



# BusinessProcessViews

ATOS AND AEGON – A CUSTOMER EXPERIENCE-LED TRANSFORMATION

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### The need to deliver a great user experience

The majority of the third-party administration contracts currently in place were signed five to ten years ago and are now returning to the market with a very different focus and set of priorities. The need to improve the experience for customers, policy holders and intermediaries has risen up the agenda dramatically.

Fundamentally there is the opportunity and the need to make end customers want to do more with their Life provider. Improving the customer experience is an opportunity to both cross-sell and upsell services and products and to further reduce costs by enabling self-service and convenience of contact that fits with customer preferences and their lifestyle.

We consider that providers who can transform the customer experience for Life Insurers have a tremendous opportunity. Examples can include the provision of online portals and mobile apps to enable self-service, multi-platform functionality for policy holders. In addition, robotics and intelligent automation present an opportunity for life insurers to re-engage customers with more affordable financial advice.

Moving from a model focused on 'cost-out' towards one giving equal billing to customer experience and business growth requires a fundamental shift in the relationship between client and provider and away from the 'master-servant' outsourcing arrangements of the past towards genuine partnerships between the BPS provider and the L&P company, with aligned objectives, shared risk and reward and with contracts related to business outcomes.

### Atos and Aegon – A customer experience-led transformation

When Aegon signed with Atos back in October 2016 ([Atos secures £200m transformational BPS partnership with Aegon](#)) it was an unusual deal that marked the arrival of a new entrant into UK Life and Pensions BPS. Aegon were prepared to take a risk with Atos clearly impressed with the work that had been done at [National Savings and Investments](#) (NS&I) developing their digital proposition through innovation and growing sales whilst taking out cost and streamlining the operation. For Atos there was the potential to showcase its ability to transform L&P operations to other providers, ready for other first-generation deals as they come up for renewal.

Aegon's operation is one with growth potential in the UK and its management was therefore more open to align with Atos to grow and develop the service. Its products are also generally aimed at older ages, higher levels of cover and wealthier customers with higher expectations and a need for top quality customer service.

Whilst Atos's decision to keep the operation in-line with its strategy for onshore delivery clearly worked in its favour, the decision to focus transformation efforts on improving the customer and user experience was central to its success.

Aegon had been through an unsuccessful partnership with Serco and wanted something different that delivered real digital transformational change based on creating a long-term partnership focused on growth.

Many service providers are able to talk about being customer centric during the bidding process and use customer experience to provide 'sales value', few are able to transition this into service delivery and successfully embed this with the operations. The pressure to reduce cost and complexity by stripping out bid document promises during a contract transition has killed many a good intention, an outcome which Atos were determined to avoid.

#### Embedding customer experience in operations and delivery

Atos's success at embedding a mind-set of 'customer first' in the Aegon operation has been built on a significant cultural shift within the delivery of the contract. Culture is usually harder to change than technology and business processes but by embedding the employees in the transformation process and making them a central part of the solution has meant that incremental improvement becomes ongoing business as usual. The Lytham based facility has impressive Customer Experience labs on site with 'green screens' and production facilities but in many ways, what is more impressive is the way that employee champions are fully engaged in looking for ways in which the Customer Experience can be improved.

Lessons learnt in Atos's delivery of the NS&I contract around cultural change, about looking after the staff team and giving them somewhere to grow and develop, have clearly been transposed into the Aegon operation and offer a real contrast to the previous outsourcing experience seen by the team in Lytham.

Innovation is not a one-time event and it's really important to keep it fresh and constant. Employee engagement is key here and has a profound impact on the way that they in turn engage with clients, seek out feedback and are involved in putting forward suggestions for process improvement. Once the staff team has identified an issue it can then be prioritised and taken into one of Atos's three customer experience Labs (Glasgow, Lytham or London) and used to generate different ideas and to help drive behavioural change. Once designed and tested in the Lab, using the latest collaboration software and digital journey mapping technologies, it can then be taken out into the delivery centre.

The customer experience 'Academy' within the Aegon operation is focused on being fast and nimble, testing and learning from ideas, being prepared to try new things and take risks. Customer experience has been democratised within the operation where it becomes everyone's job.

The Academy has developed into a formal relationship with Ulster University, believed to be the first of its kind, where students can gain an Advanced Diploma in Customer Experience. The content is designed around the Atos approach to customer experience.

This approach requires a strong and aligned relationship between BPS provider and insurer, focused on growing the service. Whilst having some of the Aegon team on site helps, getting the right governance and operational leadership in place is vital and still sees regular calls between the respective CEOs.

### Customer Experience transformation model



Source: TechMarketView

Net promoter Score (NPS) has its detractors as a measure of client engagement but it a useful benchmark of service improvement. Scores within the Aegon operation have improved significantly since Atos embarked on Customer Service transformation. The six-month rolling NPS scores is up from 32 in May 2017 to 42 in January 2018.

### Process improvement through automation and analytics

Atos is using automation and robotics to support growth in the Aegon operation, looking to remove mundane parts of the process. Robotics is being moved into business processes over time and is supporting the growth agenda by allowing for the removal of 'fractions of FTEs' freeing up individuals to work on higher value activity. (By way of contrast a 'cost out' operation would be looking to remove entire FTEs).

Atos is working through a programme of pilot automation projects focused on system changes with robotics, where robotics forms part of a kit blended with other tools. One such tool is analytics where Atos uses its Codex suite within the Aegon operation. Atos has been using Codex within the claims process to speed it up. The hypothesis being that you can automate more of the claims process. Atos is now also looking to galvanise the underwriting process with the potential for geospatial analysis enabling underwriting by postcode.

Atos expects to see a big step change in automation and analytics in 2018/19 as it proves its value to the operation. Nevertheless, this still looks like the start of the journey focused on finding the entry points for automation then realising other improvement and efficiencies as the transformation initiative broadens out.

### Alignment for growth

In our view, the Atos / Aegon partnership is not typical of the L&P BPS market as it currently stands. It works because the objectives of the partners are aligned. For Atos this is a showcase from which to expand into the UK L&P market which is crying out for change. For Aegon it is the foundation from which to grow in the UK. This partnership approach has allowed Atos to get the go-ahead to take on responsibility for transforming a much broader range of services than your typical outsource. For example, taking control of a good portion of the underwriting activity is something not typically put out to a third party. Whilst underwriting philosophy and strategy still sits with Aegon the underwriting engine is with Atos and offers the future potential of underwriting-as-a-service.

The Aegon operation is highly regarded in the UK L&P market and in 2017 won a whole range of awards for its underwriting and claims including Life insurer of the year (Cover Excellence awards 2017) and Underwriter of the year (Protection review awards 2017).

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