



**Vertafore's Partnership
Announcements at NetVU 2015 –
First Impressions & Opinions**

QuickNote Report
April 2015
QN15-001

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Date: April 2015

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Report type: QuickNote

Report Code: QN15-001

Essence

Vertafore executives took an opportunity at the NetVU 2015 Conference to brief industry analysts and the press about a portfolio of new partnerships the firm has created with Birst, Microsoft Surface, and Mitek. Market Insight Group believes that Vertafore is taking the correct actions to broaden the manner in which the firm goes-to-market. However, we don't think that Microsoft or Birst will fulfill their objectives with producers or carriers, respectively, for reasons we discuss in the report.

Vertafore analyst / press meeting announcements

Market Insight Group attended the 2015 NetVU Conference held March 25-28, 2015 in Indianapolis, Indiana. On Thursday, March 26, 2015, at a meeting of industry analysts and press, Vertafore executives discussed the firm's new partnerships and products:

- partnerships with Birst, Microsoft Surface, and Mitek at the 2015 NetVU Conference
- new and/or enhanced products including AgencyEDGE, Client Portal, Executive Dashboard, and ImageRight 6.0.

In this QuickNote report, I only discuss my initial impressions and opinions about each of the partnerships plus Vertafore's partnerships with Amazon Web Services and DocuSign.

Impressions and opinions about Vertafore’s new partnerships

Market Insight Group believes that Vertafore is rationally identifying the mixture of the type and nature of internal and external resources (i.e. partnerships) the firm needs to support its clients’ operating and analytical initiatives. We recognize the decision to create resources organically (whether through hiring or acquisition) or to obtain through alliances and partnerships is one of the ongoing major challenges facing every (technology) firm.

Regarding Vertafore’s 2015 partner announcements, I do not think that Microsoft Surface or Birst will fulfill their own corporate objectives as related to producers or carriers respectively. I go into more detail on my reasoning below.

Four agency initiatives

For the purposes of this QuickNote report, I identify four agency initiatives that Vertafore must support internally or with partners. This is obviously not an exclusive list of agency initiatives.

In Table 1, I capture the partnerships and my opinion (shown with a “Yes”) as to which one or more of the agency initiatives the partnership supports. I took some liberties (well, I do have the digital pen) and added both the 2014 DocuSign and Amazon Web Services partnerships to the list of 2015 announcements because the Vertafore executives discussed them during the NetVU 2015 briefing.

Primary Partnership Objective		Agency Initiative Supported			
Partner	Objective	Improve Agency Operations	Improve Agency Decision Making	Increase Producer Productivity	Strengthen Customer Interaction / Satisfaction
Amazon Web Services	Desktop-as-a-Service	Yes		Yes	
Birst	Business intelligence		Yes		
DocuSign	eSignature			Yes	Yes
Microsoft Surface	Surface Pro tablets			Yes	
Mitek	Mobile imaging	Yes		Yes	Yes

Source: Market Insight Group, Ltd.

Impressions and opinions

Overall, I believe that the partnerships will help Vertafore continue to fulfill the firm's strategic goal of supporting insurance agencies. Whether these partnerships help Vertafore separate their firm from Applied Systems or other technology firms focusing on agency management, producer productivity, or agent-driven customer service are other issues that will be resolved over time.

Specifically:

- Amazon Web Services: Desktop-as-a-Service

Provisioning producers with a virtual desktop is a logical capability to help agencies and producers compete in the mobile digital marketplace. Market Insight Group's major concern is that agency owners realize they are still responsible to meet security and privacy compliance regulations regardless of the number of technology firms operating between the agency and the agency's processes and data. We recommend that agencies appoint either someone to frequently audit and test the security and privacy of the agency's processes and data.

- Birst: Business intelligence and analytics for agencies and carriers

Market Insight Group believes providing a business intelligence capability to agencies makes sense. However, it is redundant, and actually is more like pushing a boulder uphill, for insurers because carriers have been using business intelligence and analytical solutions for many decades.

Vertafore's March 26, 2015 press release states "Vertafore's partnership with Birst will enable agencies to interact with customer data, apply analytics, and identify cross-selling and retention opportunities." Market Insight Group wonders where the agency resources will come from to actually do the analysis. Business intelligence is an iterative continuous effort requiring a curious mind that never tires of asking what-if questions.

As mentioned above, our problem is with the following sentence in the press release: "Carrier customers can now be empowered to derive insights on

consumer demand for insurance policies and evaluate strategies for optimizing agent-to-customer relationships.” The sentiment of empowerment is correct. That is why insurance carriers have been using business intelligence and analytical solutions from Business Objects, Cognos, SAS, SPSS, and several other technology firms to act on just that sentiment for many decades.

Business intelligence and analytical initiatives may be relatively new to agencies but insurers already have the capabilities – and skills - to conduct analysis on any number of issues. What carriers are missing is customer data that agencies have historically kept from them in the name of “it’s our customer.” Regardless, Market Insight Group seriously doubts carriers are going to throw away the BI solutions or their decades of experience using the BI solutions they have been using.

- DocuSign: eSignature

In March 2014, Vertafore announced the firm had partnered with DocuSign to bring digital transaction management to agents. More recently in January 2015, Vertafore and DocuSign announced “the availability of a DocuSign-powered eSignature solutions for insurance agents using the Vertafore Agency Platform and AMS360 online offerings.” Insurance agencies, producers, and carriers should have been using esignatures since June 30, 2000 when the eSignature Act (Electronic Signatures in Global and National Commerce Act) was signed into law. Market Insight Group is disheartened that it is taking so long for the insurance industry to use esignatures to streamline and quicken the various business processes requiring signatures of customers and other stakeholders.

- Microsoft Surface: Discounted Surface Pro tablets for agencies and producers

Given the significant market share of Apple and Android tablets in the insurance industry, we were shocked to hear about this partnership. When we asked about the rationale behind this decision, the Vertafore executives said they didn’t expect producers to stop using their Apple or Android smartphones. That is not our problem with this partnership. We question how willing the producers will be to agree to carry an Apple or Android smartphone, an Apple or Android tablet AND a Surface Pro.

We also question whether Microsoft really believes a significant number of insurance producers will decide to switch from their Apple or Android tablets to Surface Pro tablets regardless of the discount that Microsoft will be providing to the agencies. From our perspective, this feels like desperation on Microsoft's part to gain market share in the mobile device space.

- Mitek: Imaging and data capture

Vertafore's March 26, 2015 press release states "Mitek's partnership with Vertafore will give agents the ability to on-board and service customers quickly and efficiently using a mobile device and camera. Especially useful for auto insurance claims and processes, Mitek's patented mobile imaging technology will automatically capture images of vehicle and identity documents, extract relevant data, and auto-fill information in to the Vertafore product." Market Insight Group thinks this is a positive step forward to straight-through processing, particularly when coupled with esignatures.

Methodology

Information for this QuickNote report came from:

- Market Insight Group attendance at the:
 - NetVU 2015 Conference held March 25-28, 2015 in Indianapolis, Indiana
 - Analyst/Press Vertafore executive briefing session on March 26, 2015
 - 1-1 meetings with Vertafore executives during the NetVU 2015 Conference
- Brochures and press releases about Vertafore's partnerships and products on Vertafore's web site
- Continual research into insurance channel management issues

Definitions and descriptions

- NetVU: Network of Vertafore Users

Further Reading

- Adaptability: The Insurance Customer Experience Imperative in an Online Digital Mobile Society, March 2015 (A custom Spotlight Report sponsored by Applied Systems.)
- Noteworthy ... Clari, September 2014, NW14-001 (This is an Insight Report only available to Market Insight Group subscribers or clients buying a single copy.)

Let's Talk

Want to discuss the issues in this QuickNote? Please contact Barry Rabkin of Market Insight Group, Ltd. at 508 435-3136 (in the Boston, Massachusetts area) or e-mail barry.rabkin@marketinsightgroup.com. Click over to www.marketinsightgroup.com to learn more about our company, our research, and how to subscribe to our research agenda, purchase single copy reports, or engage us in custom work.