



Insurance - BPO – Buyers' Perception of the Service Providers' Ability to Deliver on their Expectations

Insurance - Business Process Outsourcing (BPO)

Market Report – December 2018: Complimentary Abstract / Table of Contents

Our research offerings for global services

▶ Market Vista™

Global services tracking across functions, sourcing models, locations, and service providers – industry tracking reports also available

▶ Application Services

▶ BPS | Banking & Financial Services

▶ BPS | Healthcare & Life Sciences

▶ BPS | Insurance

▶ Catalyst™

▶ Cloud & Infrastructure

▶ Customer Experience Management Services

▶ Data & Analytics

▶ Digital Services

▶ Engineering Services

▶ Finance & Accounting

▶ Human Resources

▶ ITS | Banking & Financial Services

▶ ITS | Healthcare & Life Sciences

▶ ITS | Insurance

▶ IT Services Executive Insights™

▶ Locations Insider™

▶ PricePoint™

▶ Procurement

▶ Recruitment & Talent Acquisition

▶ Service Optimization Technologies

Membership information

- This report is included in the following research program(s)
 - **Insurance - Business Process Outsourcing (BPO)**
- If you want to learn whether your organization has a membership agreement or request information on pricing and membership options, please contact us at info@everestgrp.com, unitedkingdom@everestgrp.com, or india@everestgrp.com

More about membership

In addition to a suite of published research, a membership may include

- Price book
- Accelerators™
- Data cuts
- Analyst access
- Virtual Roundtables
- Workshops

Custom research capabilities

- Benchmarking | Pricing, delivery model, skill portfolio
- Peer analysis | Scope, sourcing models, locations
- Locations | Cost, skills, sustainability, portfolio – plus a tracking tool
- Tracking services | Service providers, locations, risk
- Other | Market intelligence, service provider capabilities, technologies, contract assessment

Table of contents

Topic	Page no.
Introduction and overview	4
Summary of key messages	8
Section I: Analysis of enterprises' outsourcing drivers and requirements	10
• Evolving buyers' preferences	11
• Classification of outsourcing drivers into traditional and next-gen	12
• Relative importance of outsourcing drivers for enterprises	13
• Preference for strategic partners	15
Section II: Enterprises' assessment of service providers' performance	16
• Performance trends in traditional vs. next-gen drivers	17
• Provider performance across metrics	18
• Importance of metrics and extent of differentiation	19
• Key strengths and areas of improvement	20
• Top service providers	21
Section III: Recommendations for service providers	22
• Enterprises' willingness to expand scope of services	23
• Way forward	24
Appendix	25
• Research calendar	26
• References	27

We have used the below research methodology for this report



Enterprise reach-out

Sample size includes 130+ buyers contacted through 90+ online surveys and 40+ telephonic interviews across multiple industries and geographies in the 2015-2017 period

The enterprises reached out to during the process were nominated by Property and Casualty (P&C) and Life and Pensions (L&P) insurance BPO service providers as referenceable clients



Data collection

Structured questionnaires and interviews with enterprises capturing quantitative and qualitative insights of their engagements with 20+ P&C and L&P service providers



Data synthesis and analysis

Analyzed evolution of buyers' expectations, assessed service providers' performance on different parameters, conducted gap analysis, and benchmarked L&P and P&C insurance BPO service providers' performance

Confidentiality of data

All findings of the interviews and surveys have been portrayed in aggregate to present a holistic view, and data has been presented in a manner where the reader cannot identify specific buyer name, situation, or issues

Summary of key messages

Buyer and service provider relationships in the insurance BPO industry are evolving as buyers have heightened their expectations from service providers in regards to not only next-gen drivers such as their ability to impact top-line growth, but some of the traditional outsourcing drivers such as cost reduction as well



Enterprises are seeking more expansive value propositions from service providers

- While traditionally, cost reduction and process improvement benefits have been the primary determinants in enterprises' outsourcing provider selection, the criteria have now expanded to include other strategic elements as well
- This is not to say that traditional outsourcing drivers such as cost reduction have lost their charm. In fact, for enterprises while the traditional benefits are a given, differentiation of the providers emanates from their technological and value-addition capabilities
- Thus, service providers need to ensure that while they move forward in their capabilities development journey, they do not lose touch with the basics of their value propositions

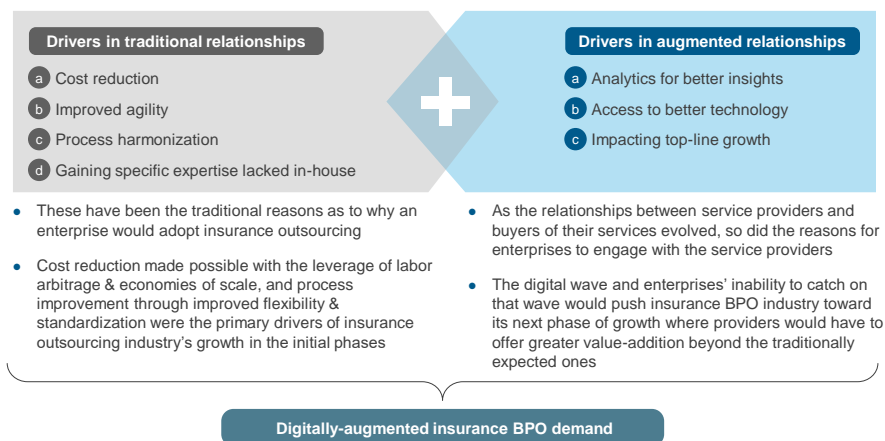


Increasing gap between enterprises' expectations and service providers' performance

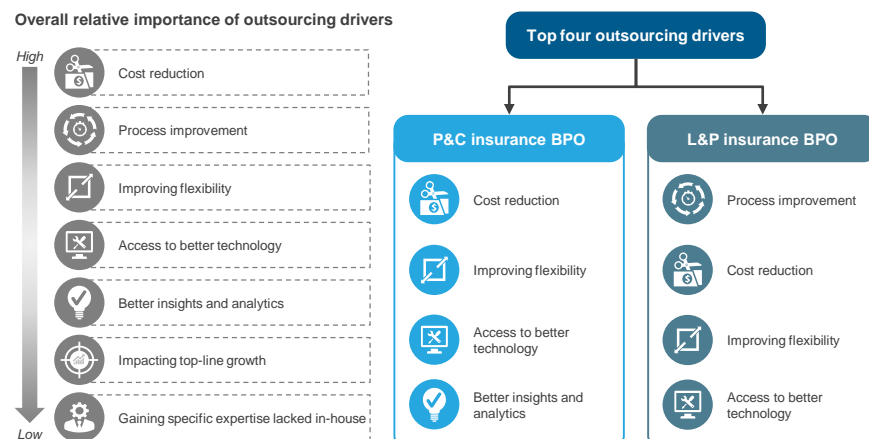
- Service providers' performance levels are improving when it comes to delivering traditional benefits to buyers. However, there is still scope of improvement for providers to match the expectations of buyers
- The situation is more concerning when service providers' performance on non-traditional benefits such as providing access to better technology is measured. Whereas buyers are becoming increasingly demanding for these benefits, service providers are not unable to proportionately deliver
- Thus, service providers need to holistically relook at the evolution of their value propositions and safeguard growth by ensuring that they meet their buyers' expectations on all parameters

This study offers three distinct chapters providing a deep dive into key aspects of insurance BPO engagements; below are four charts to illustrate the depth of the report

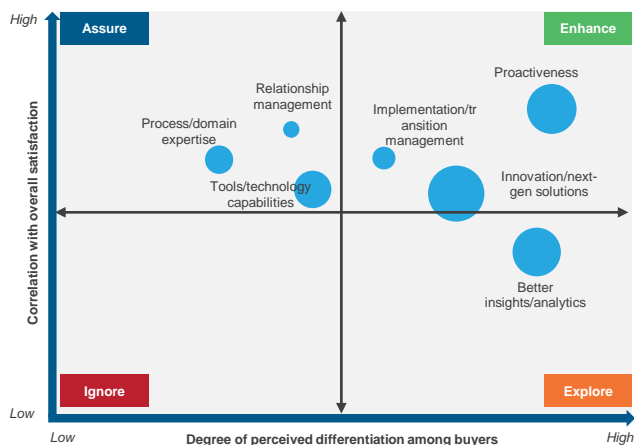
Evolution of buyers demand for insurance BPO services



Relative importance of outsourcing drivers for buyers



Relative impact and differentiation of providers' performance metrics



Difference in buyer expectations according to their size

Buyers' size (By revenue)	Digital parameters		Traditional parameters	
	Key strengths cited by buyers		Areas of improvement cited by buyers	
Small (<US\$5 billion)	Technology		Workforce management	
	Domain expertise		Cost reduction	
	Collaboration		Relationship management	
Medium (US\$5-10 billion)	Scalability		Quality	
	Responsiveness		Proactiveness	
	Technology		Automation	
Large (>US\$10 billion)	Cost reduction		Automation and analytics	
	Stability		Transition management	
	Relationship management		Strategic partnerships	

Research calendar – Insurance - Business Process Outsourcing

 Published
  Planned
  Current release

Flagship Insurance BPO reports

Release date

Property and Casualty (P&C) Insurance BPO – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018.....	March 2018
Property & Casualty (P&C) Insurance BPO: Addressing Growth Through Digital Empowerment	June 2018
Property and Casualty (P&C) Insurance BPO Service Provider Profile Compendium 2018	June 2018
TPA Services Market Report with PEAK Matrix™ Assessment 2018.....	June 2018
Life and Pensions (L&P) Insurance BPO – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018.....	November 2018
Life and Pensions (L&P) Insurance BPO – Service Provider Profile Compendium 2019.....	December 2018
Life and Pensions (L&P) Insurance BPO Deal Trends Report 2019	Q4 2018
Life and Pensions (L&P) Insurance BPO Annual Report	Q4 2018

Thematic Insurance BPO reports

Insurers' Guide to the World of TPAs and BPOs	August 2017
Evolution of Annuities Market in the Digital Age	October 2017
U.S. Workers' Compensation Industry: Changing Third-Party Outsourcing Models	October 2017
Reinventing Usage-based Insurance with Telematics, Mobility, and Analytics	March 2018
Future of Life Insurance & Annuities Operations	September 2018
Buyers' Perception of the Service Providers' Ability to Deliver on Their Expectations	December 2018
Blockchain in P&C Claims – What Insurers Need to Know and How Can They Unlock Potential	Q4 2018

Note: For a list of all Insurance BPO reports published by us, please refer to our [website page](#)

Additional Insurance - BPO research references

The following documents are recommended for additional insight on the topic covered in this report. The recommended documents either provide additional details on the topic or complementary content that may be of interest

1. **Property & Casualty (P&C) Insurance BPO – Service Provider Landscape with PEAK Matrix™ Assessment 2018** ([EGR-2018-28-R-2587](#)): This report examines the global P&C insurance BPO market and its service provider landscape. It provides detailed analysis of the capabilities and market impact of service providers and their relative position on the Everest Group PEAK Matrix. It will assist key stakeholders (insurance providers, service providers, and technology providers) understand the current state of the P&C insurance BPO service provider landscape
2. **Insurance Third Party Administrator (TPA) – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018** ([EGR-2018-28-R-2692](#)): This report examines the global insurance TPA market and its service provider landscape. It provides detailed analysis of the capabilities and market impact of TPAs and their relative position on the Everest Group PEAK Matrix. It will assist key stakeholders (insurers, TPAs, and technology providers) understand the current state of the insurance TPA landscape
3. **Property & Casualty (P&C) Insurance BPO: Addressing Growth Through Digital Empowerment** ([EGR-2018-28-R-2690](#)); 2018: This is the annual report for P&C Insurance BPO and provides an overview of the P&C insurance BPO market, including adoption trends across geographies in market size and growth, demand drivers, key solution characteristics, service provider landscape, areas of service investments, and future outlook
4. **The Future of Life Insurance & Annuities Operations** ([EGR-2018-28-V-2785](#)); 2018: This viewpoint provides detailed understanding of challenges that L&A insurers are facing, envisages the future of the L&A insurance operations at process and subprocess level, identifies the gaps between current and future states, challenges in addressing the gaps, and discusses the role of BPaaS in addressing them and becoming future-ready. It also helps insurers in understanding the specific attributes of BPaaS that can help in addressing the challenges they might be facing or state of operations they might desire

For more information on this and other research published by Everest Group, please contact us:

Saurabh Verma, Practice Director: saurabh.verma@everestgrp.com

Skand Bhargava, Practice Director: skand.bhargava@everestgrp.com

Somya Bhadola, Senior Analyst: somya.bhadola@everestgrp.com

IS Team: BPOResearch@everestgrp.com

Website: www.everestgrp.com | Phone: +1-214-451-3000 | Email: info@everestgrp.com



About Everest Group

Everest Group is a consulting and research firm focused on strategic IT, business services, and sourcing. We are trusted advisors to senior executives of leading enterprises, providers, and investors. Our firm helps clients improve operational and financial performance through a hands-on process that supports them in making well-informed decisions that deliver high-impact results and achieve sustained value. Our insight and guidance empower clients to improve organizational efficiency, effectiveness, agility, and responsiveness. What sets Everest Group apart is the integration of deep sourcing knowledge, problem-solving skills and original research. Details and in-depth content are available at www.everestgrp.com.

Dallas (Headquarters)

info@everestgrp.com
+1-214-451-3000

Bangalore

india@everestgrp.com
+91 806-781-9999

Delhi

india@everestgrp.com
+91-124-496-1000

London

unitedkingdom@everestgrp.com
+44-207-129-1318

New York

info@everestgrp.com
+1-646-805-4000

Toronto

canada@everestgrp.com
+1-416-388-6765

Stay connected

Website



www.everestgrp.com

Social Media



@EverestGroup



@Everest Group

Blog

[Sherpas In Blue Shirts](http://www.sherpasinblueshirts.com)

www.sherpasinblueshirts.com