

AN ONLINE INSIGHT WHITEPAPER

NextGen Healthcare

How Technology Can Help Make
Consumer-Directed Healthcare Reality

NextGen Healthcare : How Technology Can Help Make Consumer-Directed Healthcare Reality

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Table of Contents

Table of Contents	3
Vision	4
Definitions	5
Executive Summary	6
Breaking the Knot	7
Likely Motivations for your Company to Act Now	8
The Business Opportunity	9
The Business Rewards	10
Business Risk Analysis	11
Risks of Taking this Action	11
Risks of Not Taking This Action	11
Overview of the Solution	12
Major Features	12
System Properties and Environment	15
Resulting Processes	16
Assumptions & Dependencies	16
Alternatives Considered	16
Success Measures	17

Vision

The primary goal of every health benefits company is to develop, market, sell, service and retain the “right” health plans for the “right” clients at the “right” times – for the lifetime of each policy. An admirable goal that presents several challenges:

- 1 “Right” always changes, especially when it comes to the individual needs and preferences of humans who are constantly influenced by media, past experience, their peers, and even governments.
- 2 The “right” health plan is difficult to evaluate.
 - a) First, each health plan consists of multiple facets, which can be mutually defeating. For example, a “benefit-rich” plan that may sell well and have high retention rates would likely be expensive to service/maintain unless only the healthiest individuals were approved at underwriting.
 - b) Second, perception – as influenced by marketing messaging – comes heavily into play. For example, a plan’s preventative health features might reduce claims expenses but unless the marketing/advertising messaging is highly effective, many prospects might not perceive the value of these preventative measures clearly enough to pay the higher premium typically associated with such plans. Therefore, sales could be weak.
- 3 The “right” clients are strongly dependent on the plans that are currently being offered. They are also dependent on the needs and preferences each prospect perceives at the precise moment they evaluate coverage options. In short, the “right” client cannot be understood independent of the other two items: the perceptions of the individual and the products available at an exact moment in time.

Untangling the Healthcare Knot

Many of you will recognize the picture to the right – the Gordian Knot, an appropriate image for this twisted mass of inter-dependent issues creating the daunting set of challenges that is the focus of this paper. How can a health plan provider begin to coherently pull on the strands within this knot in order to harness its potential to achieve:

- **Higher sales?**
- **Better margins?**
- **Longer client retention?**
- **More effective plan development?**



It is the goal of this paper to communicate the value of a new suite of software technologies that provide a single point of entry for prospects and health plan providers (including agents) to educate a new or renewing insured on the full value proposition of each plan offering. The software then recommends the best plans, highlighting the fit between plan features and prospect needs, to enhance the overall sales process and close rates. Behind the scenes, the same technology suite measures and records all prospect preferences to allow sales, marketing, advertising, and product development to benefit through the production of more targeted offerings and personalized messaging at greatly reduced costs.

Definitions

Guided Selling : Channel-independent technology solution that allows a prospect, in a self-service or agent-assisted mode, to determine what product features are important to them, create a feature preference profile, and match that profile to products within a specific catalog in a best fit continuum.

Sales and Marketing Effectiveness : Technology solution that measures and records each prospect's preferences toward plan features and offerings and allows users to leverage this information to develop more effective market messaging, advertising and product development resulting in greater cross-sell and up-sell opportunities through more targeted offerings at a lower cost.

Prospect : Potential customer.

Representative : This encompasses Sales Representatives, Sales Executives, Account Executives, Account Advisors, Independent Agents, and outside brokers for all health plan provider sales channels and product lines including Medical, Dental, Vision, Life and more.

Executive Summary

Most health plan providers use a variety of systems and processes to support prospects, and representatives working with prospects, in their efforts to buy/sell insurance and related products. However, none of the present systems and processes meet the business need of the organization to provide consistent “best-selling” practices to every prospect at every touch point. They also do not mathematically measure and record each individual’s responses in order to optimally respond at the point of sale and to improve the overall marketing, advertising and product development efforts of the enterprise.

Because existing systems and processes do not consistently support and enforce best-selling practices through all channels (Internet, call center, in-person...) at every prospect/customer interaction, we find:

- Representatives do not have access to all the data they need to make timely and insightful plan recommendations. A significant amount of critical data from prospects/customers has not been stored and does not exist to support sales efforts. In addition, data that does exist must be accessed from multiple systems, reformatted, and interpreted. This increases costs to the business through: longer and more difficult sales cycles; multiple data retrieval and entry; and opportunity cost from lost opportunities when “best-sales” practices cannot be executed.
- Prospects and representatives tend to commoditize products, e.g. buying/selling the least expensive premiums, instead of engaging prospects in a dialogue that educates each individual on the value associated with other features that match their specific needs. Thus, they miss the win-win of maximizing the premium earned as well as prospect satisfaction.
- The lack of shared knowledge and a closed cycle between product development, marketing/advertising, and sales makes higher close rates more difficult to achieve and hinders continual optimization of the sales process. It also increases the likelihood a sale will be lost and reduces the opportunity to learn from each prospect what messaging and products he/she would find more effective.
- Higher margins, better retention rates and the continual optimization of margin and retention are limited. This also decreases revenues through lost renewals and lost opportunities to up-sell and cross-sell higher margin and ancillary products as well as the lost opportunities to learn from prospect reactions to these up-sells and cross-sells.

Because existing systems and processes do not precisely measure, record, and consistently respond to each prospect’s reaction to plans, features, the Brand, and other key differentiators presented at the point of sale, we find:

- Representatives and prospects can fail to identify “hot button” issues that compel individual prospects to buy certain recommended plans.
- At the critical point of sale, representatives are unassisted in their efforts to follow “best-selling” practices and therefore are likely to stray from those guidelines.
- There is little capability for the organization to provide “best-selling” interactions to a prospect in self-service channels such as a website because automated decision assistance a prospect can trust is inadequate or altogether absent.
- There is not a complete record of the entire sales interaction including all questions asked, responses given, and measurements of prospect reactions to plans and plan features regardless of the time, location, and selling channel (representative-assisted or self-service)
- Many current sales systems and processes are not easily accessible outside the office. This situation severely limits their value by not ensuring “best practices” are always available to the prospect and representative whenever and wherever they are needed.
- Management Reporting is inadequate: not all the data that management needs is tracked; the data entered is inconsistent; some data is not entered by representatives at all or not entered in a timely manner due to amount of work required; and, some reports needed are not supported.

Breaking the Knot

Configuring and deploying a 360° Guided Selling and Sales & Marketing Effectiveness solution that allows Representatives and Prospects to access its functionality through multiple channels and points of entry is the tool necessary to defeat the Gordian Knot of healthcare. First and foremost, this tool provides the benefits of closing more sales at a higher margin with greater long-term persistence. However, the secondary benefits can be even more enriching to the top and bottom lines.

This solution allows sales, marketing, advertising, and product development management as well as higher-level corporate management to access pertinent information about prospect/customer preferences, “best-sales” strategies, the quality of marketing messaging/advertisements, and even the market pull for new products that are “on the drawing board.” Finally, the proper deployment of a robust platform for 360° Guided Selling and Sales & Marketing Effectiveness results – almost immediately – in improved relationships between the health plan provider’s associates and prospects, as well as its external business partners driving business.

Likely Motivations for Your Company to Act Now

Gain a Competitive Advantage

The current sales tools used by your captive and independent sales teams offer limited capability to efficiently and effectively counter competitors. This motivation is made more pressing given that Guided Selling's higher close rates, retention, margins, and cross-selling of ancillary products are already being realized by some of your competitors – across their entire enterprise.

Close More Sales

Each day without a centralized system for selling that ensures the consistent application of “best sales” practices, retention of critical customer preferences/responses, and continual optimization of sales and marketing effectiveness, results in lost sales opportunities that should be won.

Implement a Scalable Sales Platform

The costs of managing your various sales segments, channels, technologies, representatives, and so forth are growing with each new addition. Taking advantage of this opportunity can finally provide a fully integrated selling platform that instead of costing more as you grow your selling network, actually benefits from that growth. It takes advantage of economies of scale by learning real-time and first-hand from the needs and preferences of even more of your clients.

Obtain Real-Time Customer Insight

Every day that Executives, Product Development, Marketing, Advertising, and Sales are not completely synchronized, company money is being used less efficiently. Various parts of your sales forces are not fully engaged in selling every product offering, especially newly launched products. Marketing and Product Development may have different views of why products exist or why prospects buy them. Executives steer strategy based on incomplete views of customer needs and their broader organization. This situation is avoidable; it is avoidable because one type of information drives all of these typical business silos – the real-time and first-hand needs and preferences of prospects and customers. A single system that measures, tracks, and stays synchronized with this heartbeat of the business ensures that sales strategy and tactics, market messaging, advertising, and product development and refinement are aligned with each other at every point in time.

In summary, business needs and activities are constantly changing (e.g. the addition of the online sales channel) and existing systems and processes have become less and less effective at continually optimizing sales performance in light of this constant change. This creates the opportunity to take a significant step forward in your company's executive, sales, marketing, advertising, and product development performance and integration.

The Business Opportunity

Your organization has a unique opportunity to significantly increase sales of both core products and ancillary products while simultaneously unlocking new synergies across the executive (strategic), sales, marketing, advertising, and product development organizations through the deployment of a 360° Guided Selling and Sales & Marketing Effectiveness solution.

This project can ensure that every prospect and customer receives a “best of breed” sales interaction every time and through every channel. This interaction will deliver the right value-added sales messages at the right times and increase each representative’s ability to sell or present your company and its partners. Similarly, this “best of breed” interaction will reach to self-service channels.

Implementation of this project will reduce the number of steps needed by representatives to collect and synthesize data about their prospects and partners, consequently increasing the number of sales a representative can make through increased efficiency.

This project also provides functionality that ensures this continuity even after a representative, who has built long term relationships, leaves your company or after a new representative joins the organization and is required to make sales contacts from a more naïve and inexperienced position.

Implementation of this system will also provide critical information that management can use to evaluate business status, strategies, tactics, and overall optimization and integration.

The Business Rewards

Many business benefits can be accredited to a complete and effective deployment of a 360° Guided Selling and Sales & Marketing Effectiveness solution. They include, but are not limited to:

- Increased top-line revenues
- Widening margins as the emphasis on price decreases with a deeper appreciation of the full value of other plan features
- Increased prospect confidence by providing a proven method that identifies personalized product recommendations the prospect perceives will best meet his/her needs, helping to validate his/her decision
- Higher conversion rates
- Improved retention rates; stronger, more loyal customer relationships
- Interactive, engaging sales process that educates consumers on which plan features are most important based on their-specific personal and financial needs
- Consistent sales experience across multiple channels: web, call center, kiosk and agent offices
- Ability to generate rich leads complete with buying motivators and individualized, “best-fit” product recommendations, enabling representatives to execute insightful and timely recommendations to maintain buyer interest and confidence
- Enhanced analysis of historical transactions and demographic data in concert with psychographic data on buyer motivations
- Creation of a 1:1 virtual focus group with 24x7 accessibility for new product simulation and evaluation
- Ability to leverage preference data to validate segmentations and simulate market share
- Implementation of targeted marketing campaigns focused on individual motivations
- Integrated sales, marketing, advertising, product development, and executive decisions, both tactically and strategically
- Consistently up-to-date 360° view of all client/prospect needs and preferences accessible by each operational area
- Ability to provide the right product(s), to the right market(s) at the right time(s) and price(s)

Business Risk Analysis

Risks of Taking This Action

- This project will not eliminate the need to proactively advertise, market, and sell your products. This project simply amplifies the effectiveness and overall returns on these efforts.
- Your organization will have to overcome some resistance from those who are too comfortable with the “old ways” of selling, including the old systems and procedures.
- Some training will be necessary to ensure that your organization extracts maximal benefit from this 360° Guided Selling and Sales & Marketing Effectiveness platform.

Risks of Not Taking This Action

- Increasing difficulty achieving maximum effectiveness from new sales, marketing, advertising, and product development associates that lack training and years of experience.
- Associate dissatisfaction due to increasingly complex systems and manual processes.
- Inability to lower cost per sale because of continuing product development, sales, and marketing inefficiencies.
- Loss of associates to other companies, especially direct competitors that offer more robust technology platforms to their representatives.
- No assurance that “best selling” practices are employed in every sale through every channel to increase sales rates, margins, and client retention.
- Up-selling and cross-selling initiatives will be more difficult to introduce and sustain across all channels, products, and prospects.
- Representatives and Account Executives will continue to use a variety of home-grown solutions to partially address sales and marketing effectiveness needs and the information from these mixed solutions will never be able to be shared across the enterprise.
- The enterprise will not have a consistently up-to-date 360° view of all client/prospect needs and preferences around which executive decisions, sales, marketing, advertising, and product development tactics and strategies can be integrated and optimized.
- As a sales organization, you will not be on par with many competitors. The lack of this system impedes effective competition today and even more so as time progresses and your competitors – who have already moved in this direction – become more sophisticated at leveraging these tools and techniques.

Overview of the Solution

Through an interactive conversation with prospects at the point of influence – either assisted by an agent or in a “self-service” mode (e.g. through a website) – this solution elicits and captures valuable information that it uses to identify “best-fit” product recommendations. This system can then explain and educate the prospect/agent on the direct connections between each recommended product and the individual prospect’s needs and preferences. This allows the prospect/agent to visualize the true alignment between each product’s value propositions and to provide the confidence needed to complete the call to action, immediately. This allows the organization to sell more, in less time, at lower costs. By implementing a truly multi-channel guided selling suite, your enterprise provides a consistent sales process that allows consumers to purchase products that meet their personal and financial needs – when they want, where they want, and how they want. Additionally, this high-touch sales process reassures customers that the plans they find and purchase, in fact, do align with their needs and budgets, resulting in stronger and longer-lasting customer relationships.

This solution goes beyond product recommendations and increased sales. It gathers comprehensive buying motivation and preference knowledge that is:

- **Real-time** : captured at the point of interaction
- **First-hand** : direct from the customer, avoiding subjective interpretations
- **Detailed** : measuring precise motivation levels
- **Automated** : obtained and analyzed at computer speeds and scale

With access to this business-critical information, your company can develop more effective strategic decisions, product development actions, and sales and marketing campaigns tailored to individual and segment-level preferences that provide measurable results. This alignment with customers’ buying motivations is not just a one-time advantage; by being an integral part of the ongoing business processes, the solution ensures this alignment endures as the market constantly changes.

This solution contains four, fully integrated components:

- **eMpower Motivations** : embodies “best selling” practices to engage consumers in an interactive conversation to uncover underlying buying motivators and “hot buttons” that lead a customer to purchase your products.
- **eMpower Sales** : delivers critical components involved in the buying process – perceived knowledge, perceived choice and perceived individual fit – at their highest level to provide the confidence consumers need in your product recommendations, so that they execute the call to action.
- **eMpower Distribution** : helps transform information seekers into customers by providing all distribution channels – including agency/agent forces – with the capability and knowledge needed to close more sales.
- **eMpower Enterprise** : delivers business-critical intelligence on buyer needs, preferences, demographics, transactional behavior, and psychology consistently across the entire enterprise, empowering everyone involved in the value chain with the information necessary to deliver the right product, to the right market, at the right time and price.

This leap forward takes your company beyond recommending “what” your customers should buy to helping your agents and customers understand precisely “WHY” they should buy before the call to action and precisely WHY they did or did not buy each product after the call to action was presented. This critical WHY factor enables you to close more business in less time at a lower cost with sales, marketing, advertising, and product development working together at peak efficiency by sharing a complete understanding of market motivators, segment-by-segment and individual-by-individual.

Major Features

- 1 All “best selling” processes deployed to this system will be accessible to all channels that your company sells through today and may anticipate selling through in the future.

- 2 The sales conversations support deep product education to prospects in a wide variety of forms, including:
 - a) Glossaries of key terms
 - b) Access to product and related literature
 - c) Multi-media content
- 3 Natural Language Generation (NLG) can be used to describe the alignment between product features and prospect needs in simple textual form.
- 4 The system collects any demographic information required to facilitate the sale.
- 5 Through support for rules-driven, dynamic-behaviors the sales conversations are tailored intelligently based on all known aspects of a prospect (e.g. avoid discussing maternity coverage for single male applicants).
- 6 The initial reaction of each prospect to the product features available is elicited and permanently recorded from each prospect at every point of sale.
- 7 Sophisticated mathematical modeling is employed to test prospects initial reactions to product features and feature-values and refine them before recommendations are made.
- 8 Each sales conversation encourages prospects to holistically consider the products being offered, thereby reducing commoditization that occurs when prospects simplify down to price. For example, avoid the prospect scanning down to the lowest monthly premium by making him/her fully aware of the value of lower deductibles, better health network coverage, out-of-network benefits, etc.
- 9 The system has the ability to create visual representations of the fit between each product feature and each prospect need and preference to reinforce the recommendations and drive the call to action.
- 10 Emotional considerations, such as the desire to protect one's family and to protect one's self in catastrophic situations can be presented by the system.
- 11 The sales conversation provides the ability to support any combination of the following activities:
 - a) Opening the sales conversation
 - b) Deep, mathematically-measured, prospect needs assessment
 - c) Education on the Brand, products, features, etc.
 - d) Cross-selling of ancillary products
 - e) Up-selling to higher priced or higher margin products
 - f) Answering objections
 - g) Making completely customized product recommendations
 - h) Providing a wide variety of calls to action (enroll, apply, chat, schedule a call/visit, contact an agent, etc.)
 - i) Fully support agent-based selling
- 12 These guided selling conversations are Comprehensive (across marketing campaigns and sales calls), Multi-Channel (face-to-face, web, call center, kiosk), Real-Time (adapting to customers' constantly changing perceptions), First-Hand (direct from each customer without the error of statistical guesstimates), and Detailed (measuring precise levels of preference).
- 13 An ability to get "quick" product recommendations is provided at every point in the process.
- 14 An ability to refine the "quick" product recommendations by re-engaging the full needs assessment process is provided.
- 15 When products are recommended, the system offers significant flexibility, including:
 - a) Recommending all products, or just an intelligently selected subset.
 - b) Can "page" the products to allow the prospects/agents to move rapidly through the recommendations.
 - c) Supports differences in products, legal disclosures, and more determined by the state in which the sale is being made or other aspects of the prospect, product, and transactional context such as the applicant being "male" or "female."

- d) Supports dynamic product features, such as monthly premium, that must be retrieved or calculated in real-time from the available data.
 - e) Provides mathematically accurate rankings of the products being recommended based on all known demographics, needs, and/or preferences of the individual prospect.
 - f) Allows for a much more detailed view into each recommended product.
- 16 Side-by-side comparisons of products can be provided where not only features can be compared/contrasted but also all information about how well each product meets this unique prospect's circumstances.
- 17 The system allows agents to leverage it by directing clients/prospects to it either with or without their presence (as they desire/choose) and yet always being sure that they can be credited for the sale.
- 18 The sales conversations support agent follow-up in the cases that a prospect does not want to execute the call-to-action immediately, instead preferring to have a follow-on conversation. In this case, the system provides the agent a complete record of all information gathered including preferences and product alignments with prospect needs and wants.
- 19 The system allows straightforward integration with other systems as required or requested.
- 20 The system allows your company to recommend and sell "bundled" products as might be required over time.
- 21 Every sales conversation is recorded at sufficient detail to allow it to double as a market research event to ensure that market knowledge remains up to date without additional research expenses.
- 22 An executive dashboard is provided to allow management to see the progress of prospects (with and without agents involved) through the "best practice" sales processes.
- 23 Robust reporting over the market research collected from sales prospects is provided. Some key functionality includes:
 - a) Report on the importance prospects are placing on each product feature.
 - b) Report on the relative preference between all values for each product feature (e.g. preference for a \$500 deductible versus a \$1,000 deductible)
 - c) Report against the demographics and other information collected from prospects at the point of sale.
 - d) Simulate the market appeal for a new or revised plan design against the stored needs/preferences from real prospects. This means that the system can tell you how prospects would have reacted to this new or changed plan had it been available when they were at the point of sale.
 - e) Report on sales volumes and engagement levels through each part of every sales conversation.
 - f) Run statistical analyses – average, minimum, maximum, standard deviation – on the information collected.
 - g) Perform estimations on the relative value of each upgrade and downgrade to the richness of a plan to see precisely where the intersection points are between value points and prospects' willingness to pay for them (increased premiums, increased co-pays...).
 - h) Detect perceptual correlations in how prospects think about plan offerings (e.g. how much willingness to pay increased premiums does a client correlate with your brand).
- 24 The reporting expressed here runs against all individuals interacted with to-date or specified segments of the individuals as defined by your specified criteria (e.g. all males, all people with certain needs/preferences, or all people in a given zip code).
- 25 Segmentations can be combined for a look at more complex sub-segments of the full prospect pool.
- 26 The system can report within specified time windows to allow analysis of more recent or broader collections of individuals.
- 27 This system supports "pure research" as well, so that your company can also freely test "blue-sky" ideas – that should not be exposed to all prospects – with selected respondents.

System Properties and Environment

- 1 Representatives and prospects can access this system anytime through any sales channels that your company is currently supporting.
- 2 Portability gives the representatives the ability to access the system using laptops or PDA and other wireless devices over the Internet.
- 3 Connectivity between external applications and systems to pass information is provided.
- 4 The reporting and analytics features are accessed from a single point of entry.
- 5 The solution makes multiple preference-rich prospect leads available to agents at any time.
- 6 The need for duplicate data entry is minimized.
- 7 Prospect preferences collected at the point of sale are kept in synchrony with the information being analyzed for advertising, marketing, and product development.
- 8 This solution supports the entire enterprise from a single deployment, i.e. your enterprise does not have to support more than one logical instance of this solution no matter how many products, channels, sales agents... will be served now or in the future.
- 9 This solution is platform-independent so that you may change hardware vendors, operating systems, database vendors, etc. without having to replace this Guided Selling and Sales and Marketing Effectiveness platform.

Resulting Processes

This project will deploy a new system throughout your company that will perform Guided Selling and Sales & Marketing Effectiveness. Initially, it can be deployed in a “stand-alone” mode with minimal integration to your other systems. Over time, however, it may be desirable to integrate the information in this system with other systems for Sales Force Automation, Data Mining, etc.

Assumptions & Dependencies

- Existing cold calling and prospecting systems used today will remain unchanged.
- This system provides its own reporting system and does not require integration with current reporting applications and processes.
- All field representatives and agents can have laptops with web browsers for one point of access.
- Email can be used to deliver preference-rich sales leads to agents.

Alternatives Considered

Review of typical off-the-shelf sales force automation, contact management, and other sales systems that are marketed and available for purchase clearly demonstrates they do not have the depth and breadth of functionality required to support the full range of Guided Selling and Sales & Marketing Effectiveness requirements. Similarly, the depth and breadth of functionality provides significant barriers to “in-house” development. More importantly, when time-to-market and opportunity costs are fully considered, the deployment and customization of another sales system becomes unacceptably costly.

Success Measures

There are many different ways to measure the success of a strategic and tactical initiative such as the one described in this paper. For illustrative purposes, some that can be applied to this project include:

- Representatives, agents, and prospects utilize the system each time they come to your sales channels to shop for and/or purchase your products and find value in the functionality and information provided
- Better enforcement of “best sales” practices across channels, agents, and prospect interactions to improve results
- Increased productivity from newer and less experienced sales associates, call center representatives, and outside agents
- Longer-lasting, more loyal customer relationships
- Increased close rates both in self-service and in agent-assisted sales interactions
- More effective and valuable lead generation program
- Increased effectiveness of marketing and advertisement messaging and placement
- Reduction in product development expenses
- Practical elimination of ill-fated product launches
- Execution of more effective business strategies across the enterprise as a result of sales, marketing, advertising, and product development being on the same page and working together