

PEMCO INSURANCE

A WELL-DEFINED STRATEGY AND ROAD MAP SETS THE STAGE FOR A WORLD-CLASS ONLINE EXPERIENCE

PEMCO, a regional insurance carrier known for high-touch service, recognized that it would need to expand its service capabilities to the Internet in order to remain competitive. Working with West Monroe Partners, PEMCO developed a strategy for extending its strengths into a new and critical channel and for offering an effortless online customer experience during all four stages of the customer lifecycle: discover, evaluate, purchase, and service.

PEMCO INSURANCE

PEMCO, a Pacific Northwest regional provider of property and casualty insurance, has established a strong reputation in its markets for high-touch customer service.

TRANSLATING HIGH-TOUCH EXPERIENCE TO NEW CHANNELS

The Internet has become vital to the insurance industry, with a growing number of insurance customers using the web each year to research and purchase policies and conduct service transactions.

Although known for delivering a high level of customer service via telephone, PEMCO did not have the capability to serve customers or facilitate purchases online. Introducing an online presence became more critical—and urgent—as:

- ◆ New national competitors entered PEMCO's geographic markets
- ◆ Category advertising spending grew
- ◆ Insurance consumers increasingly

PEMCO wanted to move quickly to create a world-class online experience for its customers, direct agents, community agents, customer service employees, and business partners that:

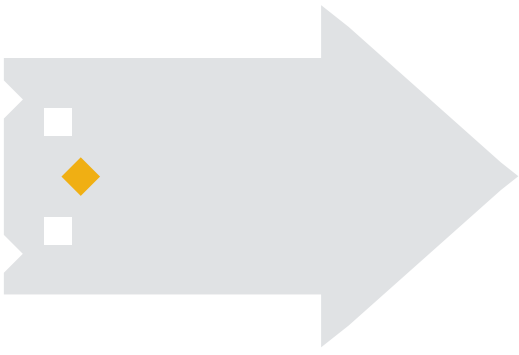
- ◆ Translates its traditional high-touch service into a unique online advantage
- ◆ Leverages the most innovative online concepts, and not just those from the insurance industry
- ◆ Is distinguished at every stage of the customer life cycle
- ◆ Embodies best practices around business simplification
- ◆ Focuses investment on areas that amplify strengths
- ◆ Drives increased customer retention rates

STRATEGY BUILT ON AN OUTSIDE-IN VIEW, CROSS-INDUSTRY BEST PRACTICES

For assistance with developing a strategy and a road map for achieving its vision, PEMCO turned to West Monroe Partners. West Monroe Partners offered insurance industry experience, eCommerce expertise, and—most significantly—a unique approach focused on defining and creating an effortless customer experience.

As the foundation for defining an online customer experience strategy that reflects PEMCO's brand, West Monroe Partners conducted a market assessment that considered trends and innovations well beyond the insurance industry. This "outside-in" assessment included studying:

- ◆ Competitors' product and service offerings, marketing positioning, market share and growth trends, pricing, profitability, underwriting practices, prospect and customer website capabilities, online experience, and innovations
- ◆ Insurance industry trends, with emphasis on specialized target markets, differentiation through technology, agent roles, and online/web trends
- ◆ Cross-industry eCommerce trends, covering more than 200 product- and service-based web sites and all phases of customer interaction
- ◆ Insurance consumer trends in online usage, adoption, and comfort and channel-specific preferences by demographic factors
- ◆ Technology trends and innovations across each stage of the customer lifecycle: discover, evaluate, purchase, and service



CUSTOMER EXPERIENCE

West Monroe Partners also conducted a current-state business assessment that included:

- ◆ Primary and secondary research with PEMCO's customers and prospects, using focus groups and observation to understand their feedback with respect to touchpoints
- ◆ A customer-base analysis
- ◆ Interviews with corporate and functional executives to understand business needs and priorities
- ◆ An IT infrastructure and capability analysis

COMMON EXPERIENCE PRINCIPLES ACROSS ALL CUSTOMER TOUCHPOINTS

Critical to the project goal was development of a set of common principles that would guide both the current customer experience initiatives as well as future programs. To facilitate this, West Monroe Partners organized cross-functional workshops and innovation sessions, during which directors from across the enterprise came together to create a strategy, including:

- ◆ A vision for how PEMCO will do business via the Internet, grounded in the company's corporate strategy and brand attributes
- ◆ Key themes and desired customer experience for its online presence, for all touchpoints across the four stages of the customer relationship lifecycle
- ◆ Business requirements and a prioritized list of initiatives for achieving the desired functionality
- ◆ Key performance indicators and metrics

Finally, using the output of these sessions, West Monroe Partners helped PEMCO develop a road map for implementing its strategy, including a budget and schedule that accounted for interdependencies among initiatives. The project team also performed a return-on-investment analysis to provide an estimate of the payback period.

EFFORTLESS CUSTOMER EXPERIENCE PRODUCES MORE BUSINESS BENEFITS

By working with West Monroe Partners, PEMCO developed a clear plan for meeting its service and customer retention goals online—a strategy grounded in world-class eCommerce and customer experience principles, while addressing its key challenges, including its scale and investment limitations relative to larger competitors.

In addition to creating an engaging, high-touch online customer experience that promotes effortless interaction, PEMCO has realized other business benefits, including reduced sales and overhead costs.

- West Monroe Partners is an international, full-service business and technology consulting firm focused on guiding organizations through projects that fundamentally transform their business. With the experience to create the most ambitious visions as well as the skills to implement the smallest details
- ◆ of our clients' most critical projects, West Monroe Partners is a proven provider of growth and efficiency to large enterprises, as well as more nimble middle-market organizations. Our more than 300 consulting professionals drive better business results by harnessing our collective experience across a range of industries, serving clients out of offices across the United States and Canada.
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