

# THE INTELLIGENT ENTERPRISE IN THE EXPERIENCE ECONOMY FOR THE INSURANCE INDUSTRY

Creating contextual and personalized experiences to meet the demands of 2025 and better serve customers today







“Insurers will use the explosion of information to turn data into insights and to get closer to their customers in the experience economy. These companies will reimagine their business models to deliver new customer value across traditional industry lines.”

**Toni Tomic**  
Global Head of Insurance  
Business Solutions  
SAP SE



Watch the “Intelligent Enterprise for the Insurance Industry” video.

# WELCOME

Dear Customers,

Radical change in the once-staid insurance industry is occurring at a rapid pace. Disruption in technologies, in business models, in standards, and in the makeup of insurance companies themselves demands constant adaptation. Driven by competition from new insurance and insurtech players, rising consumer expectations, and emerging technologies, insurers must respond to rapidly changing customer opinions and perceptions while still complying with all standards and regulations.

It is no small task, one that requires a fundamental reimagining of business models. Insurers must meet the challenges from competitors by adopting digital technologies and an innovative approach that enables rapid solution development and deployment based on measuring and understanding customer sentiment.

The global business economy is moving from industry-specific offerings to new digital network economies – alliances with other companies, even competitors, to create complementary networks of offerings and services. The effect is a blurring of industry lines. This new network economy will grow to US\$60 trillion by 2025 and coalesce around fewer ecosystems, according to estimates from McKinsey & Company.<sup>1</sup> Insurance companies are uniquely positioned to participate in many of these networks, as they touch life, health, property and wealth, housing, travel, and public services, to name a few.

**By 2025, we expect that many insurers will have transformed their businesses to engage with cross-industry ecosystem providers.** Instead of just managing risk, the industry will be focused on prediction and prevention. A few leading insurers have already embarked on this journey.

Digitalization will ultimately be the foundation on which insurers will build new experience management strategies to connect directly with customers and to increase market share. The rise of smart digital platforms has transformed consumer expectations. These digital-first experiences point the way for insurance companies to retake their place in their customers' lives – and to remain relevant and competitive.

**Insurers will use the explosion of data from digital platforms to get closer to their customers.** They will be able to reward positive customer behavior, predict where risk looms largest, and increase customer engagement by providing services such as loyalty programs that connect customers to an array of related services.

We have identified three strategic priorities critical to keeping insurance companies relevant:

- Digital engagement
- Protection services
- Data-driven insights

To achieve the 2025 vision, insurers must take advantage of the ever-growing amount of data generated by the Internet of Things (IoT) to accurately track customer behavior and engagement. They can use artificial intelligence (AI) and machine learning to enable more-secure processes and transparency – supporting risk mitigation for their policyholders. Blockchain can be used to help insurers automate the settlement of claims by leveraging business rules that are encoded into smart contracts. These actions will provide an opportunity to intelligently connect information and quickly deliver innovative products and services to improve customer loyalty and satisfaction.

Leading insurance companies are already partnering with tech-focused newcomers to leverage their technology and talent.

This paper takes a deep dive into the trends shaping our industry and the path to innovation.

As industry after industry undergoes its own digital transformation, a world of opportunities opens up for insurance companies to become partners in their customers' lives. Those that do will cement their place for years to come with a new generation of consumers who live online.

**Toni Tomic**  
Global Head of Insurance Business Solutions  
SAP SE

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# OUR PLACE IN THE NEW WORLD

Global “megathemes” are affecting the insurance industry and provide new opportunities for growth.

- The need for **trusted products** requires insurers to develop relevant and personalized policy offerings that relate to the **specific needs of each customer**. These must be delivered in a simple offering, such as a “pay as you drive” model. Blockchain can provide the technology that can help increase customer trust by enhancing transparency within insurance processes. Insurance policies can be based on smart contracts that are secured with blockchain processes, introducing a degree of automation that is missing in the traditional insurance industry. These smart contracts provide predefined conflict-resolution strategies, which remove ambiguity and biased human interpretation.
- The focus on **health** requires insurers to develop solutions, mobile apps, and other innovative offerings that meet the needs of a growing and aging population. For example, Discovery Ltd. has built the Vitality health program, which goes far beyond a traditional insurance program by **improving the customer experience** through lifestyle engagement. Vitality rewards its members for their healthy living choices with incentives and a unique loyalty program. Other insurers, such as Generali, John Hancock, Ping An Insurance Company, and Manulife, are using the Vitality wellness concept in their markets.
- The focus on **integrated mobility** requires insurers to develop mobile solutions, apps, and other innovative offerings to **improve people’s lives** as well as organizational behavior by offering incentives for safer driving habits, for example. Insurers are also exploring new business models within the evolving ecosystems. Examples include the Die Mobiliar’s CleverDrive telematics connected- car offer in Switzerland and the UPTO monthly car-sharing subscription service (sponsored by AXA). Insurance startups and the auto industry are also driving new business models with insurance carriers in the area of the IoT. For instance, within the European Union, car manufacturers are teaming up to launch shared services that track in-car data with third parties.



## The insurance industry is being reshaped by three major trends.

- **Insurers are managing risk better** by shifting from financial loss compensation to risk reduction activities.
- **Digital is the new norm**, with technologies such as the IoT, machine learning, artificial intelligence, blockchain, cloud computing, and analytics impacting all end-to-end insurance processes, including underwriting, claims, pricing, and delivery.
- **The playing field is changing**, with insurtech disruptors such as Trov Insurance Solutions LLC and Lemonade Insurance Company coming in as new industry entrants, current customers, and partners.

The ability to address the global megathemes and the industry trends will determine who will be the winners in the next 10 years. In fact, research indicates the best-performing companies are pulling away from the rest, widening the performance gap. They are doing this by creating a landscape where they deliver great customer experiences and are the most profitable because they successfully adopt new technologies and deliver winning products and services more efficiently.

Forrester determined that **93%** of cloud decision-makers believe it's important for the software for their business processes to integrate across an end-to-end value chain in the cloud.<sup>2</sup>



### Digital strategies are disruptive and changing the rules of insurers.

[Munich Re](#) uses spatial data processing, predictive analytics, and the simulation capabilities of the SAP HANA® platform to assess risk in the moment. For example, the company can identify natural hazard profiles for millions of locations around the globe in real time. By so doing, it can efficiently coordinate loss adjusters after a major catastrophe or calculate how an impending hurricane or flood may impact hospitals, schools, and roads. Such real-time visibility enables Munich Re to take a preventive approach to risk management – earning the company top rankings in client surveys.

[Allianz Global Corporate & Specialty \(AGCS\)](#) quickly rolled out a globally consistent program to collect experience data from customers in 22 countries and 16 languages. The company now has a wealth of insights. With the ability to easily filter and prioritize those insights by location and function, employees are able to see exactly where to take action next. In their words, they can “think globally and act locally.”

## 70%

Of insurers are using cloud in their business today; it is already an integral part of their technology environment and business platform.<sup>3</sup>

## 85%

Of firms will implement or plan to implement IoT solutions.<sup>4</sup>





# PAVING THE WAY FOR BUSINESS MODEL INNOVATION

In 2025, insurers will deliver personalized solutions at scale and as a service to their customers. Most of the insurance companies' revenue will come from services that are delivered around and based on highly customized, digitalized products that support cross-industry ecosystem requirements.

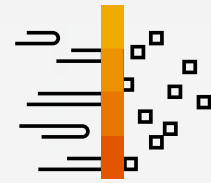
These services will span from simple cross-sell and up-sell services to complex underwriting risk models. Services will also include new business models based on the monetization of data assets. Increasingly, insurers will be able to more effectively use their data assets that are already generating revenue based on the business they conduct.

Satellite data will enable insurers to gain insights and predict potential impacts from natural disaster data, helping them keep costs down for their clients and also make the world a safer place.

Insurers will need to redefine their core competencies in light of new digital network economies and rebuild their business strategies around them. For example, they will need to partner with other industries and develop relevant products and services, such as home insurance and security system bundles. They will need to take advantage of digitalization to integrate and optimize their products and services to improve the customer experience. For instance, they could deliver point-of-purchase insurance coverage with a mobile app, covering ski equipment and personal injury protection for skiers at a resort.

Identifying the key drivers of customer behavior to help improve policyholder acquisition and reduce churn will be critical to success. Gathering feedback across broker and customer journeys to better understand behavior and take action will help insurers develop their road map for future growth.

Embracing the opportunities from new technologies successfully and, consequently, implementing the right business initiatives will be the foundation of successful digitalization transformation and staying ahead of the innovation curve.



By 2020, **90%**

Of large enterprises will generate revenue from data as a service – from the sale of raw data, derived metrics, insights, and recommendations – up from nearly 50% in 2017<sup>5</sup>

**9%**

Of companies have access to real-time data for financial analysis and planning<sup>6</sup>

**56%**

Of CEOs are concerned about the data they are basing decisions on<sup>7</sup>

**US\$10.84 billion**

Is the estimated size of the carsharing market by 2025<sup>8</sup>

**72%**

Of financial institutions list “redesign or enhance the digital experience for the consumer” as their top strategic priority<sup>9</sup>

**69%**

Of customers who plan to leave say it was due to poor service<sup>10</sup>



# THREE PRIORITIES FOR SUCCESS

We have identified three strategic priorities necessary for insurance companies to transform their business:

- Digital engagement
- Protection services
- Data-driven insights



# DIGITAL ENGAGEMENT

The creation of consistent, loyalty-building experiences in a multichannel environment is essential to meeting the expectations of customers in today's digital world.

Insurers will analyze each customer's behavior and point of view to succeed in the digital age. They will use connected people, devices, and external data sources to build an effective engagement model. They will drive organizational alignment to create best-in-class experiences at every touch point including enrollment, policy renewal, claims processing, and more. Real-time simulation and analysis will be leveraged to evaluate the financial implications of strategic business choices.

## The Vision

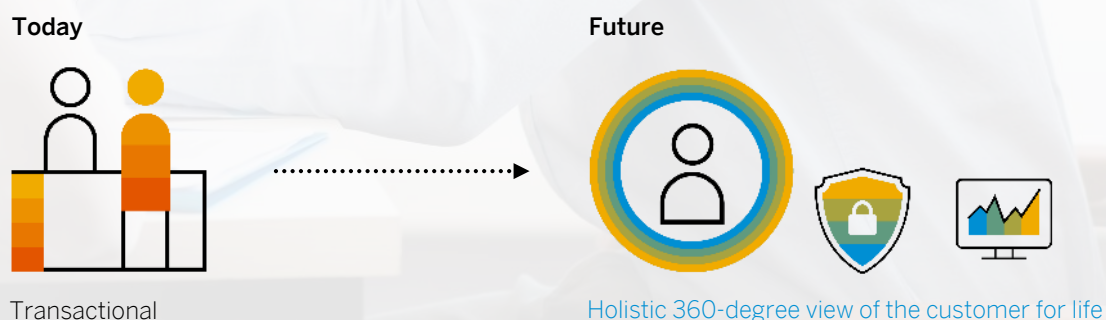
In 2025, insurers will be able to maintain customer-for-life relationships with a shared risk and a focus on long-term value. This will be based on a 360-degree view of their customers across industry ecosystems and on a detailed understanding of requirements and needs. Insurers will interact with their customers on a continuous basis through multiple channels, from Web to direct sales, including IoT connectivity. With the customer as the center point of focus, insurers will help improve

their customers' lives. As an example, by accompanying all financial flows, the insurer will be able to provide a real-time view of personal finance, which helps customers better manage their finances and leads to improved customer satisfaction. (See Figure 1.)

## The Journey

Insurers will start toward this goal by evolving the current routes to the customer into a true omnichannel model. They will extend the customer record to include a real-time view of the policies in place, with an evaluation of coverage suitability. Using Big Data combined with analytical capabilities, they will provide customers with real-time financial information and offer recommendations for improving their financial status. Lastly, they will collaborate with customers in a 360-degree manner, from sensing demand to delivering value through new products and services. The beneficial results will include increases in customer loyalty, new customer acquisition, and customer satisfaction.

**Figure 1: The Vision of Digital Engagement**



63% of consumers are willing to pay up to 15% more for a better customer experience.<sup>11</sup>

Positiva's system (for business intelligence) enabled them to simplify and speed up client service tasks, from enrollment and claim recognition to issuing benefit payments, to make them more effective. Data complexity and the millions of records in company databases have been efficiently managed thanks to the organizational application of the latest technology. This has placed Positiva at the forefront of the digital revolution in both the public and the private sectors.



## DIGITAL ENGAGEMENT

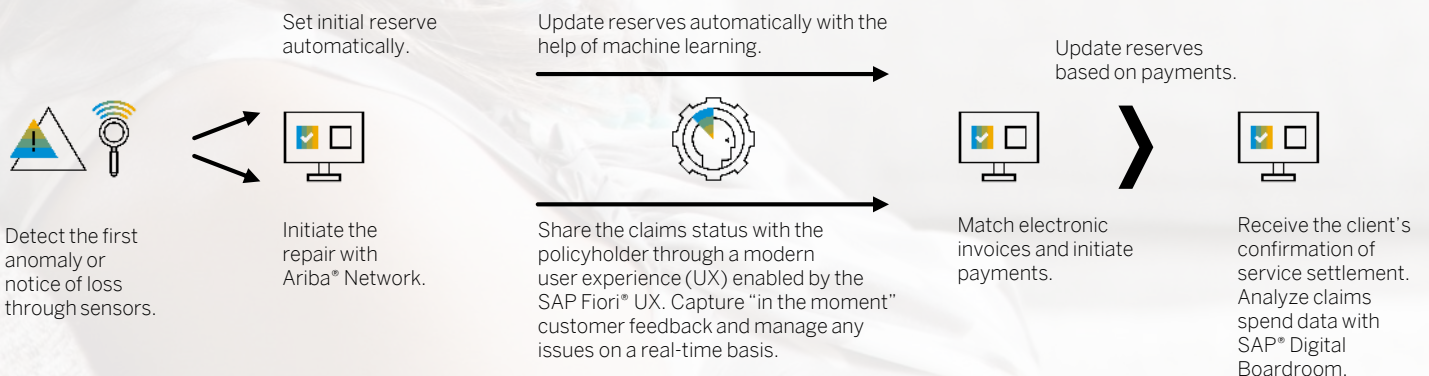
# Reimagine Digital Engagement with New-Generation Claims Processing

Insurers want to offer a seamless customer experience across all channels, including self-service portals. They will communicate with people and devices and connect to external data sources to build more-efficient interaction models. Digital engagement enables insurers to bring relevant products to market quickly, products that reflect both actuary knowledge and real-world insights. Insurers will incorporate new insights into the management of policies, commissions, claims, and reinsurance to run their operations more effectively. And they will use simulations and analysis to evaluate the financial implications of their strategic business choices.

### TRADITIONAL SCENARIO



### NEW-WORLD SCENARIO



### TOP VALUE DRIVERS

**Increased** productivity                      **Higher** customer satisfaction                      **Fewer** processing errors

Companies that use analytics to implement targeted interventions for emotionally engaging customers can realize **50%** higher revenue, **34%** higher profitability, and **55%** higher share of wallet.<sup>12</sup>

Source: SAP Performance Benchmarking

### Three Priorities for Success

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# PROTECTION SERVICES

Customer expectations are moving in the direction that a potential loss should be prevented before it occurs by means of a protection service.

Insurers will align their internal and external workforce to be able to provide products and services that go beyond traditional insurance products. Proactive fraud prevention capabilities will be embedded into relevant processes to mitigate risk exposure.

## The Vision

In 2025, most insurance companies will be able to exchange beneficial information on services, behavior, and risk. By so doing, they will be able to improve customer relationships and interactions. Insurers will deliver hybrid products by bundling insurance coverages across lines of business with noninsurance products and services to offer protection services. For example, home security products will be included with the delivery of a homeowner's insurance policy. (See Figure 2.)

## The Journey

Insurers will start toward this goal by engaging with customers to design existing protection policy options and variations using a simple configuration modeling tool. They will then extend existing policy models by adding customer requirements to clearly tie customer needs to specific options and features. Finally, they will let customers interact with these policy models through multiple channels and define their own product on the fly based on proven and underwriter-approved configuration options. Throughout this process, insurers will get **real-time insights on key experience drivers** to fuel future improvements by capturing and automatically analyzing experience and operational data sets.

**Figure 2: The Vision of Protection Services**



46% of bundle customers say they “definitely will” renew with their provider, versus 28% of nonbundle policyholders.<sup>13</sup>

[Meteo Protect](#) provides fully customized weather insurance with the SAP HANA platform, using the platform to aggregate weather-related data, analyze risks and price, and underwrite the policy – all in real time. This new type of insurance meets the needs of farmers and others affected by climate change and adverse weather conditions. [Watch the video](#)



## PROTECTION SERVICES

# Reimagine Protection Services with the Connected Home

Bundling insurance coverages across lines of business with noninsurance products and services will offer protection services that are essential for an insurer's success. Insurers can create new product offerings based on a customer's usage of IoT sensors and devices and offer telematics data to policyholders with recommendations for safer behavior. By doing so, they will strengthen customer relationships by exchanging beneficial information on services, behavior, and risk changes. They can initiate responsive reactions to events, such as emergency services for accidents and police for home intrusion. Protection services will include the deployment of proactive fraud prevention capabilities and the use of blockchain to enable more secure transactions and processes.

### TRADITIONAL SCENARIO



Paper-based homeowner (HO) insurance policy is mailed to the new HO without any interaction or additional support options.

When a loss event occurs, such as a water leak, no early detection and remediation options are available. The HO must first file a claim over the phone or online, which delays the process.

An adjuster is assigned and will evaluate the damages. The HO must engage a service provider directly to initiate the repairs.

The claims closure is delayed due to inefficient process steps, resulting in a higher claims loss ratio. Customer satisfaction is impaired by the stressful claim process, and churn is likely.

### NEW-WORLD SCENARIO



With the purchase of a new home, insurer sends the homeowner a smartphone insurance package that includes installation of a security system and sensors for smoke and water leaks.

HO receives an alert about a water leak in the basement with the option to turn off the water supply.

Smartphone app provides the option to report a claim, with information automatically stored (loss location, HO policy, and so on.)

Insurer assigns emergency repair service from Ariba Network; selects service based on best performance and contract price; and measures the quality, speed, and cost of repair shops to provide continuous assessment for updates to the "Best Providers" list.

The up-sell opportunity for the insurer to offer a premium assistance package enables the HO to reduce deductibles moving forward.

Analytics data reveals a reduction in claim closure time, an improvement in loss ratio reserve, and an increase in customer satisfaction and retention. Insurers can now capture "in the moment" customer feedback to better understand customer emotions and sentiment.

### TOP VALUE DRIVERS

**Higher** customer satisfaction

**Lower** customer service costs

**Opportunity** to cross-sell and up-sell

Life insurers are using social network and geographical data to reduce fraud by up to **25%**.<sup>14</sup>

Source: SAP Performance Benchmarking



# DATA-DRIVEN INSIGHTS

Meeting customer-specific expectations requires a single, data-driven view of customers, products, quotes, and policies that will provide a holistic digital experience.

Insurers will anticipate customer behavior, such as policy cancellations or renewals, with instant insight from transactional data and digital interaction points. A real-time finance and risk data platform will effectively manage risk, protect investments, and enable compliance with accounting regulations.

## The Vision

In 2025, insurance companies will be able to consistently analyze customer data about behavior and points of view so they can deliver innovative products and services to market quickly while maintaining them more efficiently. Insurers will use the key insights provided by IoT applications and related insurance services to drive what products are created and what services are offered, when and where. (See Figure 3.)

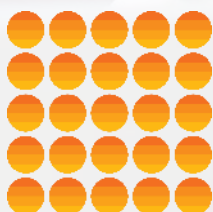
## The Journey

Insurers will start toward this goal by designing product offerings based on the insights from the data of IoT applications and related insurance services. They will extend the use of sensors and telematics to develop holistic umbrella coverage for all aspects of insurance. They will partner across various industries, such as automotive, banking, public sector, and professional services, to automatically integrate everything that impacts the policyholder, such as warranties, wire transfers, government regulations, and service providers.

The constant and fluid analysis of **experience and operational data** will provide a holistic understanding of human experiences. Insurers can more quickly, or even preemptively, understand and adjust their strategies to drive immediate top-line or bottom-line impact.

**Figure 3: The Vision of Data-Driven Insights**

### Today



Individual data points



### Future



Real-time, multisourced, digital interaction data

Over the next five years, IoT car safety technology will save insurance companies **US\$45 billion** in the United States alone.<sup>15</sup>

[elseco](#) enables an intelligent approach to underwriting specialty risks such as aerospace insurance. They integrated their Big Data with CRM systems to personalize offers so that they are now able to give real-time information to underwriters before the underwriting process begins.

## DATA-DRIVEN INSIGHTS

# Reimagine Data-Driven Insights with Product Lifecycle and Process

Insurers will use machine learning data to evaluate all available unstructured, relevant sources of information about policy applicants. Underwriters can use machine learning to manage complex risk assessments and product pricing, and to determine the most efficient employee follow-up actions based on historical data processing. This will enable them to suggest the best cross-industry products for the customer based on their profile and needs. Data-driven analytics will be used to track the status of claims processing and overall claims management performance, while predictive analytics will be used to determine the best claims reserve amounts.

### TRADITIONAL SCENARIO



Products are predefined and standardized by product management.

It is difficult to automate customer interaction.

It is difficult to tailor marketing activities to address specific customer needs.

Any incoming customer interaction cannot be transferred to other insurance lines of business.

### NEW-WORLD SCENARIO



Customer requests address change using chatbot.

Insurer checks on already existing products and services and updates them automatically.

Insurer uses up-selling opportunity of an electronic driving coach assistant to encourage safer driving behavior based on the customer's auto history.

Triggered by the address change, the homeowner policy will be transferred automatically to the new address.

Insurer achieves higher customer satisfaction by offering personalized services and by delivering products quickly at an acceptable price.

### TOP VALUE DRIVERS

**Faster** time to market

**Lower** R&D costs

**Higher** revenue from new products

Companies are using data on insurance agents to predict how likely each one is to sell multiple products, leading to a **20% to 25%** increase in sales.<sup>16</sup>

Source: SAP Performance Benchmarking





# KEY TECHNOLOGIES

The current pace of technological advancements has the most profound impact on enabling how insurers transform themselves to respond to their customers' needs and to market trends.

Intelligent technologies promise to bring great benefits such as productivity and efficiency gains, enabling innovative new business models and new revenue streams. The following intelligent technologies are instrumental in helping insurance companies respond to market trends.

## Artificial Intelligence and Machine Learning

Machine learning enables algorithms to “learn” from existing data and achieve the best possible outcomes without being explicitly programmed. Once the algorithm is trained, it can then predict future outcomes based on new data. Insurers can leverage these capabilities to eliminate repetitive manual tasks associated with simple claims processing by automatically determining classifications, routing, and responses, or by helping with complex solution configurations by applying machine learning to historical data to streamline the quotation process for configurable policy management products.

## The Internet of Things

Advances in ubiquitous connectivity and edge computing are driving a step change in business productivity. This connectivity, coupled with artificial intelligence and machine learning, can analyze petabytes of data and affect real business outcomes. Although insurers have been using the IoT for some time, now the entire value chain can be connected. Data-driven insights of customer preferences can drive better products and services that lower cost and reduce risk. For instance, with a connected car, services might include parking or roadside assistance. For a connected home, the service could be real-time responses to sensor-detected issues, such as automatically dispatching a plumber to the house in the event of a water leak.

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Part of the Farmers Insurance Group of Companies, [Foremost Insurance Group](#) wanted to make its portal so simple that independent agents would need no additional training. With Experience Management solutions from SAP, Foremost now gathers quantitative feedback from 1,000 agents to guide the redesign of its Web site. What's more, the company's executive team can now receive quantifiable reports in hours instead of days.



### Advanced Analytics

The integration of advanced analytics capabilities, including situational awareness, into applications enables business users to analyze customer data on the fly and drives better decision-making. Empowered users can get real-time visibility into their operations, customer feedback, and changing environment. They can simulate the impact of business decisions, mitigate risk, and achieve better outcomes.

### Blockchain

One of the most significant benefits of blockchain is its potential for helping the insurance industry move transactions and contracts through multiple parties in a way that is not only secure but also transparent and accountable to its users. Through its use as a public ledger, blockchain potentially can eliminate suspicious and duplicate transactions, limiting fraudulent claims. As higher levels of trust are established between insurers and the insured, claims management can be handled more efficiently. Reinsurance contracts can become more transparent, and capital can be moved more efficiently. Even complex compliance issues within the industry can be addressed more effectively.

### Virtual and Augmented Reality

Virtual reality (VR), the use of digital technology to create immersive

simulations, was once the stuff of science fiction. So was augmented reality (AR), which lets users interact with digital content that's overlaid on the real world. Already in use to help workers with difficult or infrequent administrative activities, this will become even more critical to attract and retain millennials.

### Conversational AI

Advances in machine learning are enabling algorithms to become highly accurate in natural-language understanding and in image and speech recognition, especially useful in customer service call-center activities. Voice interface will be the go-to technology for the next generation of applications, allowing for greater simplicity, mobility, and efficiency while increasing worker productivity and reducing the need for training. Smart chatbots will also help insurers deliver up-sell and cross-sell opportunities. It is imperative to continually measure customer feedback and sentiment to evaluate the effectiveness of all automated voice interfaces, which will enable iterative process improvements.

### Robotic Process Automation

Robotic process automation streamlines repetitive, rule-based processes and tasks in an enterprise and reduces cost through the use of software robots by replicating specific tasks or keystrokes.



# US\$6.2 trillion

Is the estimated global worth of IoT technology by 2025<sup>17</sup>

# >50 billion

Is the estimated number of connected devices by 2025<sup>18</sup>

# 40%

Of digital transformation initiatives will use AI services by the end of 2019<sup>19</sup>

[Swiss Re](#) merged all of its customer experience, voice-of-the customer, and market research data from more than 11,000 clients, 25 markets, and 11 languages onto a single, secure SAP Qualtrics® Core XM platform. The results were:

- 90% decrease in research costs
- 7-point increase in Net Promoter Score
- 5 times faster research speed

# 81%

Of consumers are willing to pay for a **better experience**<sup>20</sup>

# 92%

Of U.S. adults said they would switch to another company after three (or fewer) **negative** customer service experiences<sup>21</sup>

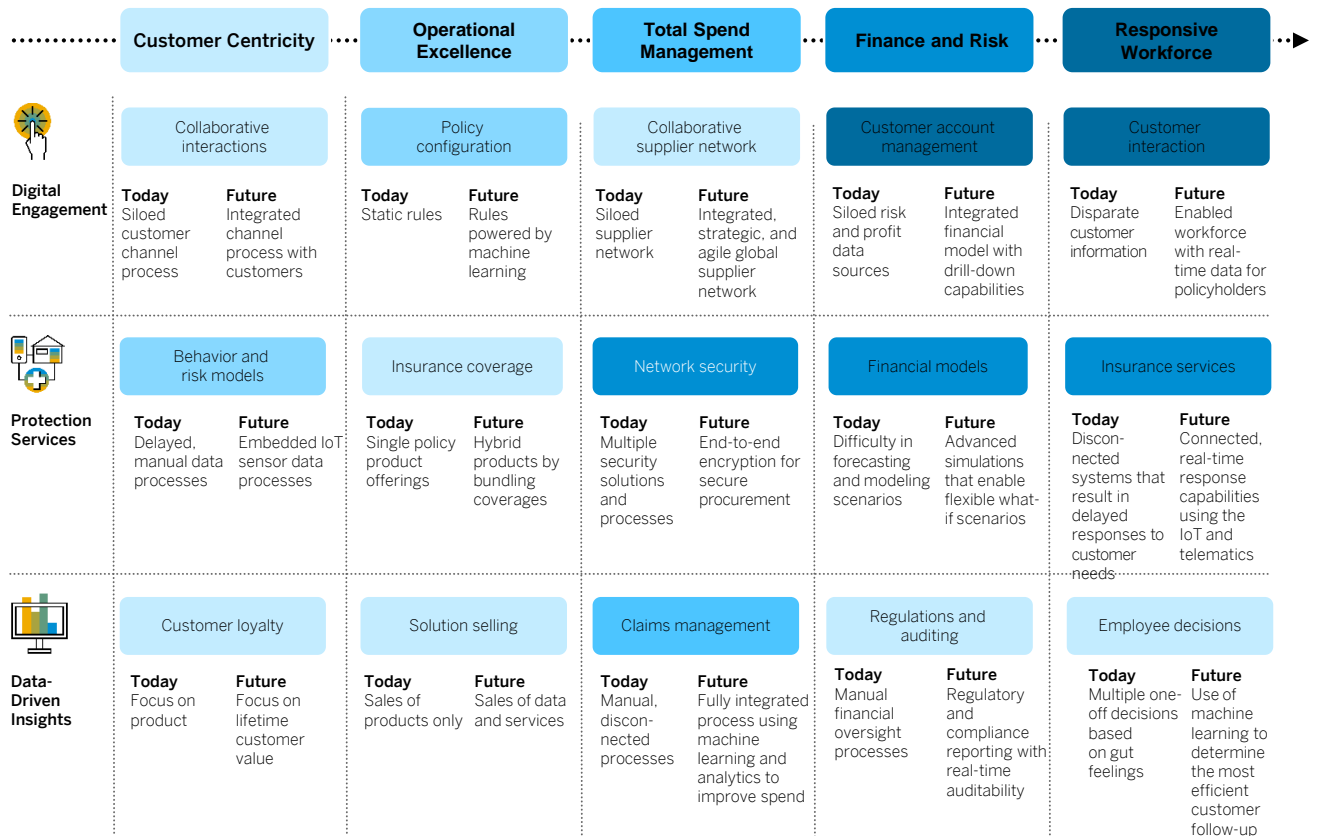


# GETTING THERE: A PHASED APPROACH

Companies will become intelligent enterprises on three distinct tracks as they evolve their strategic priorities to match their company's vision. They will:

- **Optimize** what they already do by implementing a stable and scalable digital core to make processes more transparent and integrated
- **Extend** their current processes by connecting them to the real world using IoT technologies
- **Transform** their business using a constant stream of data, enabling new service-driven business models (See Figure 4.)

**Figure 4: Strategic Priorities Across Lines of Business**



# EARLY DIGITAL ADOPTERS LEAD THE WAY

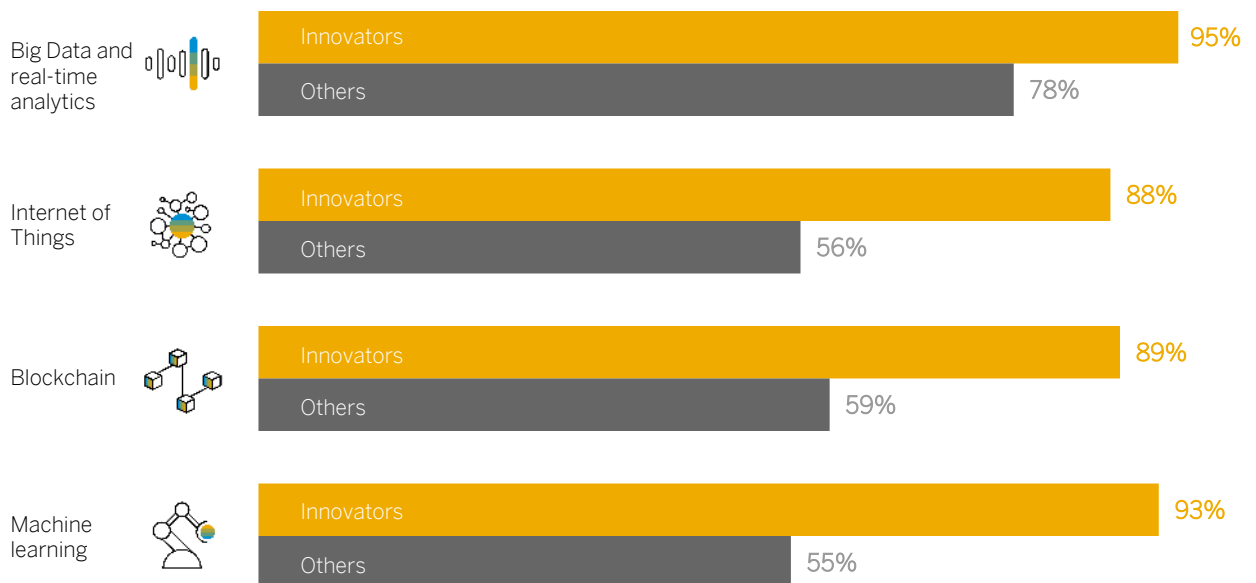
## How do you achieve these strategic priorities?

Start with reimagining your business together with your customers.

Then build a path for even more optimization and intelligent automation to simplify your business and free up resources to invest in even more digital transformation programs and find new business models and revenue streams.

According to a July 2018 study by Forrester Consulting that was commissioned by SAP, innovative companies focus on digital priorities to help them achieve digital transformation more than other insurance companies. (See Figure 5.)

**Figure 5: Adopting the following intelligent technologies will help innovative insurers and other financial services firms achieve their digital transformation goals.<sup>22</sup>**





# SAP'S FRAMEWORK FOR THE INTELLIGENT ENTERPRISE IN THE EXPERIENCE ECONOMY

Most organizations understand what is happening in their business, but they may not always know why.

They know what's happening because they have systems that capture operational data – about their customer transactions, supply chain, manufacturing, spending, and the activities of their workforce. They can see that data through reports and dashboards. They can see trends and predict what will happen next.

But to influence what happens next, companies need data about the interactions that people have with their products and their business. Experience data captures beliefs, emotions, opinions, and perceptions – the “why” something is happening. And when companies know why something is happening, they can make an informed decision about the best way to respond.

To win in this experience economy, intelligent enterprises connect experiences with operations. They use both O-data and X-data to guide their business decisions. Intelligent enterprises collect insights from customers, employees, products, and brands at every touch point. They use powerful technologies to automate and integrate their data, processes, and applications, enabling them to sense risks, trends, and opportunities. And they act on this intelligence across every part of their business (see Figure 6).

Only SAP has the strategy, expertise, and solutions to deliver on this vision, enabling intelligent enterprises to turn insight into action.

**Figure 6: SAP Intelligent Enterprise Framework**





# COMPREHENSIVE SAP ECOSYSTEM ORCHESTRATING THE PARTNER ECOSYSTEM TO DELIVER VALUE FASTER

Our comprehensive ecosystem for the Insurance industry offers:

- The Intelligent Enterprise as the overarching strategy to meet future requirements, providing:
  - SAP S/4HANA co-development programs for customers and partners
  - Industry co-innovation programs for industry-specific use cases
  - Delivery of enterprise-to-enterprise industry clouds
  - Thought leadership, evangelism, and enablement by industry through events, councils, and regular customer exchange
- Integration into a wide range of business services (OEMs, suppliers, key vendors, and more)
- Open architecture, with a choice of hardware and software specifically designed to meet requirements
- Complementary and innovative third-party solutions to provide leading-edge and state-of-the-art technology

Our partner ecosystem includes, among others:





# SAP IS COMMITTED TO INNOVATION



## 10-Year Innovation Vision

SAP delivers fully intelligent business solutions and networks that span company boundaries and promote purpose-driven businesses. These solutions will be the most empathic symbiosis between machine intelligence and human ingenuity.

- Self-running enterprise systems
- Self-organizing business ecosystems
- New markets and business models



## Comprehensive Industry Coverage

SAP enables comprehensive coverage of the complete insurance value chain across the enterprise. With its clear industry road map, SAP is the partner of choice for the insurance industry.

- More than 5,600 insurance companies in 107 countries innovating with SAP solutions
- All of the 25 top global insurers in the world running SAP solutions
- All of the 15 most-admired property and casualty insurance companies in the world running SAP solutions



## Proven Services Offering

By bringing together world-class innovators, industry and emerging technology expertise, proven use cases, and design thinking methods, we help insurers develop innovations that deliver impact at scale.

- Proven methodologies to drive innovation, from reimagining customer experiences to enhancing operations
- Innovation that is fueled through a managed innovation ecosystem from SAP
- Ability to build your own innovation capability and culture

SAP supports insurance companies in becoming intelligent enterprises – providing integrated business applications that use intelligent technologies and can be extended on SAP Cloud Platform to deliver breakthrough business value.



Learn more

- [SAP for Insurance](#)
- [SAP Services and Support](#)





# RESOURCES

Outlined below is external research that was used as supporting material for this paper.

1. "[Phoenix Rising: Remaking the Bank for an Ecosystem World](#)," McKinsey & Company, October 2017.
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**Note:** All sources cited as "SAP" or "SAP Performance Benchmarking" are based on our research with customers through our benchmarking program and other direct interactions with customers.





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