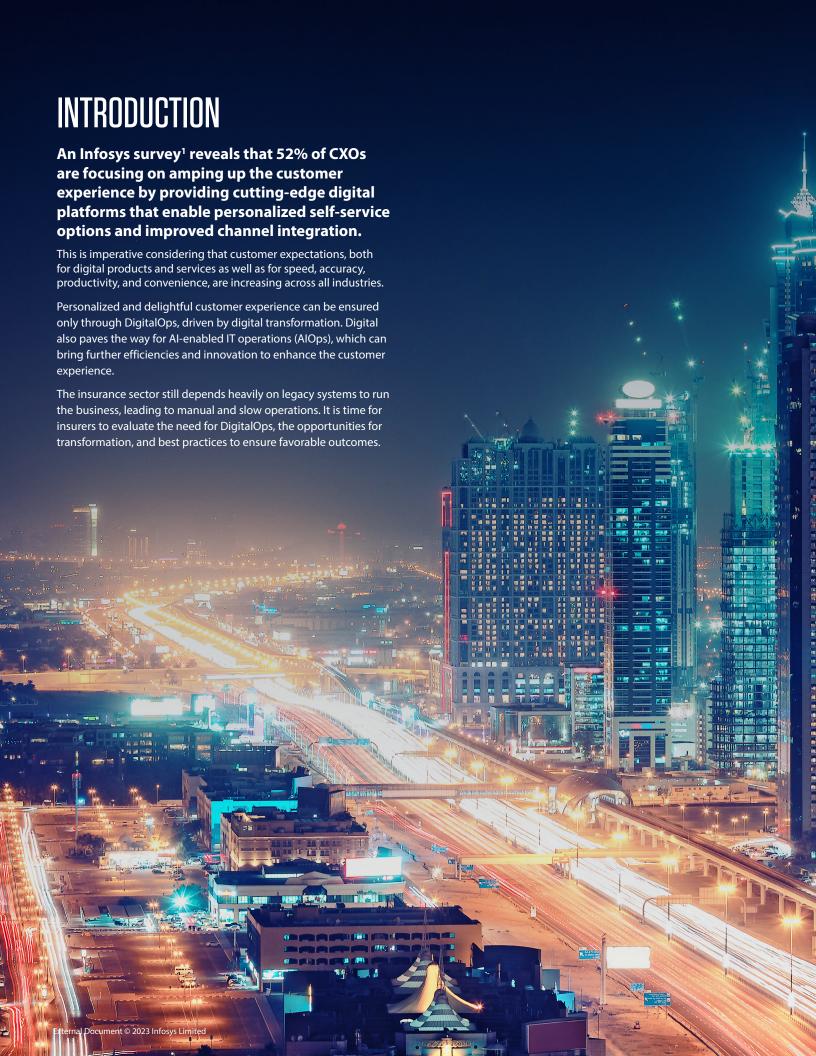# NAVIGATING SUCCESSFUL OUTCOMES WITH DIGITALOPS

Abstract

As the world becomes increasingly digitalized, insurance organizations must enable digital business operations to keep pace with customer demand for speed, productivity, responsiveness, and experience. But first, they need to address the challenges of changing business priorities, data management, cyber risk, and more.

This paper looks at the need, opportunities, and best practices of a DigitalOps transformation journey for insurers. It highlights the need for a long-term strategic approach that systematically upgrades manual processes into digital ones, delivering sustained ROI.

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INTRODUCTION

An Infosys survey[1] reveals that 52% of CXOs are focusing on amping up the customer experience by providing cutting-edge digital platforms that enable personalized self-service options and improved channel integration.

This is imperative considering that customer expectations, both for digital products and services as well as for speed, accuracy, productivity, and convenience, are increasing across all industries.

Personalized and delightful customer experience can be ensured only through DigitalOps, driven by digital transformation. Digital also paves the way for AI-enabled IT operations (AIOps), which can bring further efficiencies and innovation to enhance the customer experience.

The insurance sector still depends heavily on legacy systems to run the business, leading to manual and slow operations. It is time for insurers to evaluate the need for DigitalOps, the opportunities for transformation, and best practices to ensure favorable outcomes.

NEED FOR DIGITALOPS

DigitalOps enable rapid automation and change the way data is stored, retrieved, and processed.

By optimizing business processes, enabling multi-channel support, and enhancing reporting, resulting in faster resolutions to customer issues, customer experience is enhanced. Further, all DigitalOps run in a fully integrated environment, thereby boosting user productivity and speed.

By enabling DigitalOps, organizations can:

Scale quickly to meet today's dynamic customer and business needs

Leverage real-time data to predict customer demand

Take action through intelligent insights that sharpen the competitive edge

Dramatically boost operational efficiency

To start with, organizations must first reimagine the entire customer journey, i.e., all the end-to-end processes that customers interact with to receive the product or service they want at their preferred time and location.

OPPORTUNITIES FOR DIGITALOPS IN INSURANCE

While each business process has its own unique potential for either short-term or long-term transformation, the insurance industry has several opportunity areas for process digitalization. As per the Infosys survey, leaders earmark the following areas as top priority for DigitalOps:

- Life and Annuity has the most opportunity with 40% of senior leadership and CXOs noting DigitalOps as an important item.

- Claims management, call centers, and underwriting are top three opportunity areas due to the rising cost of operations, customer demand for a better experience, and the need to stay competitive.

For example, within claims processing, document collection and verification is still a manual operation with lengthy turnaround times lasting weeks. DigitalOps allow documents to be digitized for storage and easy access. Additionally, automated document verification and fraud detection can be performed within hours, not days. As a bonus, this entire process can be made visible to customer, enabling a superior and transparent experience.

INFOSYS APPROACH TO ENABLING DIGITALOPS

Based on Infosys research and experience, insurers can adopt the following three steps to implement DigitalOps.

1 Define the roadmap with an expert team

This begins with choosing the right talent pool. Organizations must build a team with experts having a combination of deep industry knowledge, process domain expertise, and experience with innovative digital solutions. The next step is to articulate a clear plan that maps the outcomes, investments, and upcoming changes. This roadmap should contain digital process-centric models and technologies and must align with the requirements of the internal ecosystem (all employees right up to senior leaders) as well as the external ecosystem (academia and Insurtech).

2 Choose the right tools

Having the right set of tools is critical for the success of DigitalOps. Tools are needed to enable digital-first capabilities such as robotic process automation, intelligent business process management, advanced analytics, and AI. When choosing from the array of market-ready options, organizations should carefully evaluate the advantages, disadvantages, licensing costs, and upgrade requirements of each tool. The chosen suite of tools must also align with the roadmap established in the previous step.

3 Use the Deploy, Adapt, Thrive (DAT) framework

Early wins help organizations see the benefit of digital transformation. Additionally, the core digitization team should also maintain their view of the overall goals to digitalize and sequence business processes accordingly. The underpinning tenet of the DAT framework is to realize quick wins while planning for long-term return on interest (ROI). It helps organizations **deploy** innovative process discovery and mining tools to identify process improvement areas. When instituting mechanisms to deploy new processes and optimize existing ones, the framework considers the employee and end experience so that they can **adapt** easily to the change. Finally, it empowers organizations to **thrive** in today's hyper-digitalized world by adopting a long-term view with sustained and prudent investments to make digital business operations more agile.

INFOSYS-RECOMMENDED BEST PRACTICES

1 Drive synergy between data and digital

Data and digital technologies go hand in hand. As organizations becomes more digital, the influx of data will explode. Thus, data management is a priority that requires strategic focus and investment.

Data standardization is not yet mature in the insurance industry. Different insurers possess sets of similar data; however, these are rarely standardized. It can cause challenges when implementing out-of-the-box digital solutions that need to be integrated with various systems. A dedicated integration layer is helpful to support digital transformation and DigitalOps for insurance firms.

2 Prioritize well to manage cost

As with any transformation initiative, it is possible to get side-tracked by other requirements or challenges as they arise, diluting the focus of the program and leading to high unplanned costs. Thus, insurance organizations must keep their focus on the stated goals. For example, if enhancing the user experience is the identified improvement area, the DigitalOps transformation must focus only on those processes.

3 Minimize cyber and regulatory risk

Digitalization exposes insurers to cyber risk. A strong cyber security strategy is imperative as insurance companies handle sensitive customer data. Alongside, regulations surrounding data privacy are becoming increasingly stringent, forcing insurers to comply with norms or risk their reputation. Cyber security, data governance, and compliance with regulations must be prioritized early in the design stage and the relevant teams must be included in early discussions.

4 Involve all stakeholders from the start

Getting stakeholder buy-in from the beginning is crucial to the success of any transformation program. When implementing DigitalOps in insurance organizations, it is vital for users to adapt to the change and become proficient with the new processes and tools. A lack of coordination between technology, business, sales, and other support teams can create bottlenecks in process outcomes. For instance, in the Infosys experience, when legal and compliance teams were included later in the discussions, it caused unforeseen challenges, leading to delayed rollouts.

5 Use a phased implementation approach

In most cases, adopting DigitalOps should start small, with individual teams or functions, and not as an organization-wide initiative. Thus, it is always best to consider a phased digitalization approach that supports co-existence of the existing platform with the new DigitalOps. Big bang approaches are not advisable for insurers due to greater risk of business disruption.

CONCLUSION

The insurance industry is moving to adopt DigitalOps, given the renewed focus on customer experience as an emerging priority for senior leaders.

DigitalOps change the way data is handled within an organization and pave the way for aggressive automation and AIOps. For insurers, the top areas that can benefit from DigitalOps include claims management, underwriting, and call center processes. To address the challenges in adoptingDigitalOps, Infosys recommends a three-step approach that involves defining the roadmap, choosing the right tools, and leveraging the DAT framework. Following key best practices can also help insurers successfully adopt DigitalOps for improved efficiency, enhanced customer experience, and a sharper competitive edge.

Resources:

1. https://www.infosys.com/industries/insurance/documents/analyzing-voice-insurance.pdf

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