

Insurance Times: New IIAA study helps agents figure out where technology is headed
November 13, 2001, Vol. XX No. 23

Honolulu — A new study designed to help agents make decisions about technology was released at last month's Independent Insurance Agents of America's (IIAA) Hawaii InfoXchange by the Agents Council of Technology (ACT). According to ACT Executive Director Jeffrey M. Yates, the study, titled *A Vision of the Future for Agency Technology Including the Essential Next Steps for Independent Agents*, provides agents and industry leaders with a helpful framework to evaluate potential technological decisions.

ACT sought input from a wide cross section of technology opinion leaders in the industry to create the most credible product possible. The report creates a picture of the future so that decision-makers can put their current technology decisions into a larger context based upon where industry computing is likely to go.

"The Internet has fundamentally changed our business, and agents and companies need to adapt their technology capabilities accordingly," said Yates. "Consumers want to interact with our industry electronically and expect immediate service. At the same time, companies and others want to do business with agents in real-time over the Internet."

"There are no perfect solutions, but investing in technology provides a definite bottom-line payback to the agency," said Edgar J. Higgins Jr. CPCU, principal of Thousand Islands Agency located in Clayton, N.Y. and chairman of ACT. "It positions the agency for increased profitability, growth, efficiency, and heightened standing with clients, companies, employees, and potential purchasers."

The vision lays out eight major technology trends that will significantly affect how agents do business in the future. The trends include:

- Internet hosting services
- Real-time interaction
- Integration platforms
- Prospects and customers do business electronically
- Single-step process
- Collaborative computing
- Ability to compute, and
- Personalized marketing and service

The ACT report recommends several essential steps that independent agents can undertake to position themselves to profit from these emerging technology trends.

The critical first step is for agency owners to establish a culture that views technology as a strategic opportunity and an integral part of the process of running an agency. The agency should organize itself so that there is a chief information person or its equivalent focused on maximizing the benefits of technology in the agency. Technology should be implemented to respond to a defined need in the agency, such as improving a particular business process or workflow.

"The ACT vision is for agents to initiate transactions in their agency management systems wherever located, or in other front-end systems, and access multiple company Internet sites to complete processing in real time and on a single-entry basis," said Higgins.

Yates encouraged agents, "to take advantage of the new opportunities being created, agents need to stay current with their hardware and software, have broadband communications capability to the Internet with an always-on connection, and implement new vendor and carrier technologies when they become available."

Agents should also use their current agency management systems and other technology more fully and consider adopting digital imaging technology, by exploring the benefits of electronic filing, adopting scanning, eliminating paper and using digital cameras.

Agents are urged to adopt 24-7 customer service to increase efficiency and respond to new customer expectations. In addition, the agency Web site offers a effective method to brand the agency and attract new prospects.

Finally, agents need to focus on the security of their systems because the new functionality creates new risks that must be managed.

The full ACT report is available www.independentagent.com.