



VERZEKERINGEN



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"Integration is a key word in developing our CRM projects; seamless integration of several CRM tools, thanks to the openness of the SAS solution, integration of distribution channels, and integration of back and front office."

Paul De Cooman

General Manager,
Touring Assurances-Touring Verzekeringen

The Power to Know™

Touring Assurances and CRM: moving from a theoretical scenario to a workable implementation

Touring, Belgium's largest automobile association, has 900,000 members, representing approximately 1 out of every 4 automobile drivers in Belgium. Touring has some 800 employees, including 400 patrolmen providing roadside breakdown services to drivers throughout the country. Touring Assistance provides a similar service abroad. Touring also defends the interests of drivers and tourists. In 1985, Touring and Belgian insurance company Josi formed a joint insurance company, Touring Assurances-Touring Verzekeringen. Josi has since become a member of the Winterthur Europe Assurances group. Touring Assurances sells four types of insurance direct to the public: automobile, motorcycle, home, and travel insurance.

Manage Customer Relationships to become stronger

To become the first direct retail insurer (excluding the mutuals) and the most profitable direct company in the market, while delivering the best services: these were some of the key challenges facing Touring Assurances-Touring Verzekeringen (TATV) a few years ago. Its objectives were also expressed in figures: to reach a turnover of BEF 1 billion (EUR 25 million) in 2001, and serve 100,000 customers in 2004.

To reach these objectives, the company realized in 1998 that it had to manage its customer relationships successfully. Operational management had to foster the development of customer knowledge. A customer targeting system based on a flexible architecture and open to future developments had to be set up, enabling the launch of new products and new channels. To retain newly-acquired customers and serve them better, operational productivity and reactivity had to be optimized through an efficient infrastructure and a data warehouse as a piloting system. In short, the company had to build a functional and smoothly-operating Customer Relationship Management (CRM) system.

Since then, four projects have been implemented with the help of Accenture:

- Sales optimization through enrichment of the database. Increased efficiency of direct marketing actions for auto insurance products, based on customer segmentation and scoring.

- Development of a front office tool to support the Sales & Customer Service business processes.
- Reengineering of the claims processes.
- Continuous follow-up and adjustment using Key Performance Indicators, bundled in an Executive Information System (EIS).

For its parent company Winterthur, TATV acted as a kind of laboratory for the implementation of new competencies that could also be useful in more traditional channels, such as call center management, and direct marketing techniques.

Enhancing total customer lifetime value

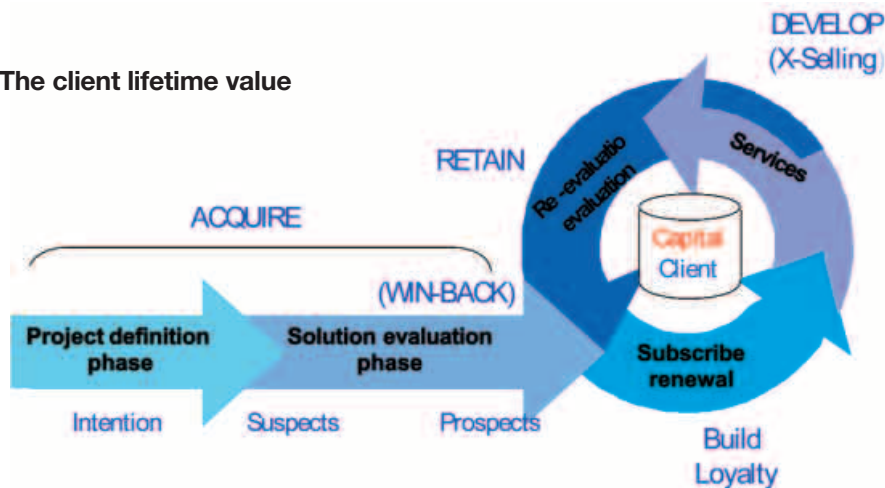
TATV wanted to take action in every phase of a customer's lifetime: acquisition, building loyalty, developing the customer (cross-selling) and retention through better services.

SAS was retained to develop two of the four above-mentioned components of the CRM solution: sales optimization (data mining on some 900,000 customers to identify opportunities that generate revenues) and the Executive Information System (measure results and analyze impacts on customer profitability).

Business challenges

Become the first, most profitable, and most customer-focussed direct retail insurer, with the best service level.

The client lifetime value



Using SAS to identify the opportunities that generate revenues, to measure results and to analyse the impact on client profitability

According to Paul De Cooman, General Manager, SAS was chosen firstly for the comprehensiveness of its offering: "SAS is one of the very few providers that allow for a complete CRM solution, covering all aspects, including decision support at all levels of the organization. With the SAS Solution for CRM, we succeeded in enlarging the scope of our EIS from just a few management positions to an everyday tool for every decision-maker in the company".

Results at the sales level have been spectacular. Data mining allowed sales campaigns to be based on a specific event in the customer life cycle. "We observed that the mailing return rate is three to five times higher on such occasions, while the conversion rate is double. At the same time, the average acquisition cost is significantly lower than with comparable actions in previous years," said Paul De Cooman.

A strategy of openness

TATV has opted to combine the SAS solution with other technology components, for example for customer interaction (managing the customer relationship and feeding the contact database), and for campaign management.

"While we could have covered all our CRM needs with the SAS solution, we

decided to adopt a few other tools also," said Paul De Cooman. "This integration never really caused us any problems, because SAS is very open and cooperative. We were able to build on a solid foundation, while remaining at liberty to complete the open, component-based architecture with other solutions."

On the sales level, for example, TATV now measures accurately the conversion rate of new business offers by target and by campaign, etc.. On the marketing level, it is also able to measure the return rate of its campaigns very precisely.

Other business wins realized by TATV include a significant reduction in sales efforts, thanks to the availability of client history and client profiles. More customer requests can be handled in one call, while a customer can find a customized offer in his mailbox much sooner. On the claims side, the handling costs are significantly reduced and customer satisfaction improved.

Key success factors for meeting CRM business challenges successfully at TATV

According to Paul De Cooman, the success of the CRM projects at TATV is largely due to a limited number of success factors.

First of all, a clear vision underpinned CRM activities from the start and Project Management Teams with representatives from Marketing, Information Technology and Service departments met regularly.

The most important factor for customer satisfaction is the person customers are dealing with. Great efforts were made to clarify the importance of the CRM projects and people at all levels were trained to focus on customer satisfaction.

As the saying goes, one should think big, but start small and scale rapidly. With the help and support of SAS, a manageable approach was implemented in a short time, demonstrating already after some months the clear benefits of the CRM implementation.

Strategy used

- Start small: work out limited scope implementations, apply learning, and then iterate.
- Scale fast: work along three axes: multimedia, multi-channel, and multi-service. Rapidly ramp up investment with demand.
- Think big: leverage all distribution channels, deploy a multimedia strategy, and distribute a complete product/services mix.



SAS Institute
Kasteel de Robiano
Hertenbergstraat 6
B-3080 Tervuren
Tel.: +32 (0)2 766 07 00
Fax: +32 (0)2 766 07 77

SAS Institute s.à.r.l.
Office City
6 Circuit de la Foire Internationale
BP 2507
L-1025 LUXEMBOURG
Tel.: 00-352-264.20.410
Fax: 00-352-264.20.608

www.sas.com