

Greenfield Digital Transformation

Making the Right Choice for Group and Voluntary Benefits Insurers



Greenfield: Say What?

No Time To Say Hello, Goodbye

Most group and voluntary benefits insurers are dedicating considerable resources to legacy modernizations and digital transformations. Although critical, these efforts are small compared to the rapid disruption wrought by the meteoric rise of insurtechs, the lasting impacts of COVID-19 on customer expectations, and the emergence of digital ecosystems as the new economic world order.

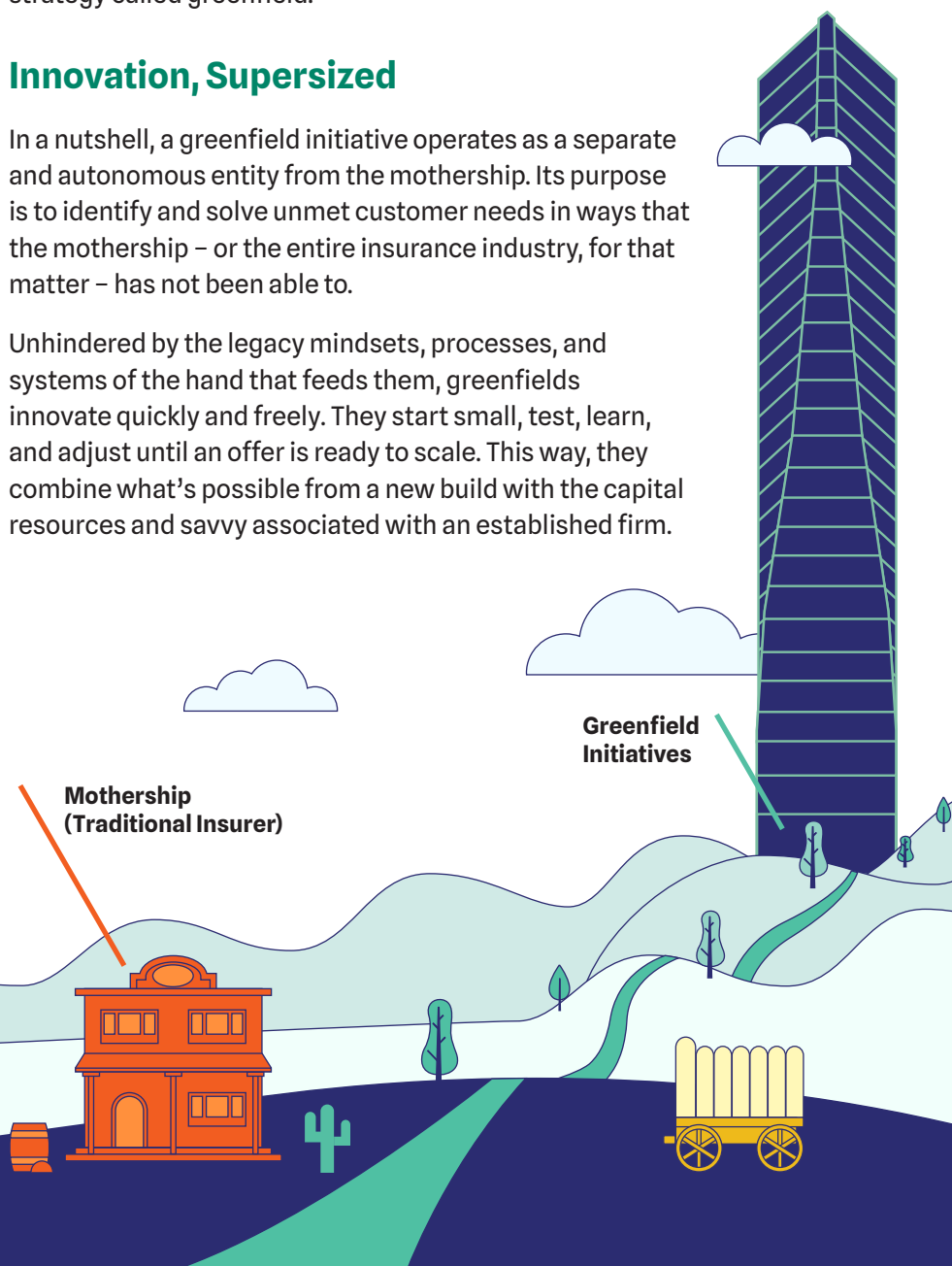
In fact, most insurers agree that an incremental approach is holding the industry back. A recent survey of insurance professionals reveals that 88% believe that legacy technology is preventing incumbent insurers from transforming quickly enough.

That's why benefits insurers are embracing a disruptive innovation strategy called greenfield.

Innovation, Supersized

In a nutshell, a greenfield initiative operates as a separate and autonomous entity from the mothership. Its purpose is to identify and solve unmet customer needs in ways that the mothership – or the entire insurance industry, for that matter – has not been able to.

Unhindered by the legacy mindsets, processes, and systems of the hand that feeds them, greenfields innovate quickly and freely. They start small, test, learn, and adjust until an offer is ready to scale. This way, they combine what's possible from a new build with the capital resources and savvy associated with an established firm.



But what does it mean for your traditional book?

For the vast majority of benefits insurers, the answer is nothing. At least not immediately.

In fact, it's critical to continue developing your existing book without disrupting any of the processes that support your profitability, including those important incremental innovations you're already pursuing, like automation or digital experiences. As greenfield is a bet on the future, it's important to continue growing your existing book and innovating within it for the near term.

You'll maximize the value from your efforts when you can migrate your existing book onto the greenfield technology platform. This can be done at the renewal cycle - and the new technology will give your brokers something new and exciting to talk to your customers about.

88%



of insurance professionals believe that legacy is preventing incumbent insurers from transforming quickly enough.

How Do You Evaluate Whether Greenfield Is Right for You?

Ask the Right Question

With 99% of the industry recognizing that benefits insurers must accelerate their digital transformations to remain competitive, the question isn't "should we do greenfield?" It's "why haven't we started already?"

Here's a list of reasons to help you make the case for greenfield:

- ▶ Your growth is impeded by manual and outdated processes that are prone to errors
- ▶ Your speed to market, along with your ability to invent and deliver winning new products or services, is hindered by legacy processes, attitudes, skill sets, distribution systems, and/or technologies
- ▶ You need a platform for meeting the new and evolving product demands of both employers and employees to join ecosystems, and access to external innovation, including insurtechs
- ▶ You need to increasingly join into new ecosystems such as benadmin platforms and manage convergence with dental, healthcare, and ancillary benefits
- ▶ You need a test-and-learn platform to experiment with new ideas and business models as well as to explore new types of partnerships – whether within or outside of our industry – and take advantage of new opportunities quickly
- ▶ You want to try out a future enterprise platform before converting books of business



Greenfield Myths Busted

There's some confusion in our industry around what greenfield is and is not. Here's the straight scoop.

Myths

- ▶ It's only about technology
- ▶ Greenfield initiatives are dependent on insurtechs
- ▶ Greenfield is only about innovation

Reality

It's about identifying and meeting a customer's needs. Technology is an enabler, not an endpoint. Greenfield is only an approach to disruption and innovation. A greenfield effort, while always focusing on innovation, may or may not use an insurtech solution. Conversely, the parent company can incorporate an insurtech solution into their legacy world without doing a greenfield.

How Can Greenfield Serve as a Path to Enterprise Transformation?

Routes Well Taken

Currently, there are two prominent strategies for leveraging greenfield to drive enterprise transformation:

TRAILHEAD 1

Establish a challenger proposition to your traditional products.

Build a new offering that replaces your traditional ones with all the modern features consumers are demanding, and that will create a pull effect at renewal time. Customers will demand the new and improved offerings and the new offerings will eventually overtake your current ones.

TRAILHEAD 2

Act as a catalyst within the enterprise.

Learn how to innovate and then bring the resulting best practices back to your enterprise. Then you can leverage the methodology, technology platform, and benefits of your first greenfield offering to spawn projects for changing legacy processes, attitudes, skill sets, distribution systems, and products.

Create new business models.

Not only can existing products be digitally transformed or even fully migrated onto the technology platform, but this approach also enables designing solutions that blend various aspects of traditionally siloed offerings to establish wholly new business models.

5

Reasons to Build a Greenfield Technology Platform, Now:

1. Build your foundation now and prepare yourself for growth and innovation.
2. Time-to-market and build costs have decreased dramatically, thanks to advances in cloud-based services and technology.
3. Starting with a blank slate makes it possible to create natively digital businesses with significantly lower run costs.
4. New business models and data-driven approaches are already winning over customers to insurers pursuing disruptive innovation.
5. Creating momentum via collecting, analyzing, and combining data lets you launch and test offerings rapidly to deliver more valuable products and services. Eventually, it'll be difficult for your competitors to catch up.



Using the **catalyst strategy**, the initial effort serves as a center of excellence for building expertise across the enterprise. By combining the catalyst strategy with a robust greenfield technology platform, insurers establish an open solution on which they can easily configure channels and services.

Case Studies

Two Tales of Winning Benefits Greenfield Game Plans

Initiative #1: Streamline Benefits Administration

To leapfrog the competition, a prominent benefits insurer seeks to provide clients with a streamlined benefits administration interface that supports the full broker, client, and member lifecycle.

How it works: The insurer adopts a greenfield technology solution to build a benefits administration platform that communicates with the core systems at partner insurers, assimilates information, creates and manages flexible products at scale, digests information from clients' HR platforms, provides hassle-free billing and automates claims to get money into members' hands fast.

The payoff: By offering a modern, customer-centric benefits administration experience, the insurer quickly gains market share and boosts retention for significant profitability rewards. Further, the new platform enables a data-driven approach, which helps improve efficiencies, reduce costs, and minimize risk.

Greenfield
Best PracticesHave a fail-fast mindset
and governanceTake a test-and-learn
approachMeasure success by
what you learned, not
ROI – that will comeStart over. Proceed as
if you were founding
a new company,
unhindered by the past

Initiative #2: Capture New Markets

To balance out their corporate risk profile which is heavily slanted towards equity-based products, a large life insurer seeks to grow their risk-based portfolio by meeting employee demand for supplemental health products to offset healthcare costs.

How it works: A new division is created within the corporation to focus on employee benefits. This new division establishes a digital foundation that provides seamless customer-centric quoting, issuance, and servicing for traditional and emerging employee offerings, including life, disability, dental, vision, accident, and critical illness. Human-assisted support and service are provided via click-to-chat and live phone reps.

The payoff: By building out an advanced foundation on greenfield technology, the insurer can rapidly build out new product offers for the target market in a test-and-learn fashion while continuously studying and refining its offers. The greenfield platform supports innovation across the insurance experience, introduces a new level of customer engagement, and leads to more new product offers by leveraging customer data and insights. It also serves as a data-driven pilot to introduce new capabilities leveraged across the insurer's other business lines.

What Does a Greenfield Platform Approach Look Like?

Like Nothing You've Had Before

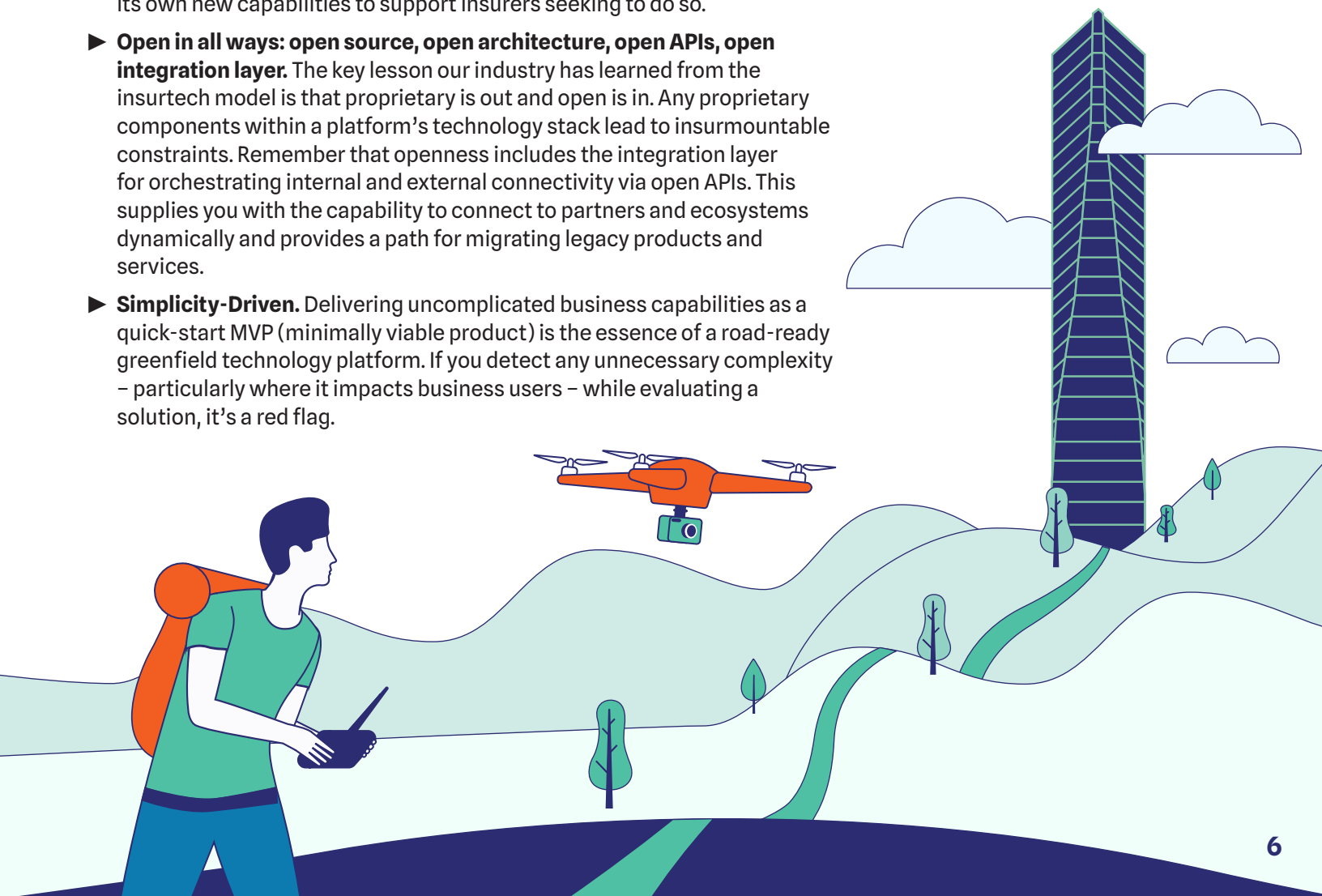
Unsurprisingly, disruptive innovation requires a fundamentally different insurance technology platform to match. Further, an appropriate platform is more than a collection of software components. It's designed and delivered using the greenfield principles you need to embrace:

- ▶ **Uses test-and-learn to fail fast, iterate rapidly, and evolve continuously.** There is only one absolute in greenfield: you don't know what you don't know. Thus, a greenfield technology platform must ensure you can get an offering to market quickly, analyze outcomes, rapidly adjust, and reintroduce not once but over and over again to ensure market adoption. Be aware that most technology solutions available today were developed to address yesterday's market realities, when lengthy development cycles and static product offerings were the norm. Those days are effectively over.
- ▶ **Exhibits Agile and DevOps maturity.** It's not a question of whether a technology platform is developed using Agile and DevOps practices, as both are table stakes. Instead, it's how mature those practices are. After all, you can't expect a technology platform that isn't continuously rolling out its own new capabilities to support insurers seeking to do so.
- ▶ **Open in all ways: open source, open architecture, open APIs, open integration layer.** The key lesson our industry has learned from the insurtech model is that proprietary is out and open is in. Any proprietary components within a platform's technology stack lead to insurmountable constraints. Remember that openness includes the integration layer for orchestrating internal and external connectivity via open APIs. This supplies you with the capability to connect to partners and ecosystems dynamically and provides a path for migrating legacy products and services.
- ▶ **Simplicity-Driven.** Delivering uncomplicated business capabilities as a quick-start MVP (minimally viable product) is the essence of a road-ready greenfield technology platform. If you detect any unnecessary complexity – particularly where it impacts business users – while evaluating a solution, it's a red flag.

5

Pillars of a Robust Benefits Greenfield Technology Platform

1. Supports the test-and-learn approach
2. Cloud independent, cloud native, and cloud resident
3. Leverages Agile and DevOps for rapid releases
4. 100% open, from architectural foundation to the integration layer
5. Proven scalability with deep functionality to support expansion



What Key Characteristics Should You Expect in a Leading Benefits Greenfield Technology Platform?

How Can You Build a Greenfield Business?

A greenfield technology approach for insurance involves building new systems and infrastructure from scratch. Here are six essential pillars of a greenfield technology approach for insurance:

Strategy and Vision: Establish a clear vision and strategic roadmap for the greenfield initiative, aligning it with the organization's goals and long-term objectives.

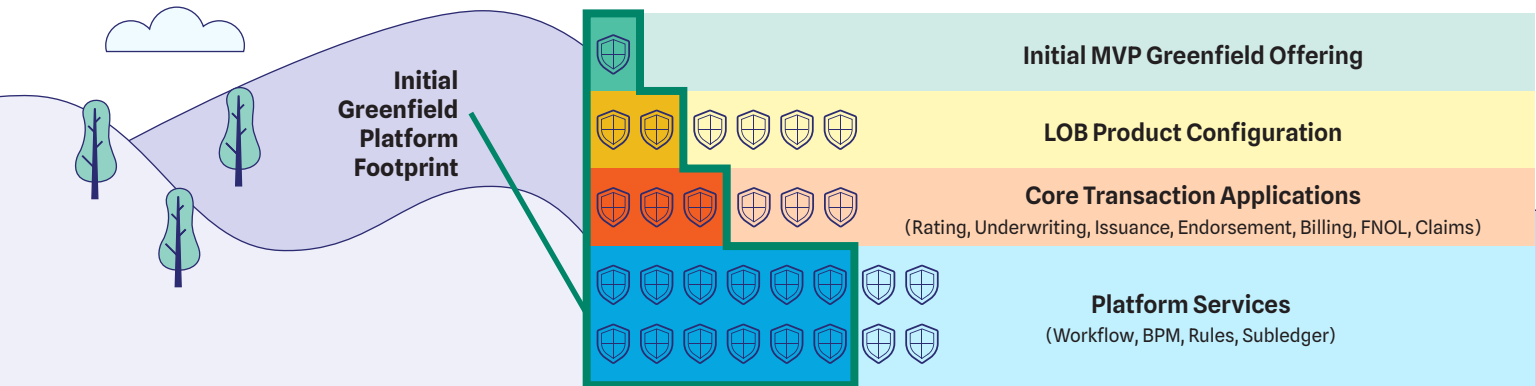
Agile Development: Embrace an agile development methodology that promotes iterative and flexible processes, enabling rapid prototyping, testing, and deployment of new technologies and solutions.

Ecosystem Collaboration: Foster partnerships and collaborations with insurtech startups, benadmin technology vendors, and industry experts to leverage their expertise, explore innovative solutions, and drive mutual growth.

Data-driven Insights: Utilize advanced analytics and big data capabilities to extract actionable insights from vast amounts of structured and unstructured data, enabling better decision-making and improved customer experiences.

Multiline: A greenfield approach assumes that in the future, the insurer will embark into new areas that they hadn't considered before as they embrace change instead of fearing it.

Change Management: Implement a comprehensive change management strategy that focuses on organizational culture, employee engagement, and training to ensure smooth adoption of new technologies and processes.



Wellfleet

Wellfleet's goal was to build a customer-centric platform with a consistent, multi-channel experience. With EIS, they were able to:

Process

all

fourth-quarter business for new cases and major re-enrollments for a January 1 effective date

Cut



data validation process to hours or days, not weeks

Deploy a single platform in under



11 months

for

4



different products

Launch



the ability to generate customized plan designs with a smooth flow of accurate, case-specific information from **quote to claim**



Many carriers use a patchwork of legacy systems, creating barriers for producers and implementation shipwrecks for employers. Working with EIS, we were able to build a customer-centric platform with a consistent, multi-channel experience.” **—James Ocampo, Executive Vice President, Workplace Benefits for Wellfleet**

Major North American Life Insurance Company

When a major life insurance company wanted to expand their reach to a growing population of independent and part-time workers who did not have access to employee benefits, they partnered with EIS.

80%

digital engagement with their members



40pt

jump in their Net Promoter Score



4



new products deployed in **12 months**



2 to 3



month reduction in the time to make regulatory changes live across all systems

Guardian® Does Greenfield to Empower Gig Workers

Innovative by nature, greenfield initiatives can be profitable while serving the greater good. That was Guardian's goal for supplying gig and part-time workers with access to benefits offerings similar to those enjoyed by full-time employees. By providing direct-to-consumer health, dental, vision, accident, and critical illness products, Guardian could gain new customers and level the playing field for otherwise "forgotten" individuals.

Partnering with EIS to adopt a greenfield technology platform, Guardian built a digital-centric member portal with features like self-service education, modern shopping experiences, and human assistance via click-to-chat and live phone CSRs. The company quickly realized a 50% premium revenue growth year over year,

70% growth in total sales,
and a **40-point jump** in Net Promoter Score.

“ We were able to introduce a consumer-friendly product platform on a remarkably short timeline. This project was unique in its large scale, and a critical accelerator was an effective Agile process managed by EIS Group that leveraged the rapid provisioning and scalable qualities of the cloud. EIS Group software and solution delivery, and their commitment to our goal were key to delivering the totally digital platform with state-of-the-art architecture that we wanted for our customers.

– **John Furlong**
Platform CIO
Guardian Life Insurance Company of America

About EIS

EIS is the first choice for ambitious insurers focused on future-proofing their businesses and building the customer-centric insurance platforms of tomorrow. Founded in 2008, EIS provides a digital insurance platform that has been specifically engineered to remove obstacles and provide insurers with the freedom to pursue and achieve important strategic goals. The open, flexible, cloud-native coretech platform liberates insurers to increase market share, develop new products, build engaging experiences, lower acquisition costs, boost retention, and deliver greater revenue and profits for the long term. Headquartered in San Francisco, EIS services insurers globally in all lines of business.

**Want to see what
EIS can do for
you?**

**BOOK SOME
TIME WITH A
TRANSFORMATION
SPECIALIST**



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