The ROI of Group Insurance CPQ

PERFECTQUOTE®

INTRODUCTION

As an employee benefit brokerage firm, employer groups turn to you to help them make informed decisions about their group insurance policies and ancillary benefits.

For over thirty years, group insurance brokerages have relied on a **manual, time-consuming and sometimes error-prone process** to provide policy quotes to their clients. More and more, firms are starting to realize that it doesn't have to be this way.

Today's growth-focused insurance brokers are doing away with the old manual quoting process and are increasingly investing in Group Insurance CPQ platforms.

WHAT IS GROUP INSURANCE CPQ?

CPQ as a general term stands for Configure – Price – Quote and refers to the processes performed every day by sales teams in industries that involve highly customizable products – things like order submission, data analysis, and proposal creation.

When we say CPQ, we are talking specifically about software designed to optimize these processes for maximum efficiency.

Group Insurance CPQ is software designed specifically for the group insurance industry, including large group medical, ACA coverage, and ancillary products.
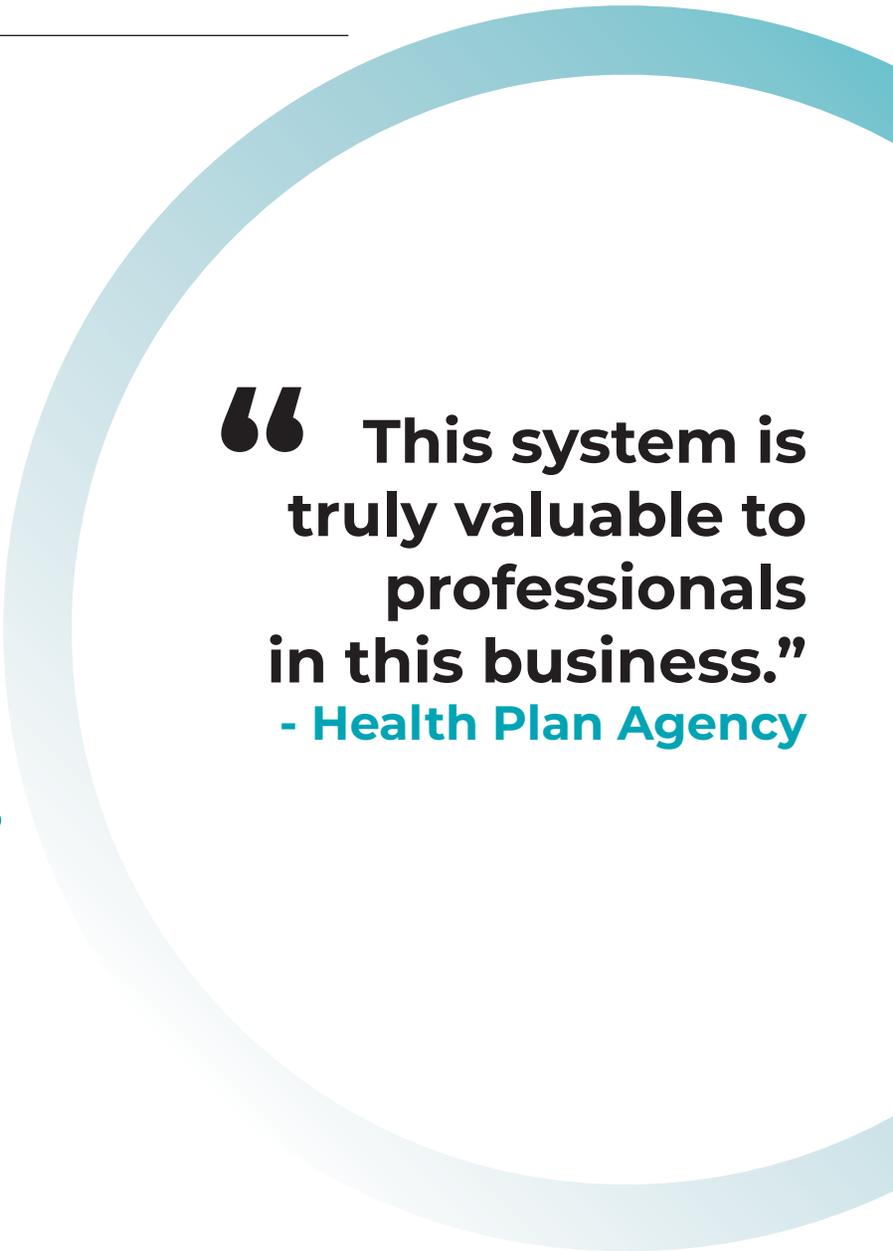
> **"This system is truly valuable to professionals in this business."**
> **- Health Plan Agency**

WHAT IS GROUP INSURANCE CPQ?

Group Insurance CPQ automates the most time-consuming, strenuous parts of the insurance quoting process.

Here's how it works:

• Users (a broker, benefits specialist, or account manager at the brokerage firm) upload census data and carrier proposals into the Insurance CPQ platform.

• From there, they can quickly search through the available lines of coverage that meet the employer's needs, select plans they want to present to clients, and being building the presentation.

• Users can also search the full array of ancillary products from the nation's most trusted carriers.*

• They can also upload proposals from Large Group (regardless of the format)* so that they can analyze Large Group, Alt Funded and all ancillary lines and efficiently create client presentations for all products for all client group sizes.

• Then, brokers work their magic, selecting the best plans for their clients and removing plans that don't fit their needs to configure the quote.

• Finally, the Insurance CPQ software creates a final deliverable – the actual quotes that the broker will deliver to the employer so that the employer can compare their options and make a selection. This may be via spreadsheet or proprietary presentation tool within the software.

* Not all Group Insurance CPQ platforms may have these capabilities

INCREASE EFFICIENCIES

We surveyed a combined total of over 100 group insurance brokers to see how much time they were spending on their quoting process. At first, many of them insisted that quote turnaround took at most an hour – but our team worked in the brokerage industry, and we knew from experience that wasn't right.

When we went back and asked those same firms to consider all of the steps they went through to prepare a quote from RFP to sales presentation, a different picture emerged.

Take a look for yourself at the survey results below:

RFP & Sales Presentation Average Total RFP to Decision Time (in Hours)			
Client size	< 50 EEs	50-250 EEs	250+ EEs
Time Spent on Spreadsheets	4.53 hrs	7.25 hrs	9.00 hrs
Total Time per Client	6.68 hrs	10.15 hrs	12.74 hrs
Total Time with CPQ	3.65 hrs	4.65 hrs	6.74 hrs

The combined effect of these time-savings features has a significant impact. The average renewal (dual/triple option Medical, Dental, Vision, Basic Life and LTD) using Group Insurance CPQ takes less than two hours of data import, analysis, plan selection and structuring to prepare for a presentation - anywhere from a 50% - 78% reduction in time spent in year one.

What about the smaller clients that don't generate much revenue? Insurance CPQ includes options that allow teams to spend less time on them as well. For example, the PerfectQuote platform enables firms to send links to these lower revenue-generating clients so that they can self-renew or select 'Favorite' plans they'd like you to include in the presentation.

SHORTEN THE SALES CYCLE

It happens all the time - you're presenting your proposal and the client asks,

"What would the impact be if we went with a higher deductible?', "What do these plans cost with X carrier?" or, "What if we changed our contribution strategy?"

If you haven't prepared these options, you have to go back to the team to have the new options spreadsheeted and then schedule another meeting with the client taking up more of their (and your) time.

**With Group Insurance CPQ,
you can make dynamic adjustments
on-the-fly.**

Using the presentation tools in the software, brokers can quickly make adjustments a client would like to see and instantly see the cost impact to the employer. The ability to make these real-time adjustments apply to carriers presented, census changes, contribution strategy modeling, last minute carrier discounting and many more.

The goal of Group Insurance CPQ is to have just one presentation meeting.

"

**...has helped to
elevate our operation
and create efficiencies...
a true differentiator
for us."
- HUB International**

REDUCE ERRORS & OMISSIONS EXPOSURE

With any process that involves excessive manual data entry, **no matter how experienced your team is, you are going to have errors.** The quoting processes at some larger brokerage firms account for this with an additional quality control step, correcting those errors before a presentation goes to the client.

Inevitably, some will slip through anyway – which is why firms have Errors & Omissions coverage. **With Group Insurance CPQ, those errors – and all the processes surrounding them – are virtually eliminated.**

Here's how it works:

• Group Insurance CPQ software pulls in ACA plan information via API. From there, brokers can search plans and create client presentations with the click of a mouse.

• With an enterprise-level Insurance CPQ, carrier proposals for Large Group and ancillary products that are provided in Excel, PDF, or Word formats can also be uploaded directly to the platform – no data entry needed.

• Group Insurance CPQ platforms use a variety of technologies to extract plan and rate information and present them in the CPQ for analysis and comparison, plan selection and client presentation creation - all with significantly reduced data entry for all products.

• Not only are you saving the time spent on entering and checking data, you're eliminating the potential for a costly error that could cost you – and your firm – big.
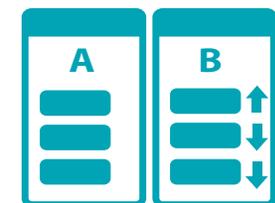
EMPLOY A DATA-DRIVEN SALES METHODOLOGY

Many brokers, faced with a plethora of options and new carriers that were added to the marked post-ACA, have chosen to stick with what they know. The upside to this approach is that your clients get coverage provided by carriers you have good relationships with.

The downside is they could be missing out on coverage that better fits their budget or suits their needs. Choosing trusted carriers is always essential – but providing quotes from a limited number of carriers means potentially leaving viable options out of your presentation (that other brokers can present).

Group Insurance CPQ empowers brokers to employ a data-driven approach to selling. Rather than time constraints limiting your ability to analyze all options, with Insurance CPQ **you can now send more RFPs, allowing you to select from the full range of plan options and compare them quickly.** This way, you can always be sure that you are presenting your clients with the best possible options.

It's just better service - plain and simple. We all know how competitive the group insurance industry is - there's always someone trying to make your clients theirs. With Group Insurance CPQ you can rest assured that you're providing the best options on the market.

IMPROVE CLIENT RETENTION & REVENUE GROWTH

Keeping a client year after year requires providing the best selection of agency services and insurance options available, but also requires great customer service. The time savings provided by Group Insurance CPQ allows brokers to focus on the clients that need their attention, and build better customer intimacy by being more responsive to their clients' needs.

Imagine two brokers: one has Group Insurance CPQ, and the other doesn't. The broker without Insurance CPQ is always waiting on spreadsheets - they have less time to analyze the plans, meet with clients, and present options. Every year renewal season is long and exhausting, and they have to ration their time between clients.
On the other hand, the broker with Insurance CPQ is presenting what they know are the best options for their clients. They aren't having to take several meetings with clients in order to reach a decision, and they're able to spend as much time with larger clients as they need building relationships that last and providing excellent customer service.

Group Insurance CPQ can actually increase revenue by selling more proactively - whether that's chasing prospects or anticipating the needs of existing employer groups. Group Insurance CPQ makes it incredibly easy to position more ancillary products to clients. The graphic below shows potential revenue growth if a broker is able to increase ancillary lines by 10% and secure Medical on two new clients (assumes a client base of 100 groups).

	Annual Revenue	Commission %	Actual Commission	New Lines	New Revenue
BoR Med	$100,000	3%	$3,000	2	$6,000
Dental	$1,250	8%	$400	10	$4,000
Vision	$1,333	10%	$125	10	$1,250
Life	$5,000	12%	$160	10	$1,600
LTD	$2,500	15%	$175	10	$3,750
Group Size: 15 EEs, 10 EEs Med, Dent, Vision, 15 EEs Life/LTD			**Estimated New Revenue**		**$16,000**

INCREASE EMPLOYEE SATISFACTION

Group Insurance CPQ frees up time that would previously be spent on data entry and allows employees to utilize more of their true skill sets to focus on the parts of their job where they can provide real meaningful impact, like customer success.

When employees with so much more to offer are able to focus on customer success rather than data entry, you'll see the benefits. Happier employees give better customer service experiences. They also have the time to be more prompt in their responses to client inquiries, and proactively contact customers to "touch base" and suggest new revenue options.

Hiring takes time and money, and you want to retain good employees just as much as clients. Say you spend 6-8 weeks finding a qualified benefits employee - someone who has the necessary industry knowledge, insurance experience and client engagement skills. They show up their first week and are met with the same old data entry and spreadsheets - not enough time to be an excellent resource to the client and little use of their experience, skills and knowledge.

The ROI here is interconnected - the same things that increase employee satisfaction and reduce turnover also allow you to build customer intimacy, and building customer intimacy allows you to position more products and make more sales.

> " We are seeing a great improvement with time management and finding all the neat things it can do to make our process smoother."
> **- Torgensen Causey**

MAXIMIZING ROI

Most firms have learned that there are some challenges with any new technology being introduced to their organization. In order to see the ROI for any new tool, you have to actually use it – that means full adoption. With Insurance CPQ, there are some unique obstacles that don't exist in other industries.

Features: Some Group Insurance CPQ platforms focus on ACA plans only and don't provide support for ancillary products and Large Group proposals. Others may not work with your CRM. Make sure you choose the right solution for your firm not just for right now, but two years from now.

Timing: Beginning an implementation in October when teams are slammed with renewal season activity is a nightmare. The preferred timing for Insurance CPQ is Q1 - this gives users time to learn the system, establish best-practices and revise their processes within the system structure well before the high-activity pressures.

Universal Deployment: Trying to implement a new technology for a subset of teams or (even worse) part of a team leads to confusion. Users question the strategic commitment to the new platform, and the need to support it themselves. It also leads to questions like, "Why do I need to do things differently when others can still do it the old (inefficient) way?" The organization needs to be committed to building efficiencies across all teams.

Identify a Champion: The ideal Champion is a tech-forward thinker and a good 'teammate'. In the role of Champion, they can make automation less scary to tech-resistant users, are accessible and familiar to users when they need assistance and can gauge training needs to request additional support for the team.

Training: Make sure that your software provider includes a thorough on-boarding process. Ask what kind training and customer service they offer after the initial training, what support resources are available, if they provide personal service or online/chat only, and if they offer ongoing training.

Interested in learning more about Group Insurance CPQ? visit PerfectQuote.io   PERFECTQUOTE®