

1. Overview

CGU is one of Australia's largest general insurers, protecting Australians for over 160 years. Traditionally an intermediated insurance business, CGU primarily distributes products through their broker channels. CGU partnered with Deloitte to design and implement Digital Direct – an award-winning new digital business model for small business insurance, taking the hard work out of insurance for customers.

“The team has used a range of innovative approaches, coupled with research insights we've gained into the SME market, to create and deliver this compelling offer to our customers. This recent milestone takes us one step closer to achieving the three major program objectives”

- Peter Harmer, CEO, CGU -

The question CGU were seeking to answer was 'How can we best service small business customers who aren't being looked after as well as they should be?' This was driven by three things: CGU did not understand the needs of small business customers; they didn't have a culture of innovation and fostering new ways of working, and they saw an opportunity in the small business market. Deloitte led the team through an approach that ensured the right blend of customer and business needs were considered. This delivered an outcome that is highly relevant to customers while removing the complexity of traditional insurance.

2. Process

A cross-functional team from CGU partnered with Deloitte to take a human-centred design approach to identify the needs and challenges of small business customers and the employees that serve them. Following the double diamond approach, Deloitte guided the CGU team through four distinct project phases – discover, define, develop, and deliver. Deloitte formed a multidisciplinary team with stakeholders across business divisions

at CGU, helping to ensure that the ideas considered were functional, and that the solutions were desirable and met – or better yet – exceeded customer needs.

Throughout the project, CGU and Deloitte undertook extensive qualitative customer research, including 50 contextual inquiries with small business owners – generating more than 2200 data points, which were synthesised down to 60 specific customer findings and six overarching customer insights.

What the research revealed was that, just like individuals, small businesses are increasingly seeking to research their insurance needs online. Customers then make the decision to either purchase their insurance online, or seek further advice from an insurance adviser. Learning from their customers, CGU wanted to create a new offering that would cater to this emerging market, with a keen focus on customer experience.

Deloitte led the team through a human-centred design approach blending agile and lean methodologies to ensure all ideas were co-designed with stakeholders and

customers. These were then iteratively tested and refined through development sprints. This new way of working within CGU fostered an iterative process of focussing on customer value first, team interaction over tasks, and adapting to current business reality as opposed to conforming to a prescriptive plan.

3. Benefits

Small businesses are now able to interact with CGU online for their complete insurance needs, from purchase through to claim – a first for business customers. This highly personalised offering for small business customers enables them to directly purchase a complete insurance solution, including:

- Public liability
- Professional indemnity
- Tool and electronic equipment cover
- And commercial motor.

Dynamic content and pricing models based on the customer's occupation and behaviour delivers a highly personalised experience. Importantly, Digital Direct has cut down a 60-question insurance underwriting process to just eight questions, allowing customers to

obtain an insurance policy in less than three minutes - reflected in survey feedback from customers, such as the following:

“Signing up is so easy, and it’s a top rating to protect any business – so easy to follow.”

Digital Direct was the first project of this kind at CGU. In addition to delivering a new proposition to market in a phenomenal timeframe for a large enterprise, the project has provided valuable learnings for the wider business and executives to take forward in the rapidly changing market place.

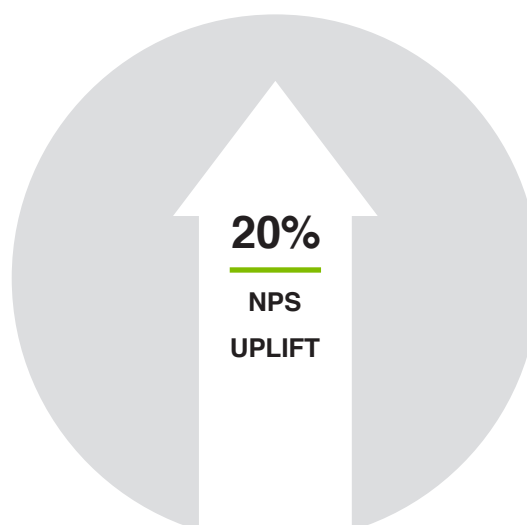
The underwriting team having been rigorously contested to challenge their traditional ways of working to meet identified customer needs resulted in a key win for CGU – who now place the customer at the centre of everything they do. The introduction of Live Chat and extended contact centre hours were also introduced in reaction to better understanding customer needs.

For CGU, Digital Direct hasn’t changed the focus of distributing products through their partners. CGU was awarded 2015 Insurer of the Year in the annual Brokers on

Insurers survey conducted by Insurance Business. This highlights that Digital Direct has had minimal impact on CGU’s ability to simultaneously service their existing broker channel alongside Digital Direct.

4. Effect

CGU was looking to lift its Net Promoter Score (NPS) and implemented a mobile text-based feedback process so new small business customers could rate their experience using Digital Direct. CGU had been using NPS as a measurement in the business, but not consistently. Because Digital Direct was a cloud and mobile-first platform, mobile was the best way to



“I’ve already recommended CGU today to another plumber and will definitely tell others. Your site is excellent – being able to make selections and see exactly what the monthly payment will be is fantastic – 9 out of 10!”

reach customers – which was also new for CGU. Digital Direct’s launch and the implementation of the mobile text-based feedback process saw an NPS promoter uplift of 20 per cent within a three-month period.

CGU commenced the Digital Direct project in July and the initial metric was simply meeting the short turnaround time and selling its first policy by Christmas. This was an unprecedented timeframe for the large enterprise and is why CGU started with the goal of just selling one policy – which they did. CGU have since reset their targets to be in line with the favourable demand they’ve seen on the platform, with last

month producing the best monthly results to date for profit and number of Digital Direct policies sold.

By partnering with Deloitte, CGU was able to launch a new offering in record time. New ways of working reduced time to market to three months, a nine-month reduction when compared with conventional methods. To radically reduce time to market, a multi-disciplinary team was assembled that used service design techniques such as contextual inquires, journey mapping, co-designing, service blueprinting and prototyping.

CGU has retained capabilities developed during the engagement for reuse on future projects and to progress their pathway of becoming a more customer-centric organisation. CGU’s new way of working has opened the doors to a partnership with Xero, an emerging leader in online accounting software, to make it easier for their customers to seamlessly manage all aspects of their business. CGU is now looking to add extra occupations and propositions to the platform, and seeking adjacent relationships and partnerships to complement its offering.