

Zurich innovation helps dealers set strategy and win business

A heightened focus on business innovation has become prevalent in recent years, but *why* has innovation become so important?

Collaboration New insights
Showcasing Fresh perspectives
Creativity New concepts
Testing/piloting New ideas Originality

Sumeet Bhatia, Zurich North America's Head of Innovation, says the answer is the culmination of several factors. "We are living in a time when the pace of change has accelerated, customer expectations are changing, distribution and digital channels are evolving, and data and technology are also rapidly changing. All of these changes demand that we think differently and act faster, which is why Zurich elevated innovation to be one of our key strategic pillars," Bhatia explains.

There may be no better example of rapid industry change than the one facing North America auto dealers today. Autonomous vehicles, electric cars, ride-sharing, alternative distribution, non-franchise models, telematics, cyber, technology platforms and digital applications, changes in customer buying behavior and artificial intelligence are just some of the emerging trends dealers contemplate today.

Zurich elevated innovation as a strategic priority in 2017 to become a leader in developing new solutions that help customers thrive among rapid change. As part of Zurich's innovation strategy, Zurich hosted the Dealer Innovation Summit and the Alternative Markets Innovation Summit. Both summits focused on emerging issues, advancements and trends in the franchised auto industry, and hosted auto dealer leaders from around the country.

"Both summits provided the rich opportunity to gather customers, Zurich auto industry specialists and innovation champions in a roundtable, collaborative setting to share first-hand experiences, explore industry trends and challenges, and convene with experts and peer groups to solve problems," Bhatia says.

Despite rapid and considerable industry evolution, Zurich's dealer customers are forward-thinking and sophisticated in anticipating change. John Altman, Chief Operating Officer, Beyer Automotive Group, a mid-size family-owned business with eight franchises in the Virginia market, explains, "We are always thinking about growth and diversification. "We see the many disrupters coming into the industry, so we make it a priority to sit down as a team and think about what we can do to capitalize and grow. We think about ways we can become even better car dealers, and how we can improve in general. We explore other opportunities where we already have expertise and can grow or expand into but we also think about what we can do in business in general, other opportunities that we can open up or expand into, not only on the insurance side, but other services as well. So, Zurich's Dealer Innovation Summit came at a great time."

The summit offered sessions dedicated to customers' buying behavior trends, customer care, product creation and improvement, service creation and enhancement, and problem-solving. "It was really interesting. It was a great opportunity to listen to really smart folks," Altman says. "Some of the dealers that attended the summit are titans of our industry. Each of us talked about what was going on in our business and we had some really cool brainstorming sessions. On the Zurich side, I was really impressed. They are sharp people! Right away we were really impressed with the way Zurich is thinking about solutions in our business."

PUTTING INNOVATION INTO ACTION

Foster an innovative mindset

We continue to examine how we think about our business, relentlessly listening to our customers' needs and expectations and encouraging creativity and collaboration with customers and colleagues. To facilitate innovative ideation throughout the organization, Zurich launched the Make the Difference program to offer employees a creative way of working that empowers every employee to share ideas and inspire new and creative solutions.

In 2018, Zurich opened the Idea Center, a forum for employees who engage with customers and distributors to share ideas, evaluate common themes and seek new solutions. That year, Zurich also unveiled the Innovation Lab, a collaborative, physical space at our North American headquarters where we meet with customers, distributors and brokers to brainstorm and solve problems. Auto dealer customers joined us in the Innovation Lab to participate in a variety of summits where issues and trends unique to auto dealers were examined.

Analyze and communicate on emerging trends

Artificial intelligence, autonomous vehicles, telematics, ride-sharing, cyber and blockchain are just some of the emerging trends we see across the insurance industry, and many affect the auto industry specifically. We collaborate with the Innovation team at Zurich's global headquarters in Switzerland to identify, analyze and communicate our perspective on how these trends could affect our business and customers. We also build and maintain strong relationships with innovation partners, such as business incubators and startup accelerators, to help us enhance our service to auto dealers and their customers.

Test and pilot new concepts rapidly

We continue to explore, develop and pilot new capabilities to determine what value can be added. New products and services across the value chain, alternative distribution, and new marketing programs can help give customers an advantage and enable them to win in their markets. Sea Pine Technologies' digital applications for service lane selling, CARCHEX direct marketing programs and artificial intelligence that simplifies the way we interact with distributors are just some of the capabilities that are already helping dealers win.

"We were really impressed with the solutions that Zurich is offering in our business. A great example of that is their acquisition of Sea Pine Technologies," Altman notes. In February, Zurich acquired the company which specializes in innovative digital applications for the marketing of vehicle protection products. This strategic move further expands Zurich's automotive F&I capabilities and strengthens our innovative offerings to both auto dealers and car owners by expanding auto dealers' ability to offer F&I products beyond the traditional point of sale.

INNOVATE

Better products, services and customer care.

Three focus areas for innovation:

1. Continuing to foster an innovative mindset
2. Analyzing relevant trends
3. Developing new capabilities

"We had been looking for a better way to sell to our service customers, but the technology wasn't there. We needed to do it in a way that is easy, quick and you don't have to send the customer to the F&I office. Zurich and Sea Pine's digital application has given us that solution and it has already been really successful," Altman notes.

"Another example is the CARCHEX offering. CARCHEX solution allows us to market F&I products beyond the initial point of sale. Other companies have been going after our customers for years with these types of solutions. Now we can capture that business. I don't think we even know yet how big this is going to be. We may be looking back in a few years thinking it was a huge thing that we did!" Altman says.

These are just some of the advancements and concepts that help Zurich's auto dealer customers thrive during rapid change. This thinking exemplifies the customer-led spirit of innovation that we continue to foster, applying customer insights to develop new ways to deliver innovative products and services that meet our customers' needs now and in the future.

"I really do feel that the attention I get from the people at Zurich is better than any other vendor, by far. It says a lot that they are so committed to our business," Altman explains.

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