

# How do we adapt our processes to meet customers expectations?

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*Be Life Confident*

# [ AGENDA

- ➔ **AXA Way contributes to the improvement of our Quality of Service standards towards Ambition 2012**
  - **Some examples highlighting our progress**

# We Have An Ambition for 2012



## How Are We Getting There?

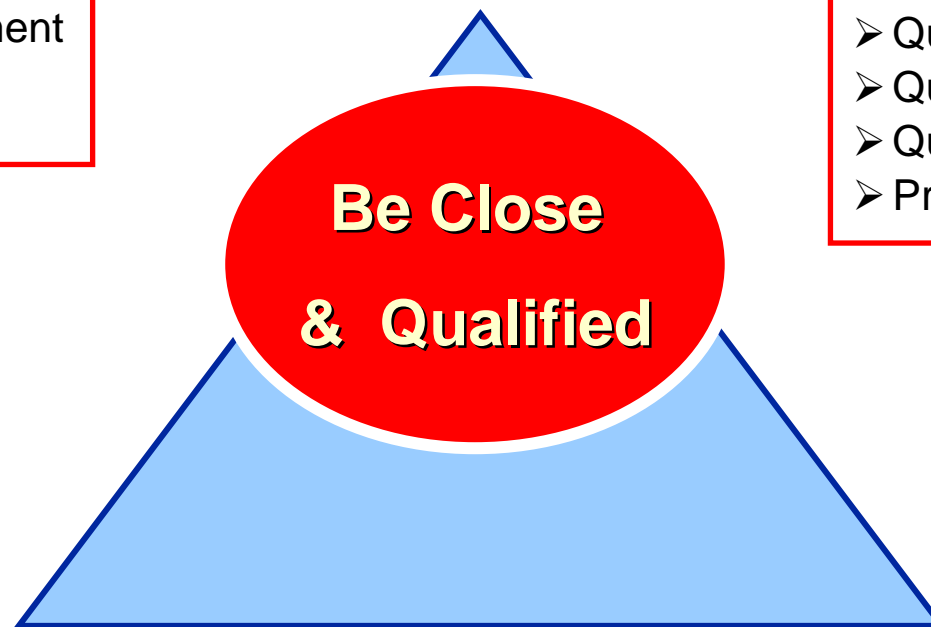
# Focus on Distributor and Customer satisfaction is essential

## For our Distributors

- Distribution Management
- Product Innovation
- Quality of Service

## For our Customers

- Quality of relationship (Care)
- Quality of advice (Support)
- Quality of Service (Efficiency)
- Product Innovation



**=> Differentiation Strategy**

# [ AXA Way is about Process Improvement, Design and Management



# [ AXA Way – ramp up from 2002

## ➔ Phase 1 : 2002 - 2005    Improve existing processes on a case by case basis

- ✓ Demonstrate the “added value” of AXA Way with successes
- ✓ Limit initial investments
- ✓ Support development of a continuous improvement culture
- ✓ Move the concept
- ✓ Obtain a strong buy-in

## ➔ Phase 2 : 2005 - 2008    Support differentiation strategy by putting all our key processes under control

- ✓ Identify end-to-end key processes
- ✓ Gather customer expectations
- ✓ Operate robust and predictable processes to deliver quality
- ✓ Systemize improvement opportunities identification

# [ AXA Way – Current status

Launched in 24 companies representing 95% of the AXA Group's revenues

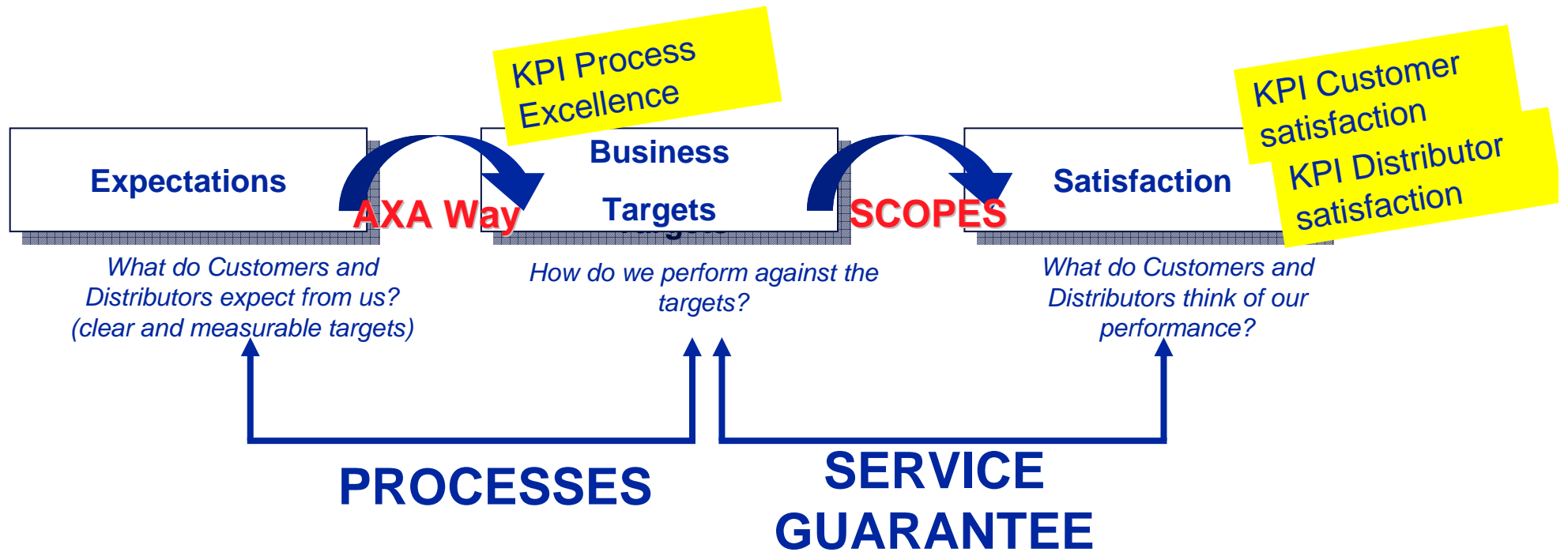
950 projects closed and 520 in progress. 550 Black Belts / Master Black Belts trained and operational

Over 12,000 people trained to AXA Way

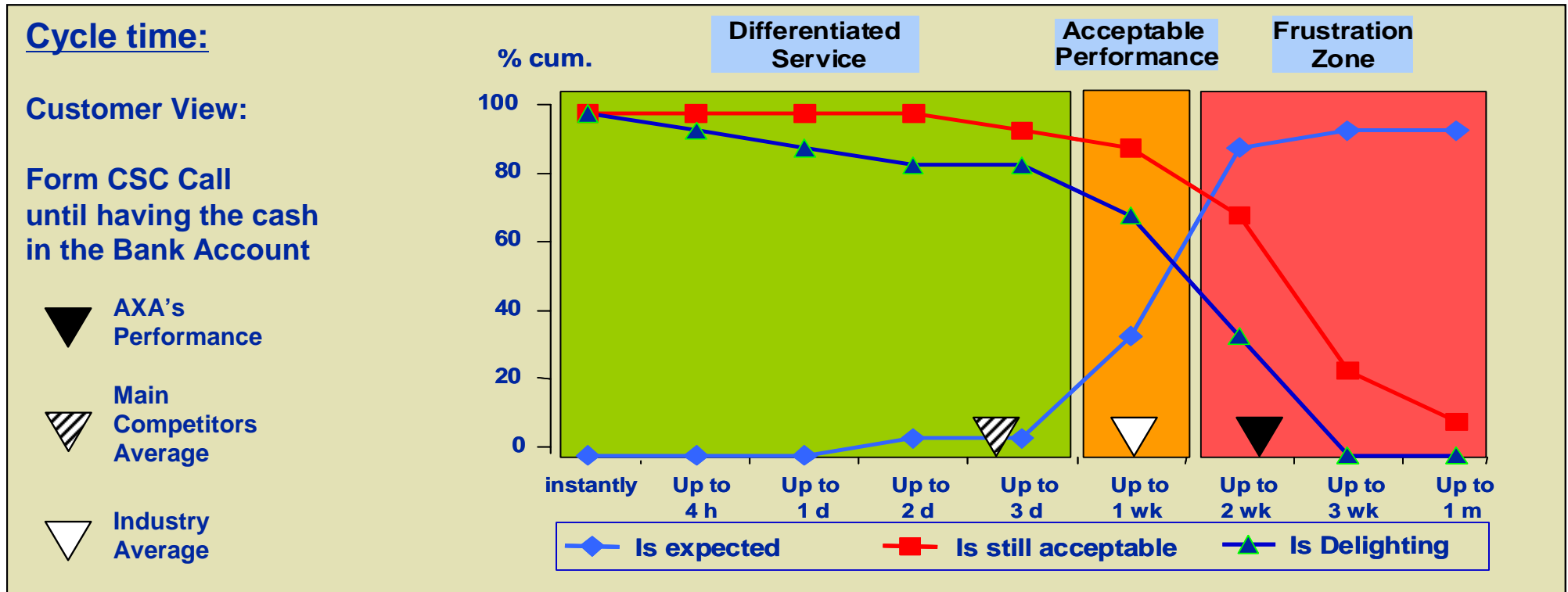
322 M€ cumulative benefits

Target 2006 : 200 M€

# Processes are the way we deliver. AXA Way helps us to align our performance with the Customer expectations



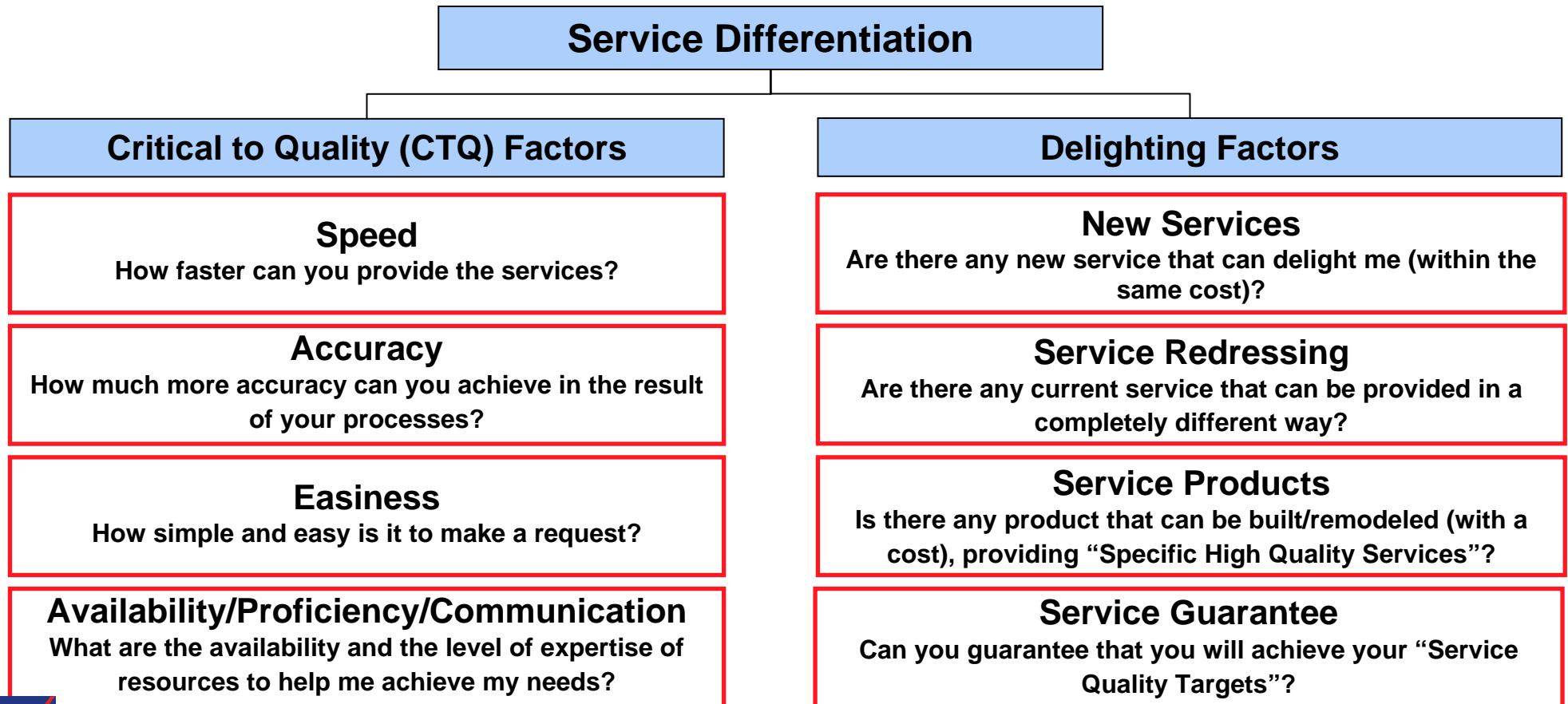
# Example: analysis of Customers expectations assessing Quality of Service



From USP Project

# Customer Service Quality Perception

- VOC and VOD results shows that Customers evaluate “Service Differentiation” from two different views:



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**→ Some examples highlighting our progress**

# Move to Service Commitment to Distribution

## Germany : Health Business BROKER

Brokers send applications by fax.  
Response speed is key for this business.

AXA Way project succeed in getting down average response time from 3 hours to 2 hours.

On top of that, AXA guarantees that an application received until 12 am is processed and sent back before 6 pm.

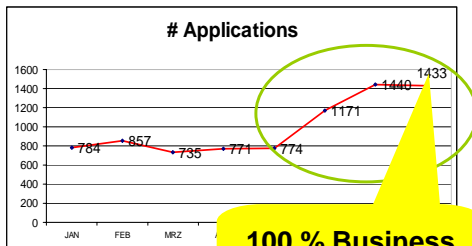
Many benefits in terms of business increase and broker satisfaction. Excellent buy-in of the teams

## France : P&C Market for Small & medium Enterprises BROKER

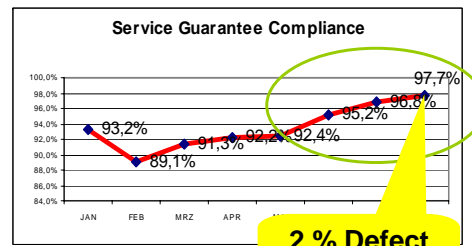
AXA SME Commercial lines do quotations for new business coming from brokers.

AXA Way project initiated an improvement of organisations and processes (standardisation, dashboards, instructions, ...) to give a 72h guarantee for quotations.

Benefits in terms of new business, strong motivation of all teams, broker satisfaction



100 % Business increase



2 % Defect rate

83% of business in 2005

New business up of 13,5%

Broker satisfaction up of 17 points



# Improve quality and adaptability of Product design

## Ireland : Crystal clear product

Meet Customer expectations and offer a superior product through innovation. Develop flexibility and adaptation to different customer segments

What we do : 360 degree Product benchmarking and cost component analysis. Customer segmentation and market penetration modeling. 2,5 weeks pilot to confirm the success of the new design.

Drivefirst	Ladyfirst	Familyfirst	Motorfirst	Executivefirst	Freedomfirst
A fire or theft claim will not affect your no claims discount	Motor Riscoo included as standard	Competitive rates to name a son/daughter on the policy	Extra benefits only €10 if insured on a comprehensive basis	Approved repair car hire provide "Like for like" temporary replacement car	Low mileage discount - mileage discount allowed if less than 8,000 kms driven a year
31 days full policy cover in the European Union Parents can be added as named drivers for free	Free personal effects cover up to €250	Potential discounts if the son/daughter is not living at home or owns their own car	If insured vehicle is MPV, temporary replacement vehicle will also be an MPV (7 seater max)	Comprehensive driving other cars	Temporary additional drivers over 30 (full license) are free for up to 31 days
Recognition of named driving experience Discounts if parents have an AXA policy (Motor)		Temporary additional drivers aged over 30 (full license) are free for up to 31 days		Extra Benefits cover included as standard	Motor Riscoo included as standard
Discounts if parents have an AXA policy (Motor)		Motor Riscoo included as standard		Motor Riscoo Plus included as standard	
Note: Young make can opt for standard package if looking for a higher level of cover	A fire or theft claim will not affect your no claims discount	A fire or theft claim will not affect your no claims discount	A fire or theft claim will not affect your no claims discount	A fire or theft claim will not affect your no claims discount	A fire or theft claim will not affect your no claims discount
	New car replacement	New car replacement	New car replacement	New car replacement	New car replacement
	No claims discount equivalent	No claims discount equivalent	No claims discount equivalent	No claims discount equivalent	No claims discount equivalent
	31 days full policy cover in the European Union	31 days full policy cover in the European Union	31 days full policy cover in the European Union	31 days full policy cover in the European Union	31 days full policy cover in the European Union
	Third party driving other cars (full license or over 25)	Third party driving other cars	Third party driving other cars (full license or over 25)	Glass cover included as standard in comprehensive	Third party driving other cars
	Glass cover included as standard in comprehensive	Glass cover included as standard in comprehensive	Glass cover included as standard in comprehensive		Glass cover included as standard in comprehensive

Pilot response rate up to 7,1% more than the Standard



## Belgium : New process for product launch

We were suffering from Time to market too long, too much energy spent without added value and loss of content.

Redesign and monitor a complete process of launching new products in order to speed the launch, consume less energy and stay fully aligned with the customer expectations.

2 projects currently launched in accordance with this new process .

Example



# Improve support to the sales and save time

## Italy : Motor underwriting assistance

Motor is core business for AXA Italy. Responding to Distributors requests with quickness and efficiency is critical.

Tied agents were complaining that availability and response time were not good.

Definition of priorities, monitoring dashboard, strong communication were set up to improve the process performance accordingly to agents expectations

100%  
Accessibility

60% requests  
settled in 1 day

## UK : Onboarding Private Medical Insurance customers (AXA PPP)

Quickness and quality are critical for the achievement of new business.

This process starts from a prospective initial contact and runs through data gathering and decision making and ends with the customer's receipt of their welcome pack. It took 40 days on average.

The actions taken focused on cutting time for the administrative process and increasing the use of a paperless application with superior performance.

25% Save time to dispatch  
Welcome pack from point  
customer agrees to buy

15% of all applications are  
Paperless (from 8%).  
Full process for them  
takes 8 days

Plus 30% increase  
for the conversion rate

## Australia : Paraplanning

Reshape and streamline the Financial planning operation to better fit with the needs of Advisors reducing costs and uplifting revenue.

Plan done in less  
than 7 days

50% increase  
in volume

# Improve support to the sales and save time

## France : Bank account opening process

AXA Banque has a service level agreement of 3 days to open an account. This commitment was not respected at 75% with normal conditions but not at all during peaks. Disorganization and pressure of activities could get the delay up to 40 days.

Standardization, streamlining and implementation of tools to manage peaks were the tools used to resolve this situation.

This improvement solved the problem of peaks of activity, succeeding in reaching the service agreement.

**Response time done for 80% of accounts**

**Volumes tripled without increase of staff numbers**

## Italy : Reinvesting contracts at maturity for Life Business

Due to strong communication and management of information problems between teams, the retention of life contracts at maturity was very low (10% in 2003).

A set of actions have been implemented among them implementation of an on line system to managing maturity contracts by tied agents (6 months before), design of a set of information available for the tied agents and development of new marketing tools adapted to satisfy customers.

Benefits in terms of increase of satisfaction of tied agents and business results.

**38% of reinvested contracts**

**49% of amount reinvested**

# Improve Customer experience

## Spain : Collecting non automatic bank transfer premium

The cycle time for collecting these premium was 37 days on average, causing customer dissatisfaction with Non paid letters when they have already paid?

Information are now given in advance making know to the Client the different ways of paying, receipts on paper are eliminated and are now added to the Distributor web.

Benefits in terms of retention of business and in terms of satisfaction.

**Cycle time is now 11 days**

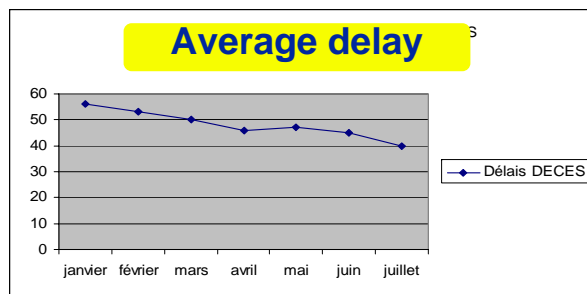
**Defect rate from 57% to 7%**

## France : Death benefit payment process (on saving contracts)

Death benefit payment is too long and complex, causing dissatisfaction for the customer and the Distributor. Around 79% occurrence are taking more than 30 days.

Key changes have been : direct communication with the beneficiary, all documents collected once the first time, tax documents issued till death known, dedicated team to investigate difficult cases.

**40% cases paid under 30 days, 19% under 10 days**



## UK : Collecting premium for Sun Life Direct

The conversion rate from the underwriting to the collection of the 1st premium is only 84%. There is a strong recognition that this figure might be improved.

First focus was on incomplete forms as in those cases the conversion is only 55%. Improvement of applications, information tool and support has lead to strong improvement of this figure.

Benefits in terms of business value and customer satisfaction.

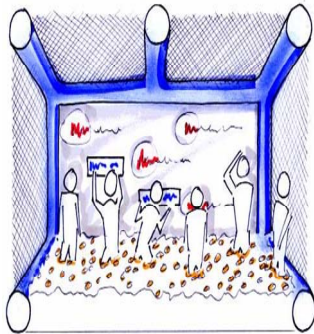
**Conversion rate moved from 55% to 81% for the "incomplete" population**

# Deliver staff commitment

## Ireland : Launching “My New Deal Commitment Programme”

Every person of AXA Ireland has to understand their role in delivering 2012 Ambition, New Deal Differentiation Strategy and operational excellence. It positions employees as the “first customer of AXA” and encourages them to take personal responsibility for building a great place to work and a great place to do business with.

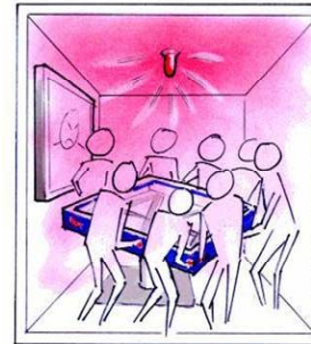
Wading through the 'Sea of Churn'  
Customers lost to AXA every month  
'Getting 'mad' with the competition



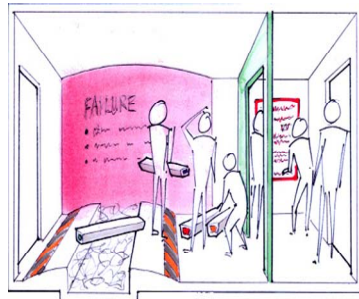
The Frustration Box  
Experiencing telephone service



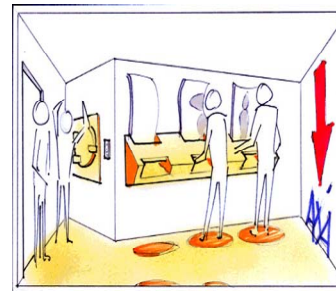
Navigating the Claims Maze  
Process Management



Crossing the Communication Gap



Looking in the Mirror Seeing ourselves  
through our customers eyes



[ Q & A

Questions ?



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