

ROTTERDAM SCHOOL OF MANAGEMENT, ERASMUS UNIVERSITY

► **The insurer of the future**

by Tim Skelton

► **Sustainable revenue management**

by Ting Li, Peter Vervest and Milan Lovrić

► **Planetary boundaries and corporate sustainability**

by Gail Whiteman & Paolo Perego

► **Understanding marketing decision-making**

by Berend Wierenga

► **Coping with complexity in emerging markets**

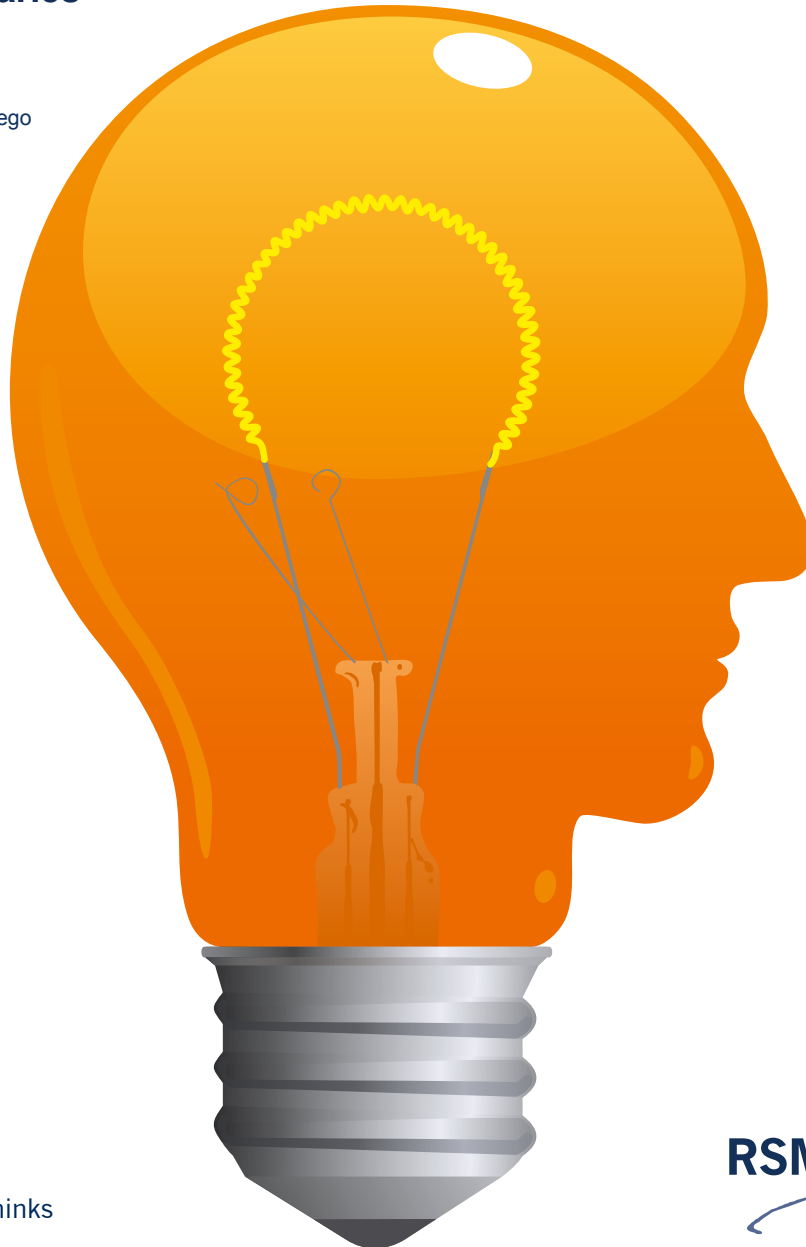
by Suzana B. Rodrigues

► **The perils of pursuing profit**

by Michel Lander

► **Co-operatives and channel governance**

by George Hendrikse



The insurer of the future

by Tim Skelton

RSM has entered into a long-term partnership with Nationale-Nederlanden to establish a research-led investigation into how the insurance sector of tomorrow may take shape.



There are frontrunners in every field of business, and those who want to stay ahead of the pack face constant pressure to innovate. The world of insurance is particularly fluid: rapidly changing consumer demands, ever-tightening rules and regulations, fierce competition from rivals, and new business models, all mean insurance companies must remain dynamic or

risk being left behind. Moreover, the physical way in which they interact with and serve their customers is also evolving, with a greater emphasis being placed on technological innovations such as mobile internet, apps, and a broadening range of social media platforms.

All businesses need to adapt to these new ideas, and identifying the

best way forward presents an excellent opportunity for academic research and innovation. The Centre for the Insurer of the Future was therefore set up to exploit a vast pool of knowledge, talent and experience, in order to identify what will work, and what might not, for the insurer of tomorrow.

The original idea for the centre came from Tom Kliphuis, CEO of one of the Netherlands' largest insurance companies, Nationale-Nederlanden, and was developed with RSM's Professor Peter Vervest. Launched in March 2012, it is a collaboration between the insurer and RSM. Combining the best ideas and resources from the business world and academia, the partners will conduct joint research into the essential requirements for a future insurance company.

Professor Eric van Heck of RSM is the Centre for the Insurer of the Future's scientific director. 'The motivation came initially from Nationale-Nederlanden,' he admits. 'They wanted to have a link to scientific research, and they liked what they saw we were doing in the field of next-generation business.'

Indeed, with more than five million private and business customers, Nationale-Nederlanden is already a major player in the Dutch insurance market, and has been active in the sector for 170 years. But to remain at ►

The insurer of the future (continued)

by Tim Skelton

the top, its overriding concern must be to offer the best service to clients. Thus it was that RSM's emphasis on groundbreaking research, and practices relevant to a sustainable business environment, caught its eye.

'Nationale-Nederlanden wants to innovate constantly,' CEO Tom Kliphuis says. 'That's why we entered into a partnership with RSM. To get fresh ideas from outside the company from

by 'providing expertise, getting in touch with tomorrow's customers (students), developing and testing new academically supported ideas in a "safe" laboratory environment, as well as sourcing knowledge from within the company,' says Kliphuis.

The centre's approach is founded on three fundamental pillars: student research and engagement; PhD research; and Thought Leadership

Research will be far reaching and span a number of different departments at RSM. Carried out in close collaboration with its business partner, it will cover subjects vital to the world of insurance, and focus on the cutting edge of marketing, strategy, information technology, innovation and entrepreneurship. Areas addressed will include new business models, digital platforms, social media, apps, online e-marketing in retail environments, customer dialogue on pensions, and transforming client processes through lean and agile management.

Moreover, it will look at ways to adapt organisational culture at both management and employee level, and promote 'intrapreneurship' – the nurturing of innovation within an organisation. Together these studies will help form a complete picture.

"Nationale-Nederlanden wants to innovate constantly. That's why we entered into a partnership with RSM." Tom Kliphuis, CEO, Nationale-Nederlanden

young academics. It will be a long-term partnership. Within a five-year period, around ten graduate students each year will carry out their Master's thesis research with us. We will also look at options for PhD candidates. This co-operation is intended to give us new insights and to help inspire students.'

For its part, the insurance company prides itself on placing a strong focus on becoming a more customer-driven organisation. In order to achieve this, it wants to develop a clear vision of what it needs to do to transform into the "insurer of the future". RSM will support it in its transition,

Sessions. 'The first pillar is a collaboration with a Master's thesis trajectory, in which students can be linked up with and connected to different teams,' Prof. van Heck explains. At the time of writing eight students were working there, and they will be able to use the work they do for their graduation assignments. 'Secondly, we will connect with longer-term research, by setting up PhD trajectories. We are currently developing several of these. The third pillar is our Thought Leadership Sessions – a series of discussions and workshops that focus on specific themes.'

Thought leadership

Operating in parallel with these student and postgraduate efforts are the Thought Leadership Sessions. Led by faculty members and senior educational staff, the first of these was held in June and focused on "crowdsourcing", a novel practice in which tasks are outsourced – via online or offline media – not to any specific entity, but instead to a widespread and even undefined group of people. The aim was to

investigate this relatively modern concept, and to brainstorm how it might be applied within the context of insurance. A second session is also now in development. This will focus on social media, and how that too can be made to work for the insurance business.

As the project progresses, representatives from RSM and a co-ordinator from the partner insurer will meet regularly to assess the value of the research being carried out, and to decide on any future changes in direction that might become necessary.

What exactly does the centre expect to achieve with its three-pronged approach? 'We are hoping to provide research results that will inspire Nationale-Nederlanden to become a leader in the insurance industry,' Professor van Heck says. 'The company was keen to get support for collaborating with us, and the fact that they are driving the project forward clearly shows their level of commitment to it.'

But the partnership is not a unidirectional affair; rather, it is a symbiotic and mutually beneficial exchange of ideas. While giving Nationale-Nederlanden access to some of the best business brains in academia, it also provides RSM with an excellent opportunity to link up with an innovative company at the forefront of

its field. 'There is a two-way motivation involved,' Prof. van Heck explains. 'The involvement of Nationale-Nederlanden provides RSM with new research opportunities - and of course funding - as well as providing us with new ways of collecting empirical data, and giving us access to these.' In short, it presents everyone concerned with a unique opportunity.

In addition to its current activities, plans are now afoot for the centre to broaden its scope in the years to come. 'In the future we may also develop executive sessions, to share the knowledge that we are acquiring and

will acquire as a result of the research,' Prof. van Heck says.

Either way, the ultimate aim of the Erasmus Centre for the Insurer of the Future is to mould an insurance company that will still be relevant many years down the line. Therefore, without a crystal ball to hand, only time can effectively judge whether its efforts have been a success or not. But when preparing for the challenges of tomorrow, there is no better time to start than today. ■

WEB www.rsm.nl/people/eric-van-heck/

WEB www.erim.eur.nl/futureinsurer

“We are hoping to provide research results that will inspire Nationale-Nederlanden to become a leader in the insurance industry.” Prof. Eric van Heck, Scientific Director

