

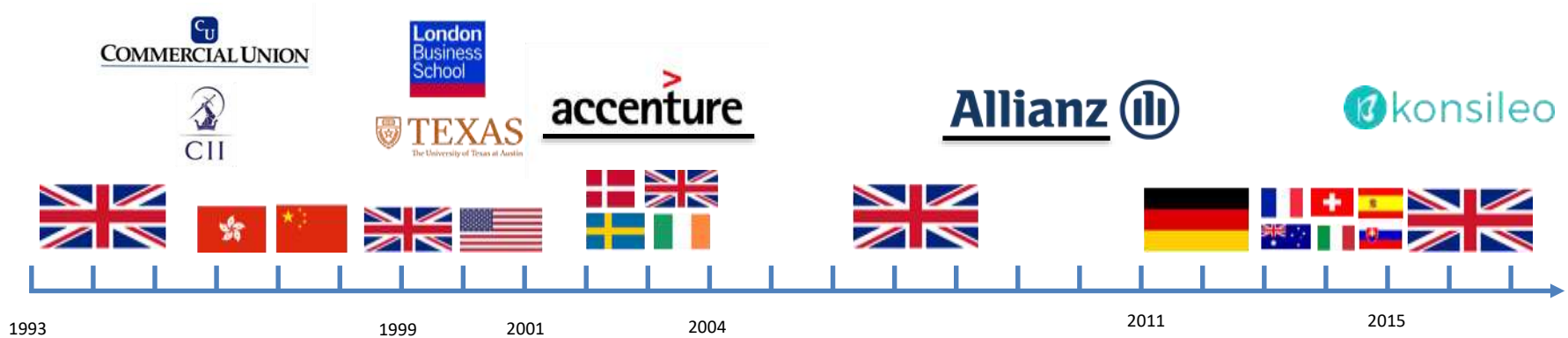


Protect your business. Properly.

The Future of Broking

John Warburton and Laura Smith

A BIT ABOUT ME ... JOHN Warburton



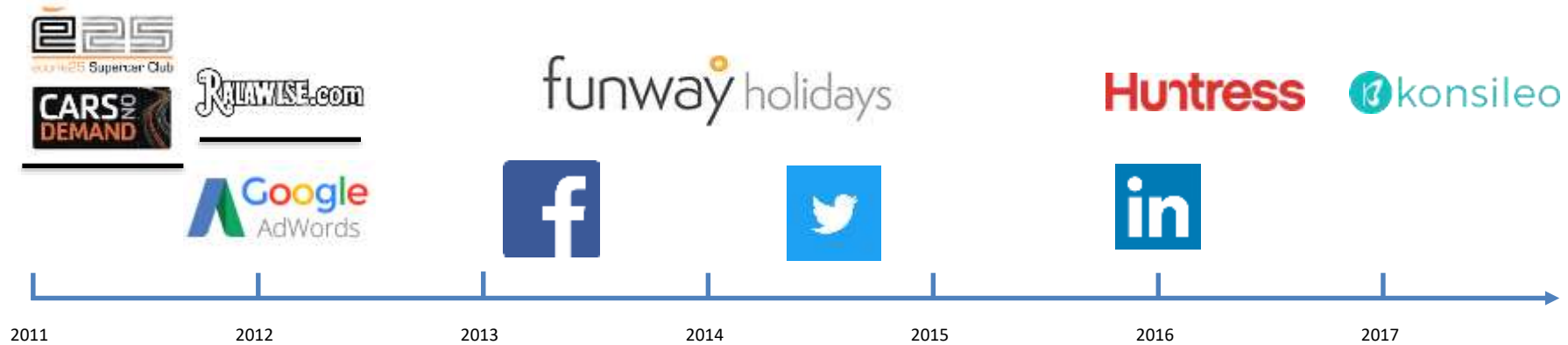
Insurance guy

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

FUTURE OF BROKING - DISCUSSION



1. What will the 2027 client expect from insurance brokers?
2. What technology will brokers be using in 2027?
3. What will the 2027 profile of employees in broking be?
4. What do these developments mean for the 2027 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

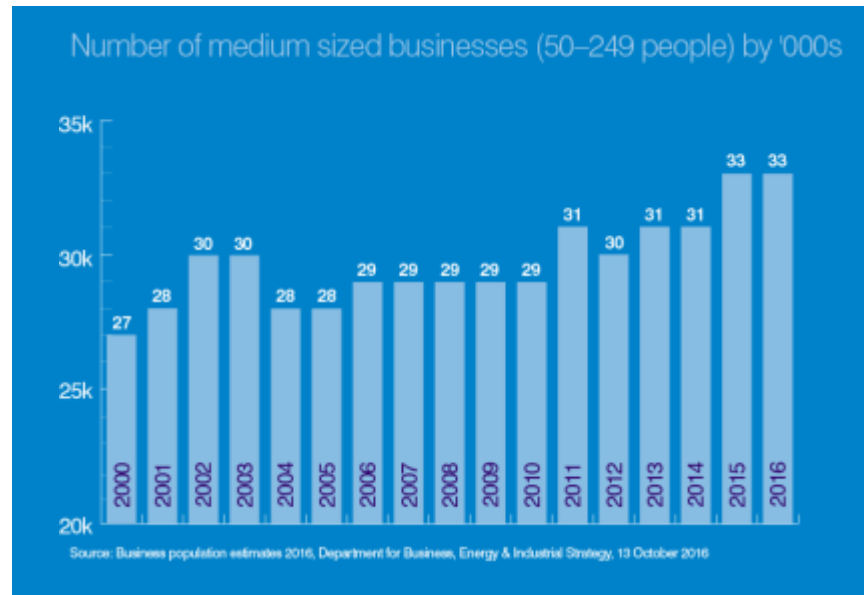


THE GLOBAL ECONOMY PRESENTS SME OPPORTUNITIES

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



BROKERS & CLIENTS: CLIENTS' NEEDS ARE COMPLEX & CHANGING



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

WHAT SME CLIENTS WANT

Less jargon

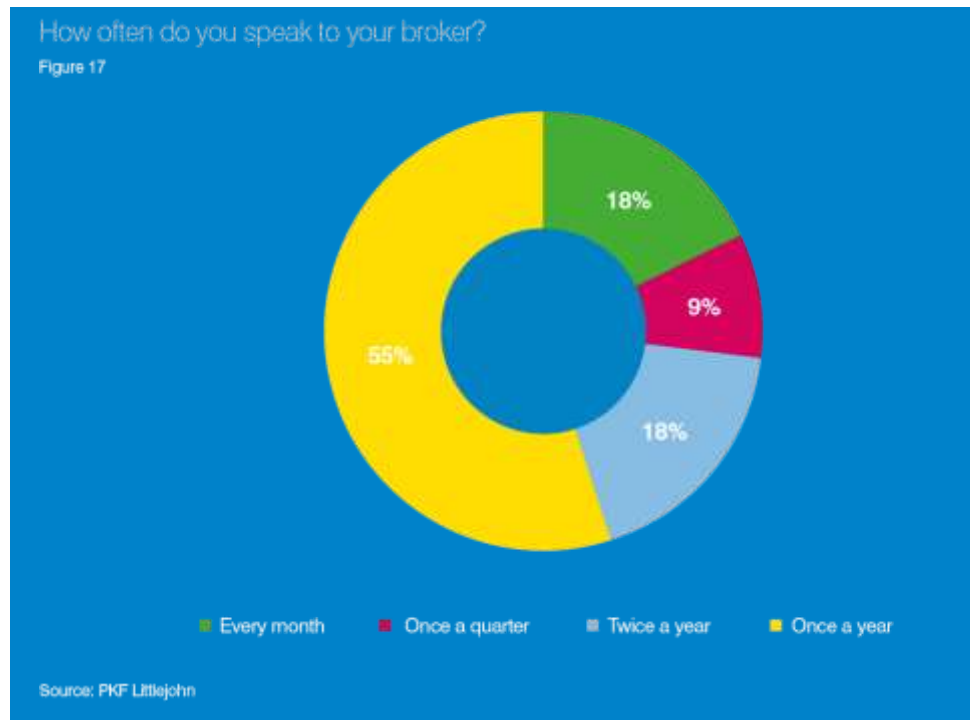
Less complexity & small print

Advisor who knows their business

Claims handling

Comfort around price

Risk management advice



INCREASING GAP BETWEEN BROKER TOOLS & WHAT CLIENTS NEED

2007

**“Broker helps me
access the
insurance market”**

2017

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

2027

**“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 2027 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



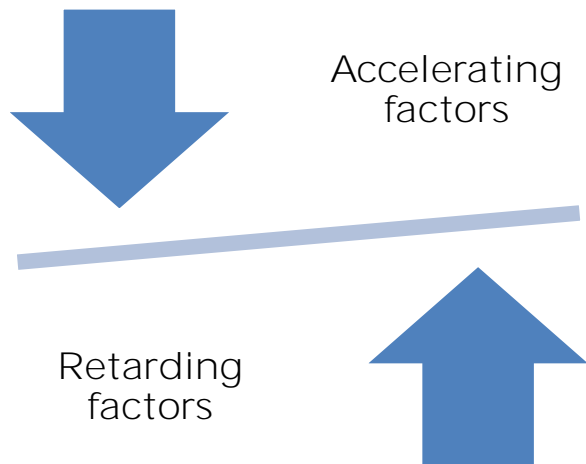
+ In-house



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

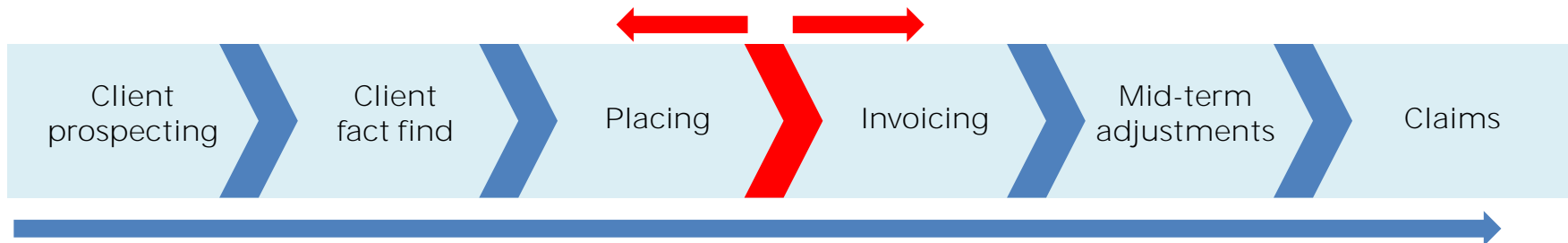
- Broker innovation/experimentation
- Client/broker interaction

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 2027?” (1-10)

1 – In 2027 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 ...

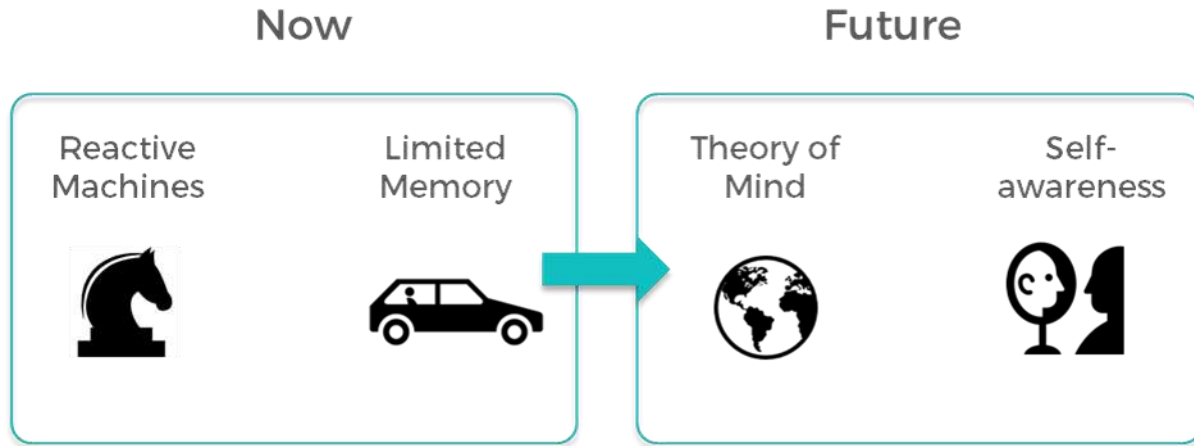
7 ...

8 ...



9 ...

10 – Technology for broking and client risk management will be state of the art by 2027

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



+ Mentoring

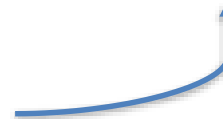
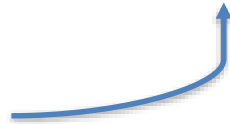


2. Client Industry Knowledge



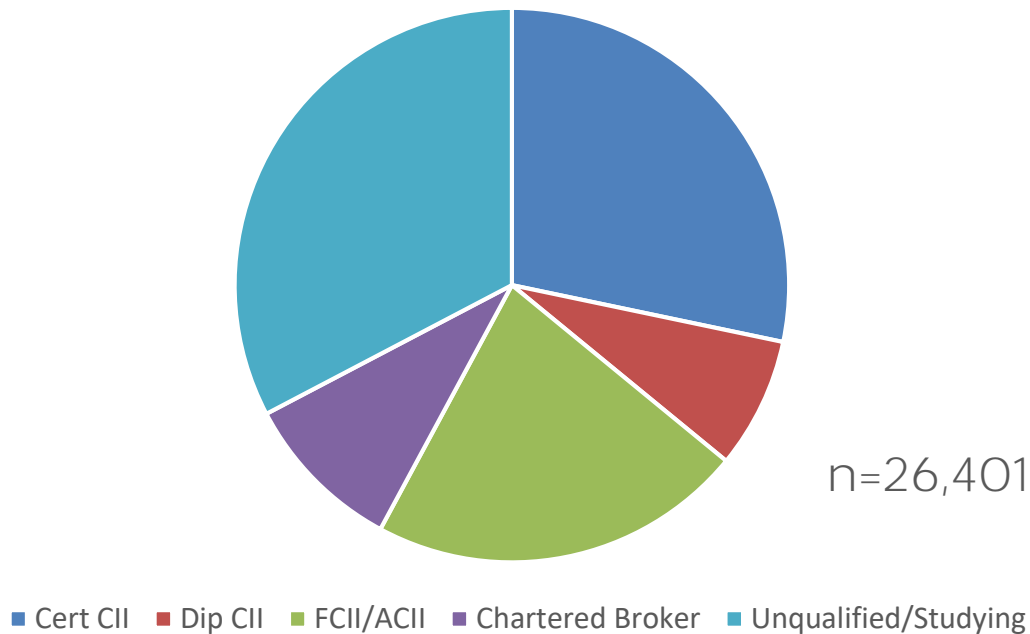
3. Develop Thought Leader Status

1. Technical Insurance Knowledge



BROKING PEOPLE IN 2017: 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...

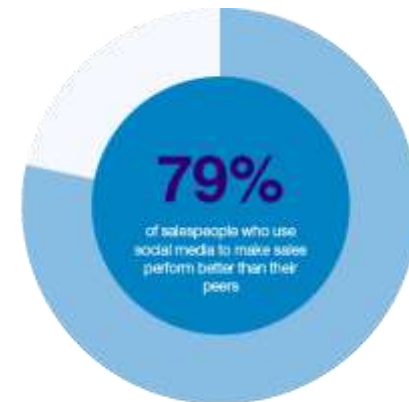
EXPERTISE



ADVISOR RELATIONSHIP



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



Source: 2016 Social Selling Index Report by LinkedIn

Professional
brand

Communicate
knowledge

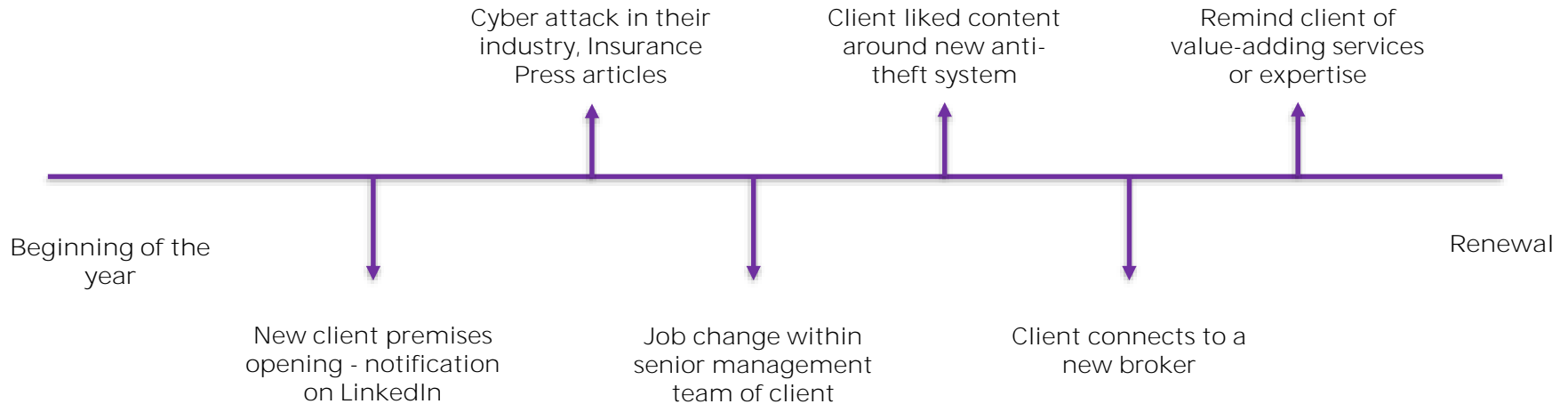
Build
relationships

Share
knowledge

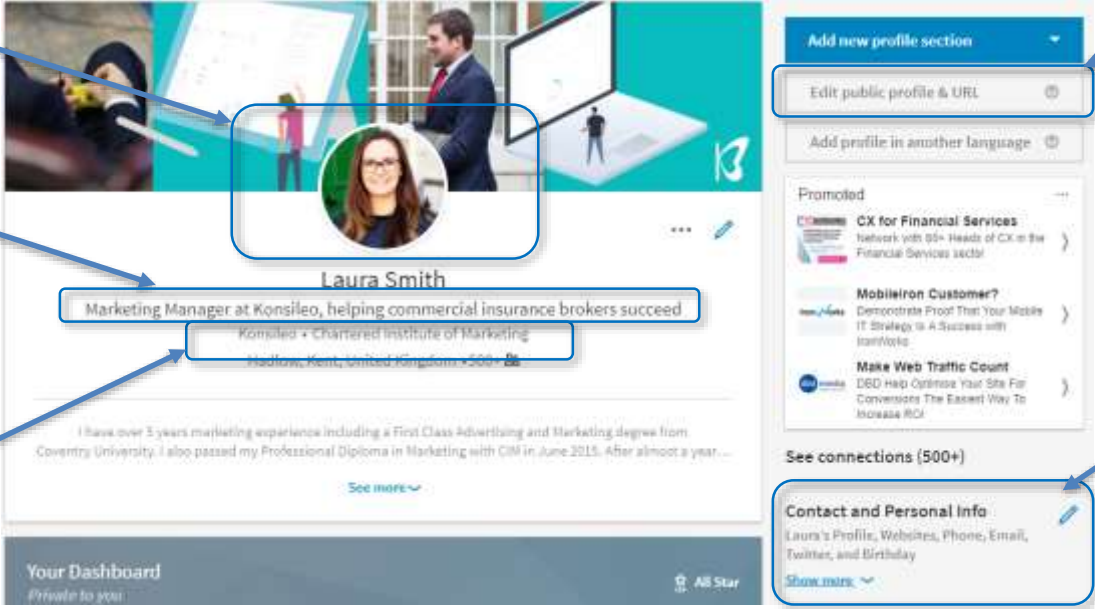
Understand
data

SOCIAL SELLING – A DIGITAL SALES OPPORTUNITY

Increased opportunity for touch points



PROFESSIONAL BRAND – LINKEDIN PROFILE



The image shows a LinkedIn profile for Laura Smith, a Marketing Manager at Konsileo. The profile includes a professional photo, a header image, a compelling headline, and up-to-date work information. The right sidebar shows a personalised URL and up-to-date contact information.

Professional photo & header image

Compelling headline

Up-to-date work information

Personalised URL

Up-to-date contact info

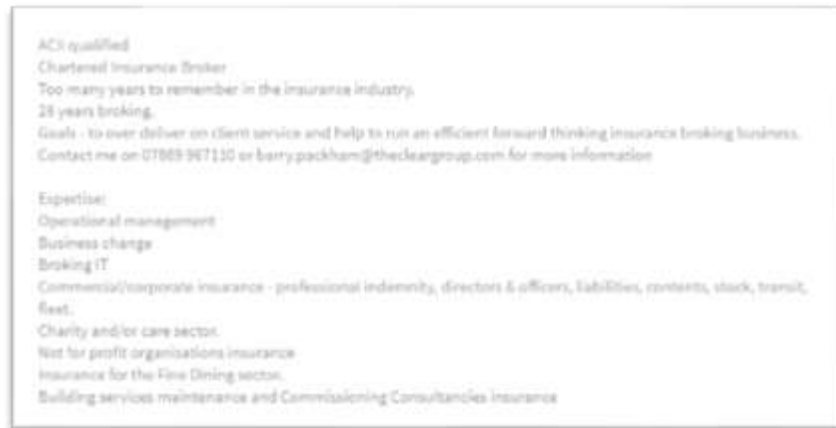
Profile Details:

- Name:** Laura Smith
- Current Position:** Marketing Manager at Konsileo, helping commercial insurance brokers succeed
- Education:** Konsileo • Chartered Institute of Marketing (Marketing, Kent, United Kingdom • 2008 - 2011)
- About:** 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...

Right Sidebar:

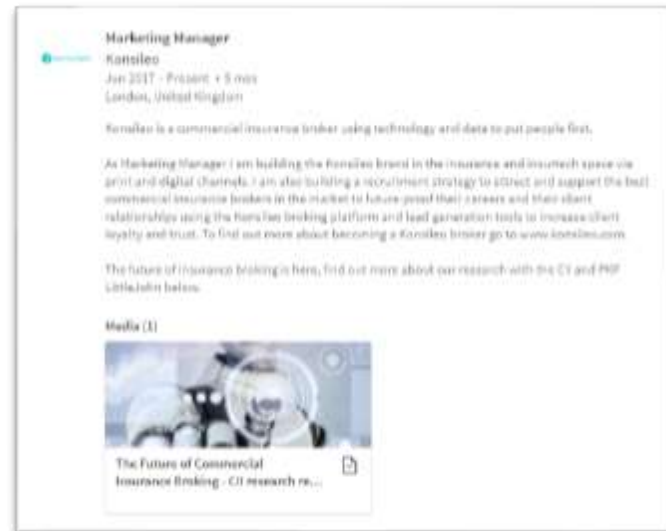
- Add new profile section**
- Edit public profile & URL**
- Add profile in another language**
- Promoted:**
 - CX for Financial Services:** Network with 60+ Heads of CX in the Financial Services sector!
 - Mobileiron Customer?** Demonstrate Proof That Your Mobile IT Strategy is A Success with IronVolo
 - Make Web Traffic Count:** D60 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

PROFESSIONAL BRAND – LINKEDIN PROFILE CONT...



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

You can also include company information and links



- 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

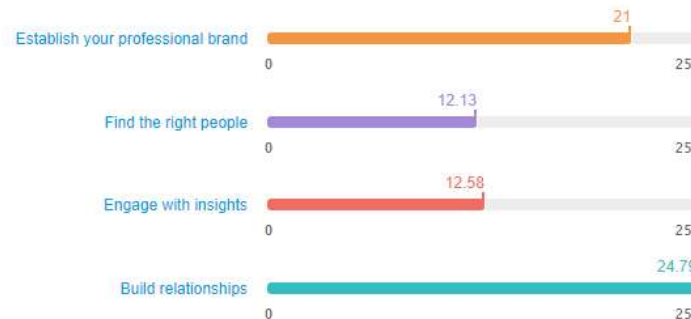
Marketing Manager at Konsileo, helping commercial insurance brokers succeed

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 2027?” (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 ...

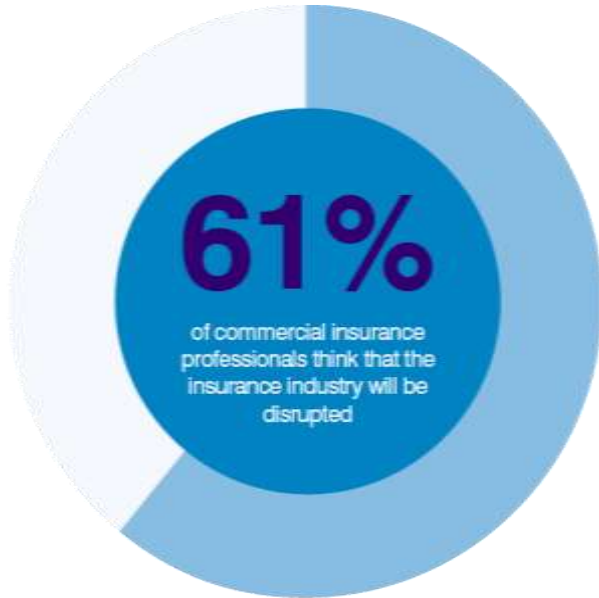
9 ...

10 – Employment will increase a great deal 2027

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

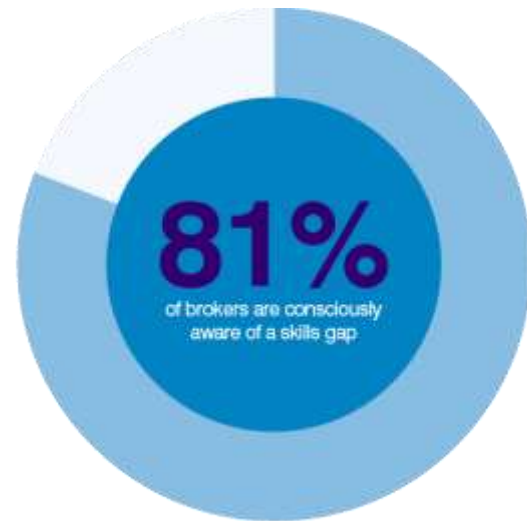
Significant investment into commercial insurance market disruptors

BROKING IS BECOMING A PROFESSION

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

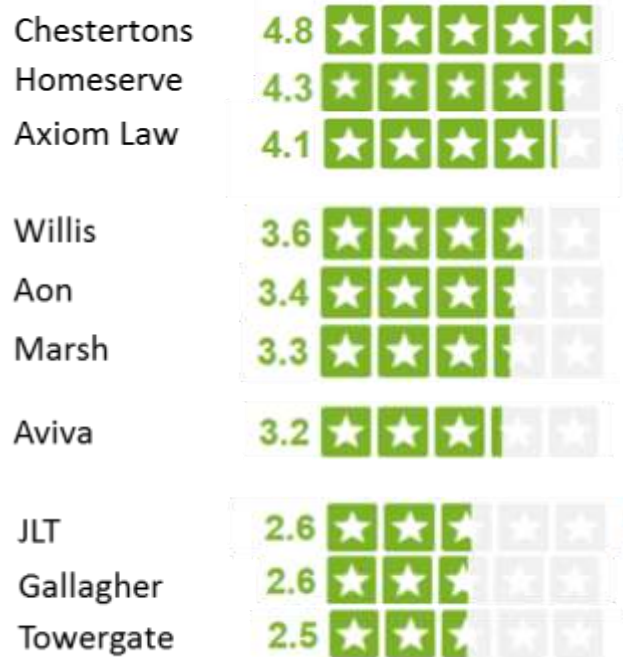
Attract talent and then...

Formal training + mentoring + client contact

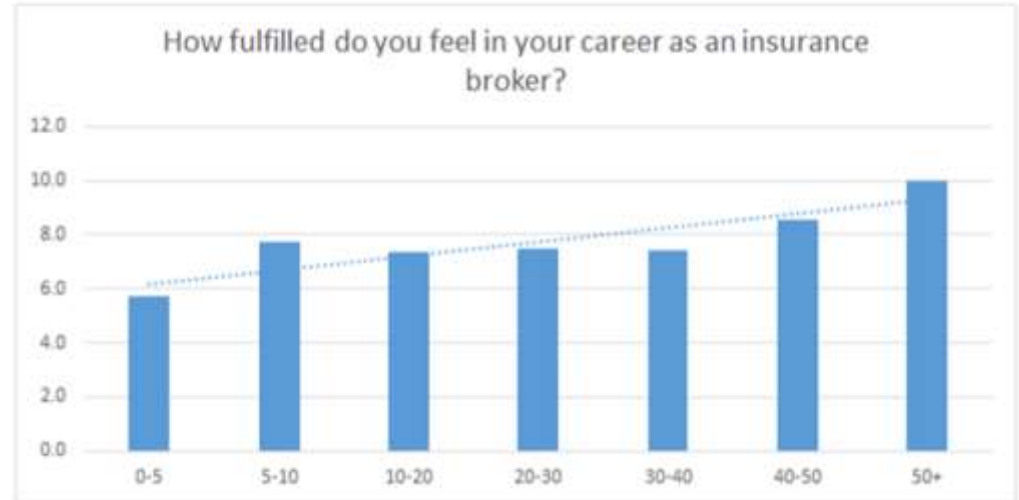


Source: The Insurance and Reinsurance Skills Gap Study, 2017, by Deloitte, PwC, and Marsh

STAFF SATISFACTION BEHIND OTHER EXPERT SECTORS



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

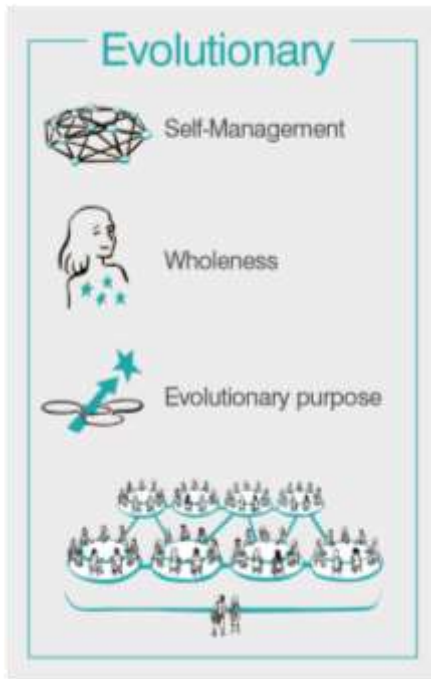


Source: CII, PKF & Konsileo Broker Survey 11/16

EMERGING ORGANISATIONAL THEORY INTERESTING FOR BROKING



'BROKNG 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 2027?” (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 2027: 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.