

Insuring low business costs

Case Study



Smart Choice®, a national network of independent insurance agents, implemented DocuWare to work hand in hand with an existing software solution in order to automate data input, gain secure electronic storage and move to a paperless process for generating and distributing agent commission statements. The company realized an immediate return on investment for these processes. Additionally they were able to develop a new sales model that fundamentally changed the way they do business.

Smart Choice® is a network of over 3,400 independent insurance agents and 80 insurance carriers. The company provides independent agents with product training, and sales and marketing support, as well as access to top-rated insurance carriers that offer personal, commercial, life and health insurance policies. Smart Choice® is licensed in over 41 states and employs a commission split, rather than an upfront fee, which allows their agents the option to offer more insurance products to their customers without committing to a set premium quota for each carrier.

Each month Smart Choice® was overwhelmed with the task of inputting commission statements from each carrier into their accounting system to produce the commission checks, as well as the reports and statements showing the commission split for each of the many carriers and agents. This paper intensive process required a team of four to five data entry employees, who were also required to fold and stuff statements into envelopes for approximately one week in order to meet their contractual deadline of issuing these statements and checks by the fifteenth of each month. The company knew they needed to automate this workflow – especially as their company continued to grow.

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"Prior to utilizing DocuWare, we had so much paper to process, it was easy to miss a page and make a mistake, and when it comes to payroll issues even one mistake is big," said Andrew Caldwell, Executive Vice President, Business Development for Smart Choice®.

Smart Choice

Industry:
Insurance

Location:
USA

Application:
accounting, sales

Document types:
producer reports, statements, checks

Requirements and General Environment

As Smart Choice® continued to expand, they began investigating new ways to streamline their operations. They originally invested in software that allowed them to scan their paper statements and import the digital data into a Microsoft Excel spreadsheet that could be edited, managed, and stored electronically. Their investment saved the company 100 man-hours a week and was a first step toward eliminating paper-based work processes. To further improve their work processes, the company contacted one of their existing IT vendors and asked them to recommend a product that could store PDFs, Microsoft Excel and Word files, and scanned paper images in one archive that could be made securely available to agents in the field.

Tasks

- Electronically store commission information
- Supply agents with secure online access to commission statements
- Eliminate paper-based work processes

Solution

After evaluating several solutions, Smart Choice® selected DocuWare because of its security features, the ability to integrate with their existing software, and the integrity and attitude of the vendor.

"Our Authorized DocuWare Partner (ADP) worked with us to create a solution that was the best solution for us-not the solution that was best for them. This was a differentiating factor between DocuWare and other solutions we considered. A strong vendor relationship is very important to us," said Caldwell.

The layout of commission statements changes frequently which prompted the ADP to implement a barcode-based solution. Insurance carriers send one statement to Smart Choice®, which may be up to 500 pages in length. At the top of each page is the agency name and code for the commission information found on that page. For this reason, a sequential barcode sticker is placed on the bottom right corner of each page. The statement is then scanned and the information is extracted into an Excel spreadsheet. Using the agency code pulled from the statement as a match code, Smart Choice is able to pull their own 3-digit Smart Choice® agent code and other additional information into the spreadsheet. At this point, the scanned statement pages are moved to DocuWare and the information in the spreadsheet is used to index each page of the statement.

This paperless solution eliminated mountains of manual data entry into the accounting system, automated the indexing of scanned pages and laid the foundation for Smart Choice® to deliver commission statements electronically to their agents. Once DocuWare was in use, Smart Choice® began working with another third party vendor to provide statements to the agents, via a self-serve website. As an agent logs in to the system they can see their own Smart Choice® commission summary and view only the pages of the carrier's statements that contain their information. Smart Choice® agents loved the system and used it so often that after five months of its launch it became a revenue generating entity because of the online advertising sold to insurance carriers.

Modules in use

- Active Import
- Recognition



Benefits

Smart Choice® realized a return on investment (ROI) for DocuWare almost immediately. By "printing" electronically to DocuWare and providing its agents with online electronic statements, the company eliminated the physical printing and mailing of close to 4,000 pages per month. With the new system in place, statements and producer reports are available to agents quicker than in paper format. Prior to implementing DocuWare, so much paper was passing through multiple hands that statement processing was vulnerable to mistakes. Complete electronic processing has streamlined a formerly stressful process and the company is saving 200 man-hours a month, allowing them to move three positions to the Sales department.

Smart Choice® agents eagerly and quickly adjusted to accessing their statements online. With so many agents consistently logging-in to view their commission statement, Smart Choice offered insurance carriers the opportunity to place advertisements on the site. Ad revenue covers the costs of maintaining the site and contributes to Smart Choice's bottom line.

"We value our agents and try to work with as much transparency as possible. When we moved to online statements, we were able to easily and securely give our agents access to the portion of the original statement that applied to them," said Caldwell." This new ability to provide each agent with the source page from the carrier statement has gone a long way to improve and solidify our relationship with our agents."

With the lessons learned from streamlining statements, Smart Choice® utilized DocuWare to develop a new sales model and open an agency business center called Smart Start. Smart Start is an online platform where agents can access top national carriers without a premium volume requirement or appointment. Agents can quote an insurance policy, send it to the underwriter and bind coverage. DocuWare is used to manage the work process by storing and securing the information that is displayed on the Smart Start site. This new model allows Smart Choice to find preferred business especially during a slow phase in the market cycle.

Benefits

- Immediate ROI on DocuWare
- Reduced costs and man-hours
- Gained a revenue generating function with online statements
- Developed a new sales model utilizing DocuWare



Douglas Witcher, CEO and Founder of Smart Choice®

Conclusion

"When we implemented DocuWare it brought us needed business efficiencies, but more than that it fundamentally changed the way we do business, by allowing us to easily manage the flow of documents for our Smart Start program. We are very excited about the way our company is evolving with DocuWare," said Caldwell.



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Andrew Caldwell, Executive Vice President of Business Development, Smart Choice®



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