

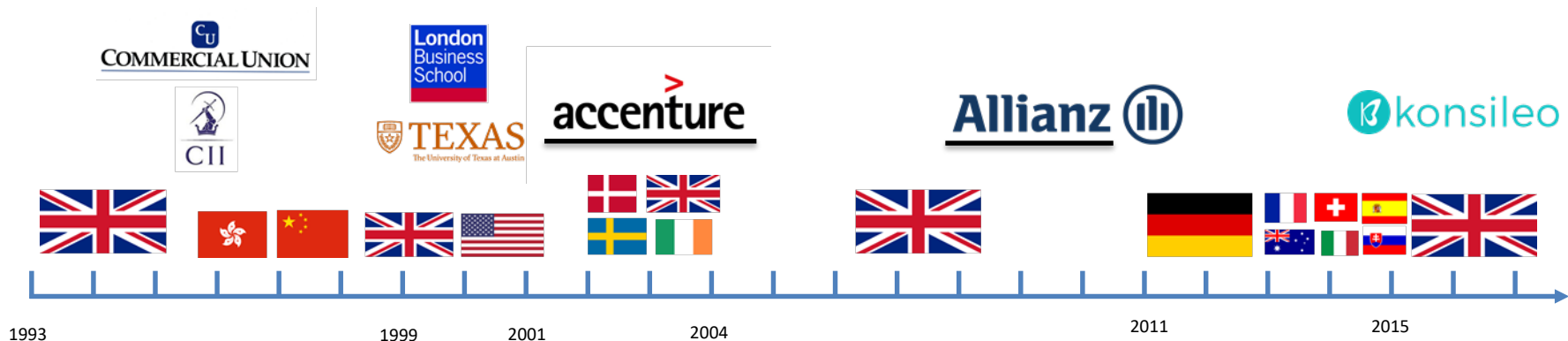


Protect your business. Properly.

The Future of Broking

John Warburton and Laura Smith

A BIT ABOUT ME ... JOHN Warburton



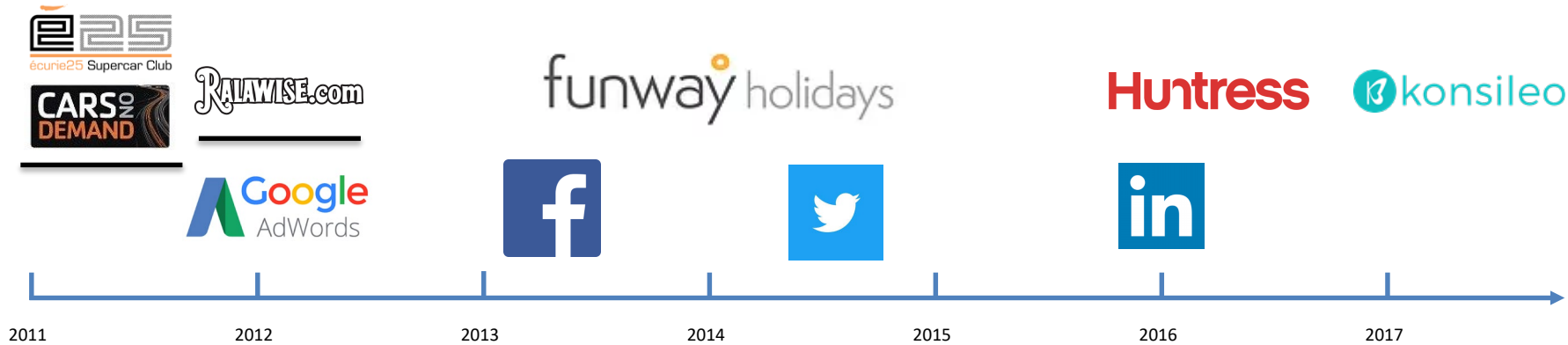
Insurance guy

Consultant

Worked/ lived in several markets

... enough about digital/ startups to be dangerous

A BIT ABOUT ME ... LAURA SMITH



B2B Sales

B2B Marketing

Using variety of Social Media/ Digital Tools

... Now loving support sales & relationships in insurance broking

KONSILEO – A NEW BROKER MODEL

Real People



Real people working in a virtualised but engaged organisation

Powered by Tech



...Powered by the most advanced end to end commercial insurance broking platform in the world.

Driven by Data



...Driven by data that will put clients in control and enable insurers to offer best terms

LEARNING OBJECTIVES FOR TODAY

- What is the current state of play in the commercial broking market and what is driving change?
- What do clients want from technology and their broker contacts moving forwards? How current client service models work.
- How will technology change things for brokers?
- Lead Generation moving forwards.
- The Internet of Things: What opportunities does this represent?
- How will Insurance Career Development change in the future?

FUTURE OF BROKING - DISCUSSION



1. What will the 2028 client expect from insurance brokers?
2. What technology will brokers be using in 2028?
3. What will the 2028 profile of employees in broking be?
4. What do these developments mean for the 2028 insurance broking firm?

FUTURE OF COMMERCIAL INSURANCE BROKING IN A NUTSHELL

Broking market attractive but
commoditisation at bottom end

Clients value advice & expertise

Technology not fully exploited

Broking as a career increasingly about
becoming a professional risk advisor

Broking Firms: Choose business model

Broking People: Embrace learning

Insurers: Reward good practice and
support brokers necessary change



BROKERS & CLIENTS: BROKERS ARE AWESOME



Chartered



THE GLOBAL ECONOMY PRESENTS SME OPPORTUNITIES

Global economy changing with a move towards to local markets

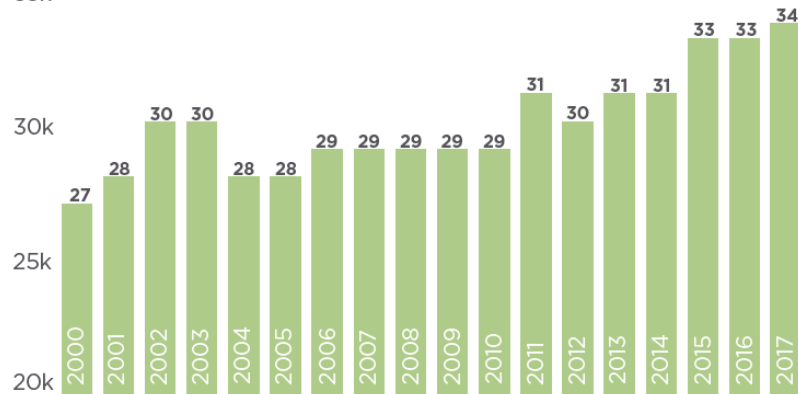
Number of SMEs increasing

Global economy impacting on insurance market that is driving change in the shape of the market

Number of medium sized businesses (50–249 people) by '000s

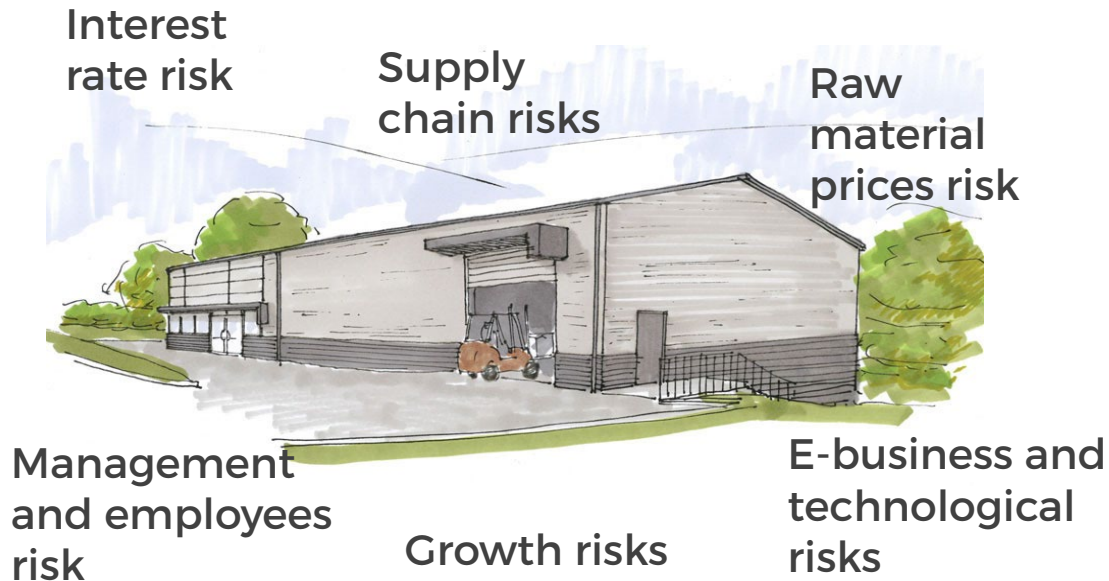
Figure 3

35k



Source: Business Population Estimates for the UK and Regions 2017;
Department for Business, Energy & Industrial Strategy; 30 November 2017

BROKERS & CLIENTS: CLIENTS' NEEDS ARE COMPLEX & CHANGING



Source: Falkner & Hiebl

- Regulation and government oversight
- Information management
- Speed of innovation
- The variability of complexity

Source: KPMG

WHAT SME CLIENTS WANT

Less jargon

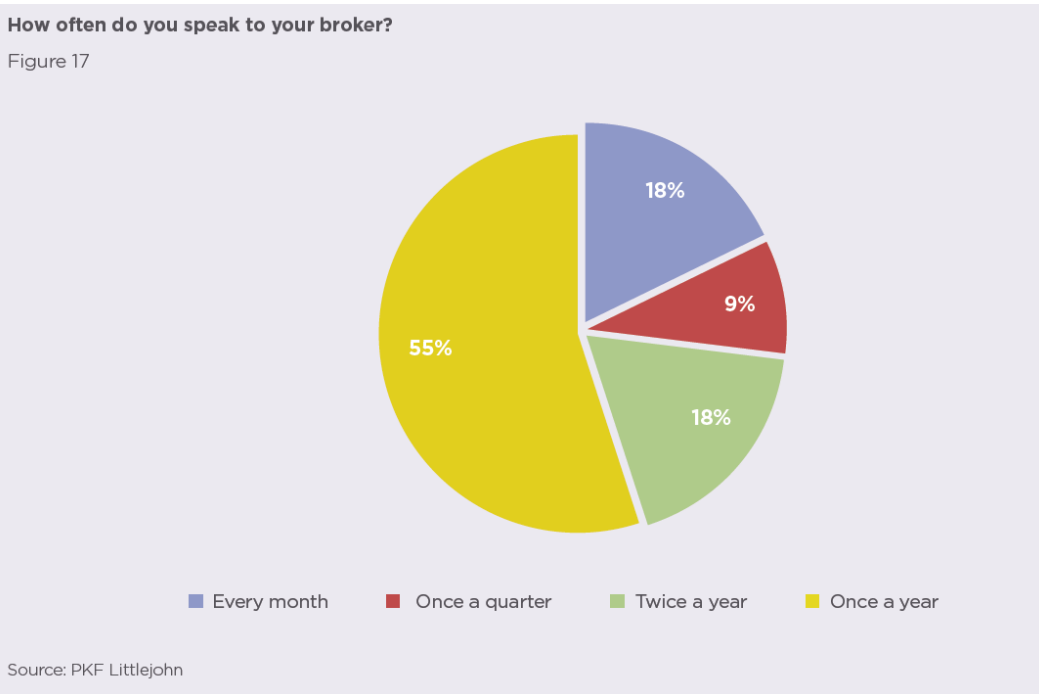
Less complexity & small print

Advisor who knows their business

Claims handling

Comfort around price

Risk management advice



INCREASING GAP BETWEEN BROKER TOOLS & WHAT CLIENTS NEED

2008

“Broker helps me
access the
insurance market”

2018

“I’ll probably stay
with my broker ..
unless something
better comes along ”

2028

“My broker’s advice is
critical to my business”
OR
“Insurance? I’ll sort it
out myself”

“However, many SMEs do not – or not adequately – apply risk management practices, cannot afford to rededicate resources” ([Marcelino-Sádaba et al., 2014](#)).

“SMEs focus on business strategies that have lower risks rather than on growth-oriented business strategies”([Gilmore et al 2004](#))

SURVEY QUESTION 1: CLIENT NEEDS

“To what extent will (non-micro) SME clients in 2028 view brokers as valued advisors versus seek to do it themselves?” (1-10)

1 – Market will be entirely self-serve & commoditised, no market for advice – I’m getting a new job!

2 ...

3 ...

4 ...

5 - About where it is today

6 ...

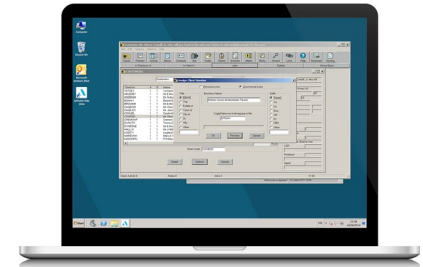
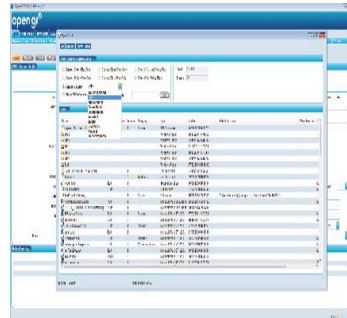
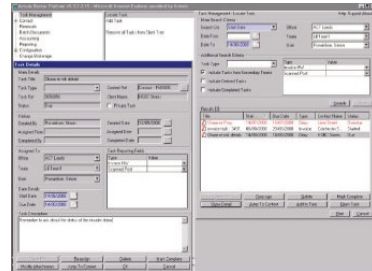
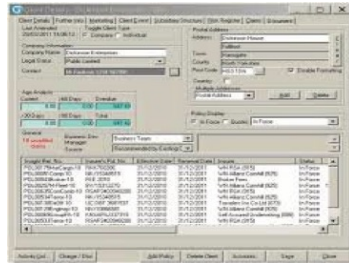
7 ...

8 ...

9 ...

10 – Brokers will find many ways to become more trusted advisors, more revenue in broking sector

BROKING TECHNOLOGY NOT STATE OF THE ART



.... BUT NOT ONLY THE FAULT OF THE VENDORS

Multiple
customisations

Small size of
the market

Slow
adoption of
new features

Few project
roles in
Broking Firms

I-market not really
delivered open
architecture in
market

Insurers' focus
on micro-SME
etrade

BROKER TECHNOLOGY EVOLUTION – LEGACY BUT OPPORTUNITY



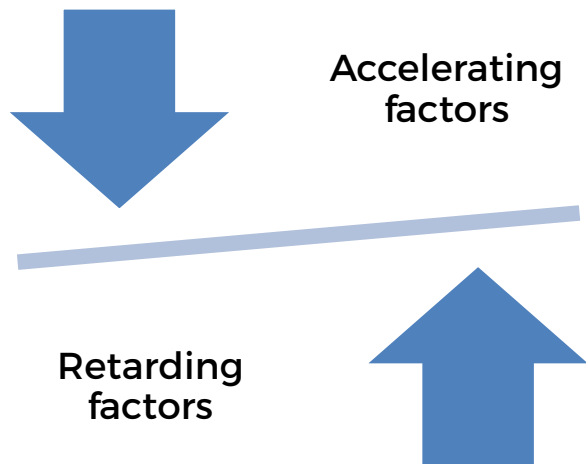
+ In-house



- Broker/insurer focus
- High customisation
- 10+ years old

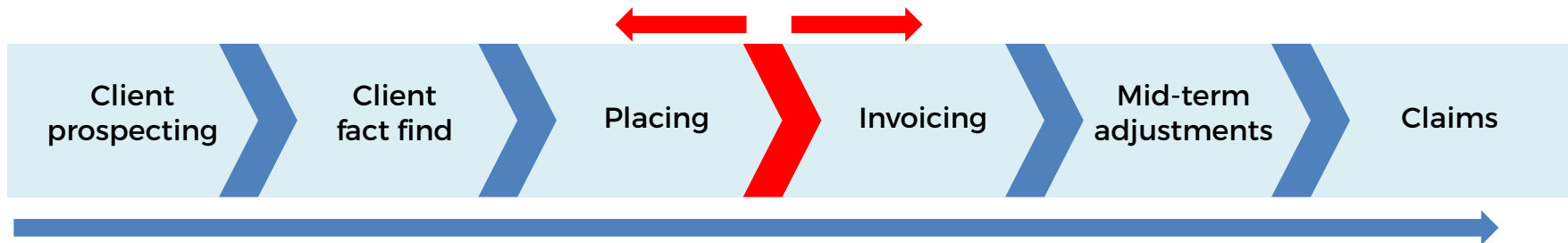
- Broker innovation/experimentation
- Client/broker interaction

AUTOMATED UNDERWRITING CAN ONLY GO SO FAR



1. **Substantially commoditised**
e.g. motor vehicle
2. **Commodity potential**
e.g. small PI
3. **Unlikely to commoditise**
e.g. complex commercial combined
 - ~~Self-serve~~
 - Client risk
 - Heterogenous data

TECH IN INSURANCE BROKING NEEDS A RE-THINK



1. Open API's !!!
2. User journey design
3. Have [more & better] data

MODERN TECH NOT THAT HARD

Modern Methods

Start with best process – “Use Cases”

Open API’s

Make use of pre-existing components/ applications

Agile Development

Modern UX

+

Emerging Technologies

Internet of Things

Machine Learning

Robotic Process Automation

Big Data

Blockchain

Broking Technology: from **TRANSACTION** to the **CLIENT and BROKER NEEDS**

SURVEY QUESTION 2: BROKER TECHNOLOGY

“To what extent will technology for brokers and client risk management change for the better by 2028?” (1-10)

1 – In 2028 Technology for broking and client risk management will be relatively further behind other sectors than today

2 ...

3 ...

4 ...

5 - About where it is today

6 ...

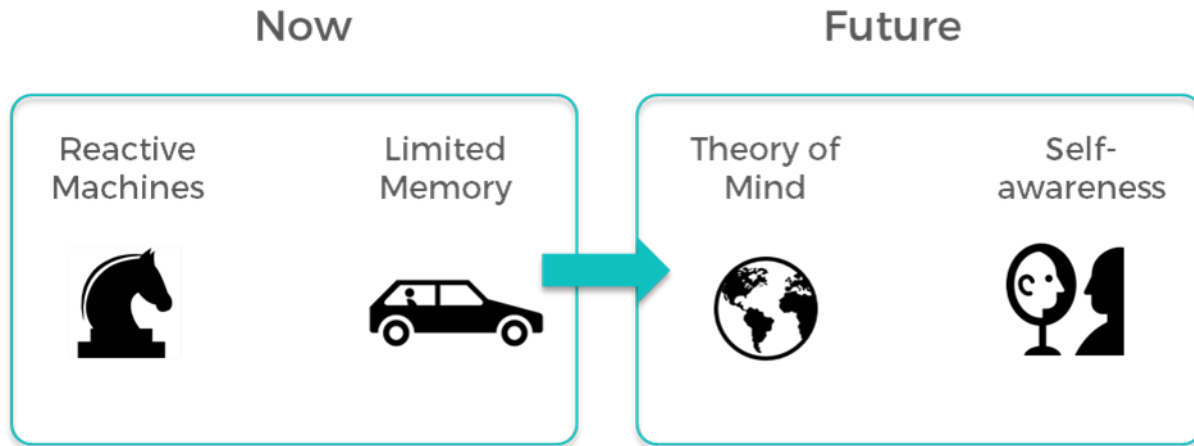
7 ...

8 ...

9 ...

10 – Technology for broking and client risk management will be state of the art by 2028

FUTURE OF EMPLOYMENT - THE ROBOTS ARE COMING



Source: Arend Hintze, Professor for Integrative Biology, and Computer Science & Engineering, Michigan State University

Tasks ***NOT*** roles will go  Repetitive, data manipulation tasks early  Empathetic tasks that rely on tacit knowledge

Expertise and Relationships will ***STILL*** be the key to great broking

BROKERS WILL NEED TO INVEST IN SKILLS, MIX OF TECHNICAL AND SOFT



Chartered
Insurance
Institute



Broking is about - Clients, Clients, Clients

HOW TO FUTURE-PROOF YOUR INSURANCE BROKING CAREER

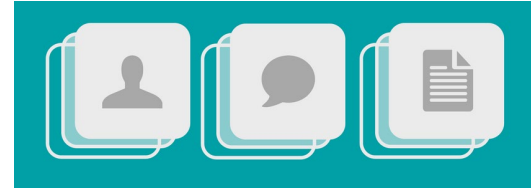


Chartered
Insurance
Institute

+ Mentoring



2. Client Industry
Knowledge



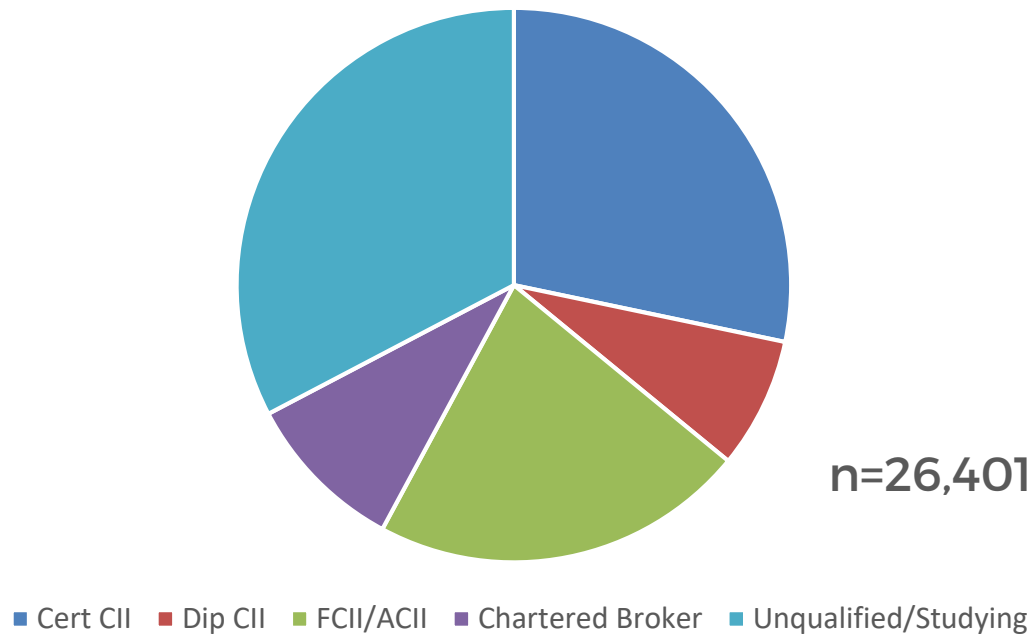
3. Develop Thought
Leader Status

1. Technical
Insurance
Knowledge



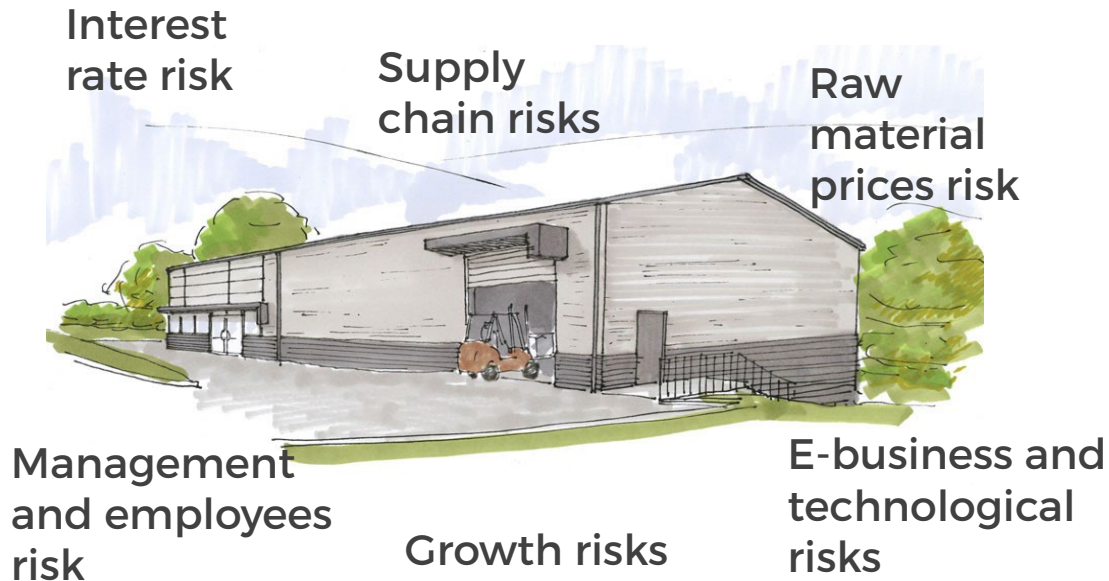
BROKING PEOPLE IN 2018: MORE TO DO ON PROFESSIONALISM

Insurance Brokers that are CII members



Source: CII, Konsileo & PKF Analysis

BROKERS CAN USE CLIENT INSIGHT TO BECOME AN INDUSTRY EXPERT



Industry Knowledge – Sources

- Clients themselves!
- Trade publications/ sites
- Industry events
- Trade Associations
- ???

What matters to the strategy of your clients' business?

'CONSUMER' TECHNOLOGY CAN HELP BROKERS A LOT

Individuals can develop and grow relationships digitally...

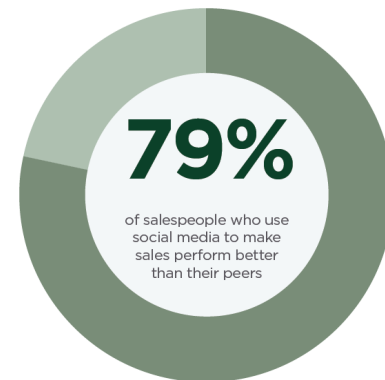
EXPERTISE



ADVISOR RELATIONSHIP



... and employers need to not get in their way



Professional
brand

Communicate
knowledge

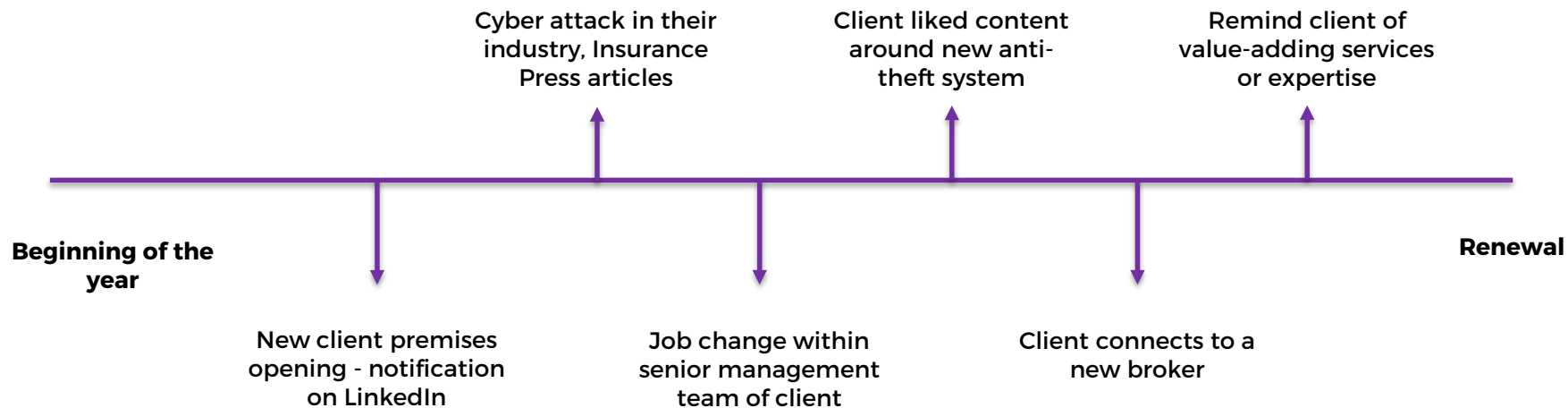
Build
relationships

Share
knowledge

Understand
data

SOCIAL SELLING – A DIGITAL SALES OPPORTUNITY

Increased opportunity for touch points

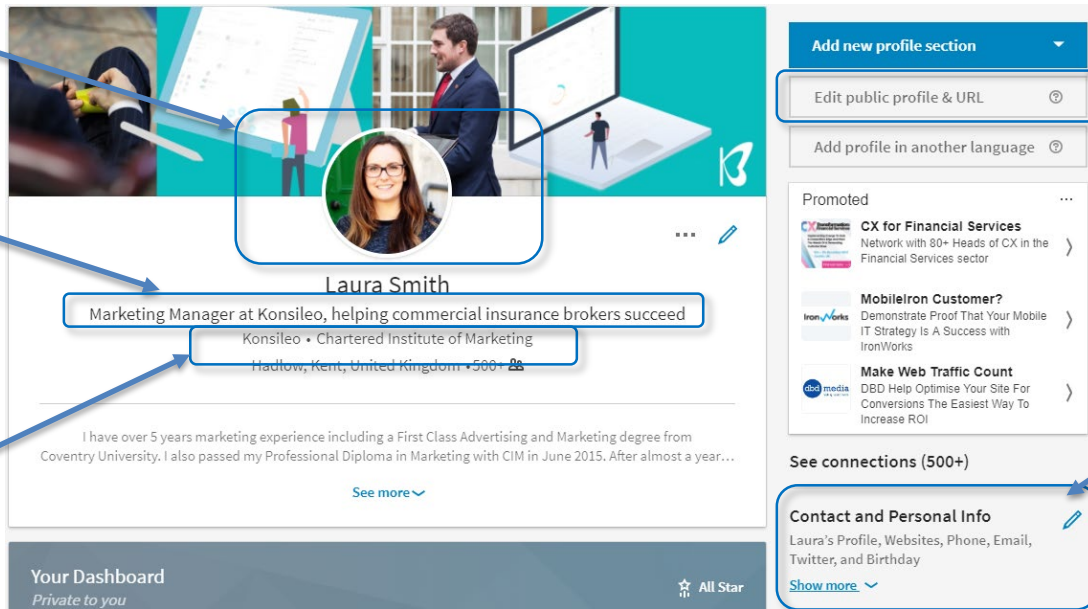


PROFESSIONAL BRAND – LINKEDIN PROFILE

Professional photo & header image

Compelling headline

Personalised URL



Laura Smith
Marketing Manager at Konsileo, helping commercial insurance brokers succeed
Konsileo • Chartered Institute of Marketing
Hadlow, Kent, United Kingdom • 500+ connections

I have over 5 years marketing experience including a First Class Advertising and Marketing degree from Coventry University. I also passed my Professional Diploma in Marketing with CIM in June 2015. After almost a year...

[See more](#)

Add new profile section
Edit public profile & URL
Add profile in another language

Promoted
CX for Financial Services
Network with 50+ Heads of CX in the Financial Services sector
MobileIron Customer?
Demonstrate Proof That Your Mobile IT Strategy Is A Success with IronWorks
Make Web Traffic Count
DBD Help Optimise Your Site For Conversions The Easiest Way To Increase ROI

See connections (500+)
Contact and Personal Info
Laura's Profile, Websites, Phone, Email, Twitter, and Birthday
[Show more](#)

Your Dashboard
Private to you

All Star

Up-to-date work information

Up-to-date contact info

PROFESSIONAL BRAND – LINKEDIN PROFILE CONT...

ACII qualified
Chartered Insurance Broker
Too many years to remember in the insurance industry.
28 years broking.
Goals - to over deliver on client service and help to run an efficient forward thinking insurance broking business.
Contact me on 07889 967110 or barry.packham@thecleargroup.com for more information

Expertise:

Operational management
Business change
Broking IT
Commercial/corporate insurance - professional indemnity, directors & officers, liabilities, contents, stock, transit, fleet.
Charity and/or care sector.
Not for profit organisations insurance
Insurance for the Fine Dining sector.
Building services maintenance and Commissioning Consultancies insurance

- Qualification status
- Years of experience
- Personal goals
- Contact Information
- Expertise

You can also include company information and links

Marketing Manager



Konsileo

Jun 2017 – Present • 5 mos
London, United Kingdom

Konsileo is a commercial insurance broker using technology and data to put people first.

As Marketing Manager I am building the Konsileo brand in the insurance and insurtech space via print and digital channels. I am also building a recruitment strategy to attract and support the best commercial insurance brokers in the market to future-proof their careers and their client relationships using the Konsileo broking platform and lead generation tools to increase client loyalty and trust. To find out more about becoming a Konsileo broker go to www.konsileo.com.

The future of insurance broking is here, find out more about our research with the CII and PKF LittleJohn below.

Media (1)



The Future of Commercial
Insurance Broking - CII research re...

- Tell your story
- Show your development
- Talk about what you gained from each role
- Highlight your achievements

SOCIAL SELLING INDEX

A means of identifying how successful your social selling techniques are on LinkedIn

Social selling leaders have
45% more sales opportunities



Laura Smith

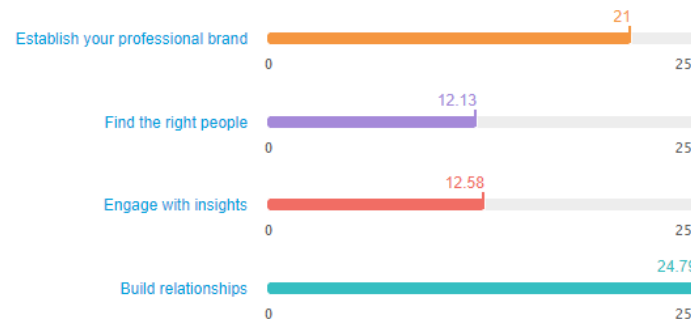
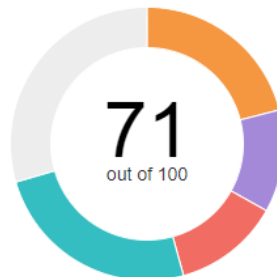
Marketing Manager at Konsileo, helping commercial insurance brokers succeed

Top **1%**
Industry SSI Rank

Top **8%**
Network SSI Rank

Social Selling Index – Today

Your Social Selling Index (SSI) measures how effective you are at establishing your professional brand, finding the right people, engaging with insights, and building relationships. It is updated daily. [Learn more](#)



WHAT MAKES A THOUGHT LEADER?

Provide insight

Have a POV

Share high
quality content

Engage in
industry news
and trends

Connected to
industry leaders

Active on social
media

Creates content

Has a large
network

TYPES OF CONTENT FOR THOUGHT LEADERSHIP

Original:
Article or blog
you have
written yourself

Curation:
Information you
have brought
together

Sharing:
Another person's
post or an external
article

Commenting:
Adding a comment
to someone else's
post

Discussion:
Starting a
discussion in a
LinkedIn Group

SURVEY QUESTION 3: BROKING EMPLOYMENT AND SKILLS

“To what extent will employment in insurance broking change by 2028?” (1-10)

1 – A great deal, more than 80% of current roles will go

2 ...

3 ...

4 ...

5 - About where it is today

6 ...

7 ...

8 ...

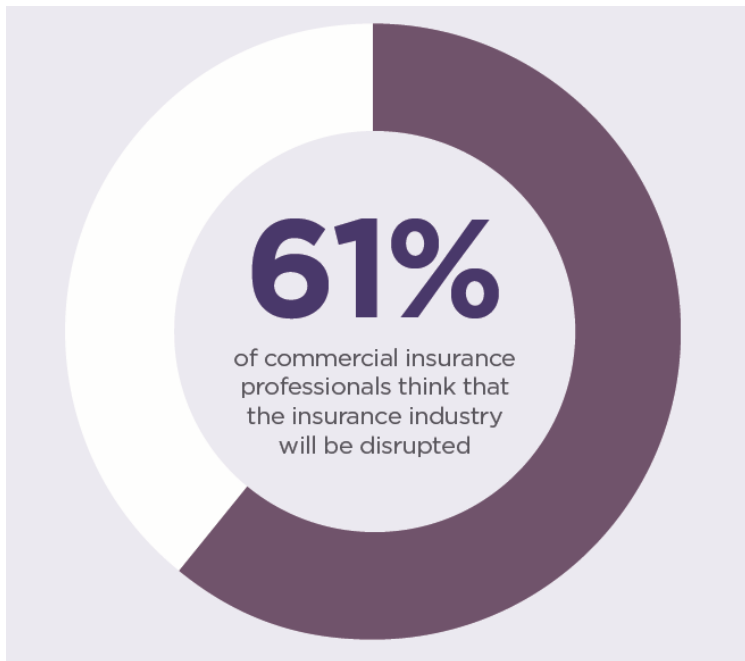
9 ...

10 – Employment will increase a great deal 2028

BROKING ORGANISATIONS A LOT OF CHANGE



TECHNOLOGY DRIVING CHANGE FOR COMMERCIAL BROKERS



Insurance market seen as ripe for disruption

Technology driven change largely confined to SME business

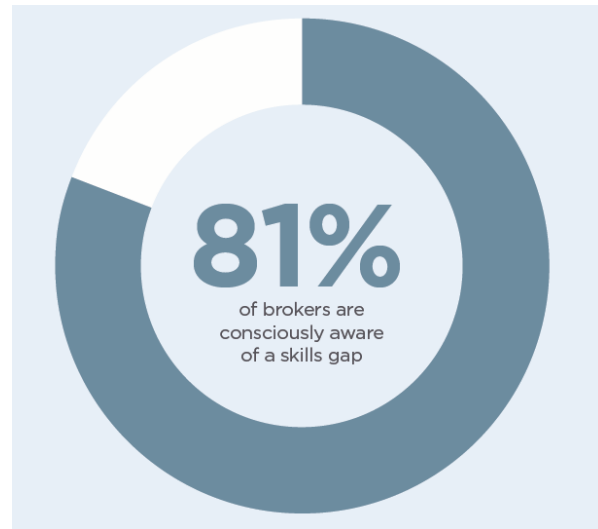
Significant investment into commercial insurance market disruptors

BROKING IS BECOMING A PROFESSION

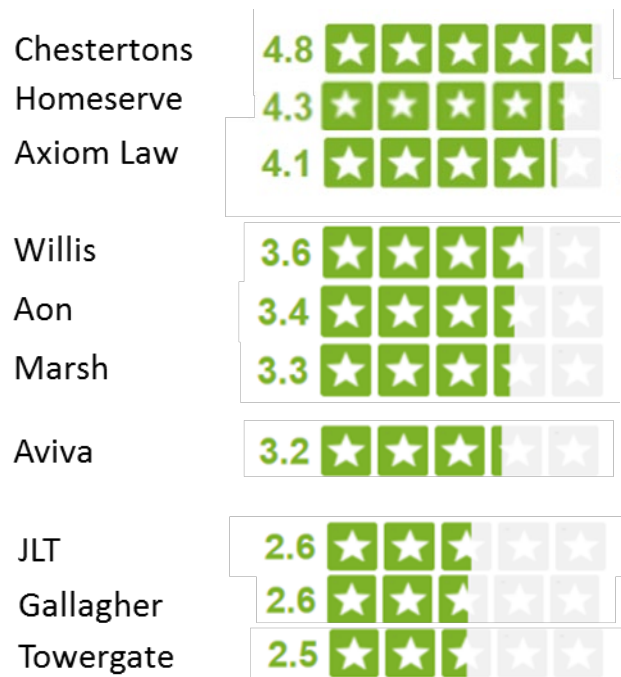
1. Insurer training is reducing
2. Risk advice becoming more complex
3. Demographic bulge

Attract talent and then...

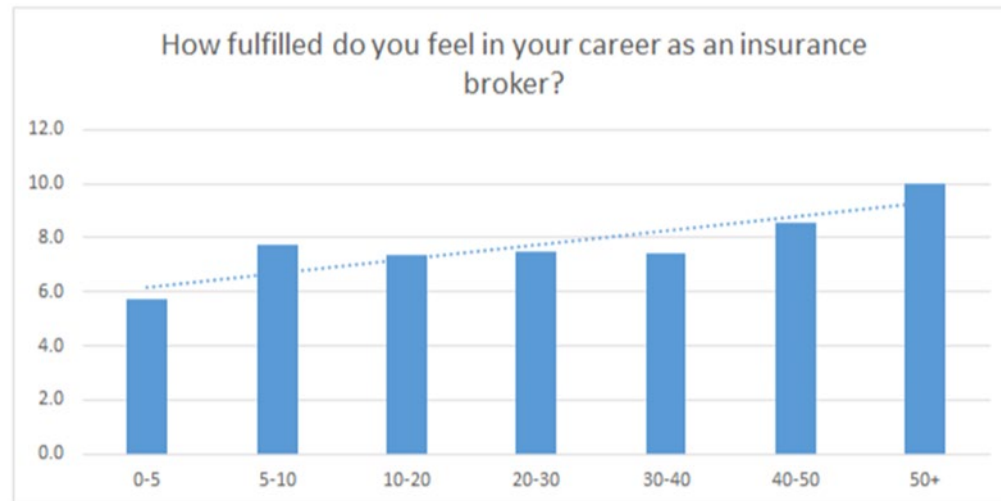
Formal training + mentoring + client contact



STAFF SATISFACTION BEHIND OTHER EXPERT SECTORS



Source: Glassdoor.co.uk 18/2/17

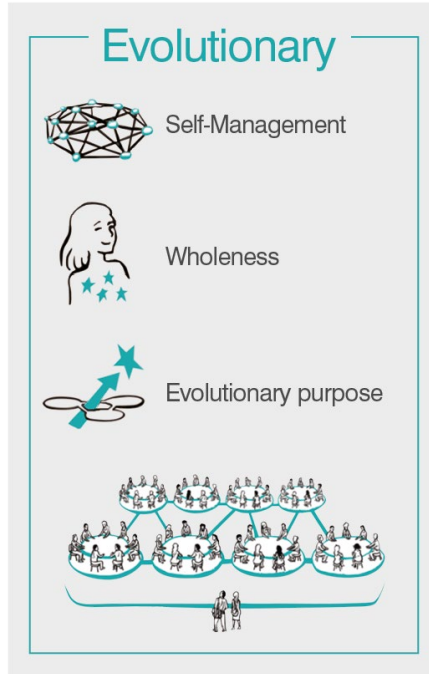


Source: CII, PKF & Konsileo Broker Survey 11/16

EMERGING ORGANISATIONAL THEORY INTERESTING FOR BROKING



'BROKING WITH SOUL' IS POSSIBLE



Source: Frederic Laloux, *Reinventing Organizations*

Example pitch from CEO of a firm that attracts top talent

Understanding the 'why'

"We want to be the most technically expert broker in the UK"

Team input

"Our firm allows brokers to do the broking job they love and to earn better because of it."

Social purpose

"We bring insurance products to vulnerable and less financially capable customers."

SURVEY QUESTION 4: BROKING ORGANISATIONS AND LEADERSHIP

“In which direction will insurance broking organisations change by 2028?” (1-10)

- 1 – They will be small in number and very efficient, managing resources more tightly
- 2 ...
- 3 ...
- 4 ...
- 5 - About where they are today
- 6 ...
- 7 ...
- 8 ...
- 9 ...
- 10 – Broking people will work somewhat independently and in self-organising teams

BROKING IN 2028: KEY QUESTIONS

1. Client/ Broker Relationship - Self-Serve or Advice Led?

2. Broker Technology - Lagging or Leading Other Sectors?

3. Broking People - Skilled Expert Advisors or Robot Maintenance?

4. Broking Organisations - Squeezing the Pips or Constantly Evolving?





Protect your business. Properly.