

How Social Networking Can Benefit Insurance Operations

Social networking can have more uses than just marketing, and many areas of the organization can benefit. By Todd Young

THE CONCEPT BEHIND social networking has been the foundation of the commercial insurance industry for more than 200 years. Effectively selling commercial insurance requires trust and expertise, and establishing these qualities with clients depends just as much on who you know as what you know.

Social networking technologies are mostly used on a personal basis, and the insurance industry has been slow to adopt these applications because they are not compatible with their business models. Popular social networking technologies don't easily provide for control of information flow and centralized management by a corporate team. Another drawback is that they are third-party technologies that are not about the user's enterprise per se. There is a huge risk that an insurer or broker could lose important clients by making inappropriate "introductions" on a public social network.

Most insurers are using the Internet to market insurance and provide some self-service options to policyholders. The next step is to use the Internet as a communication and networking channel to effectively collaborate with agents and brokers, navigate through the complexity of commercial insurance sales and connect sales channels and insurers at the point of opportunity.



Todd Young

—ProspX

A TECHNOLOGY SOLUTION

Brokers and insurers can continue their tradition of emphasizing relationships by taking advantage of the reach offered by social networking technology in a way that makes sense for the industry.

Taking advantage of insurance-specific social networking begins with identifying technologies that address some of the industry's fundamental concerns with respect to control, security and usability. Improvements in these areas can have a big impact on the industry's ability to effectively deploy and employ social networking to drive efficiency into the sales process.

New technologies that are focused on the specific needs of the industry and don't try to be "one-size-fits-all" solutions can be a much better "out-of-the-box" solution. Solutions that provide a single interface to enable access to con-

tent and collaboration will be critical (again, coming back to usability).

Companies taking on social networking to fundamentally transform their cultures and their sales processes must also carefully address change-management. These solutions must be driven from the top-down, and cannot just be expected to implement themselves.

These technologies can be used to leverage relationships, to build instant credibility, and to share information. For the insurance industry to feel comfortable taking advantage of these technologies, however, they must become much easier to use, and much more secure than public networks—there needs to be more control over which information is shared, with whom, and when.

In addition to better security, there is more accountability if information stays within the enterprise. Insurers have been reluctant to adopt public social networking tools because they don't see the ROI. Inside the enterprise, however, insurers can observe and measure the results of collaboration.

This kind of insurance-centered collaboration can vastly improve the sales and marketing process. Collaboration combined with the trust factor enables sales organizations to unlock their collective brain power and experiences. Technology-enabled collaboration enables all authorized parties to tap the knowledge and experience in an organ-

ization, and quickly gather the critical information, which is vital to winning the sale and generally increasing close rates. It also enables sales personnel to get the best information and best practices from other colleagues.

Rapid and reliable communication is also important to brokers trying to choose between many insurance companies who could potentially meet the needs of their clients. Without that kind of communication, insurers must often sit back and hope that a broker chooses them.

Carrier/broker relationships are critical, but a broker typically doesn't have time to play golf with 20 carriers. Insurance-specific enterprise social networking technology brings more choices to the broker in less time, based on parameters set by broker. The collaboration enabled by such technology helps bring the latest information to the table in real-time, which yields a better result for the client.

While public social networking sites have some uses—mostly marketing—in the insurance industry, insurance-specific social networking technology can help more by leveraging relationships. **INN**

Todd Young is the President, CEO and co-founder of ProspX.



For more social network news, search "Tweeting its Way to Members" at

www.insurancenetworking.com.