

ACT Hard Trends – 2016 ‘Must Do’ Recommendations

ACT Strategic Future Issues Work Group

“To stay competitive, your organization needs to anticipate the most significant technology trends that are shaping your business and changing your customer, and then develop innovative ways to use them to your advantage, both inside and outside of your organization. Remember, if it can be done, it will be done. If you don’t use these technologies to create a competitive advantage, someone else will.” – Daniel Burrus

BACKGROUND: 2015 Hard Trends

Hard trends are those trends we believe are permanent and that are ushering in cultural and societal change. Proactively adapting to these changes is the challenge that lies before us.

In early 2015, we began the process of reviewing, evaluating and updating the 2013 Trends to bring them current with what we believe to be the major trends that will impact our industry over the next few years. These Hard Trends provide the foundation for the development of the industry’s “Must Do”, recommendations, actions, and responses to the challenges and opportunities presented by the hard trends.

The updated 2015 Hard Trends are:

1. Social Culture/Digital Transformation/Internet of Me
2. Connected Society
3. Mobile First
4. Demographic/Segmentation & Personalization
5. Growing Availability of Big Data and Actionable Business Intelligence
6. Changing Nature of Insurance Risk
7. Information Security & Privacy Regulation – Cyber Liability

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‘Must-Do’ Recommendations

It goes without saying that the seven hard trends outlined in the 2015 Hard Trends Report will be disruptive and have a significant impact on the insurance industry. Our ability to anticipate, and adapt in innovative ways to the new business environment being ushered in by these trends will determine and define not only our future success but our relevancy as an industry.

ACT is committed to taking a leadership role in researching, educating and informing the industry on proactive strategies focused on not only meeting the threats but more importantly taking advantage of the opportunity these trends present.

To that end, ACT has identified these specific “Must Do” items and suggested strategies to implement them.

ACT Hard Trends – **2016 ‘Must Do’ Recommendations**

1. We believe that increased education on all of the trends is needed. Agents and carriers alike will benefit from a better understanding of each trend and the implications and impact it will have on our industry.

We suggest that the ACT Communications Workgroup create a multimedia comprehensive communication and education plan.

2. We suggest that the SFI workgroup members research and provide relevant resources (articles, TED talks, webinars, blogs, etc.) that speak to these trends.

We would like to create a reference resource. A shared resource or repository of relevant information regarding these trends as well as emerging trends.

3. We like to see an ongoing industry-wide discussion forum focused on the Hard Trends.

We suggest sending the Hard Trends document to Associations, Vendors, Carriers, and industry consultants and solicit their input. Over time we would envision video conference, and in-person discussions with all the industry stakeholders.

4. We feel it is important to view each of these trends through the lens of the Customer Journey.

The Customer Experience (CX) workgroup will review the trends report and map the various trends, indicators and issues to the CX Journey. For example, the CX workgroup would update tools in the “Buy” phase to address New payment tools/methodologies (PayPal, Square, etc.) They would also clearly ID security issues (which likewise would need to be addressed by the Security Issues WG).

5. We need an industry response to the ‘Mobile First’ trend.

For this, we recommend re-engaging the ACT Mobile workgroup.

6. There must be a collaborative industry response to each of these trends.

The SFI Work Group will evaluate each trend to determine other industry resources to collaborate with. For example, we will want to inform and collaborate with the IIABA Diversity Task Force on the Demographic/Segmentation & Personalization trend. Other possible groups include:

- a. ACT workgroups (Customer Journey, Security, Mobility, etc.)
- b. AUGIE
- c. ACORD Innovation (Bill Hartnett)
- d. Trusted Choice/Agency Nation
- e. Agency Management System Vendors & User Groups
- f. New ACT Workgroups - For example, we would like to see the formation of a work group to further research the ‘Changing Nature of Risk’ trend.

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- g. Utilize other Big ‘I’ organizations, programs, committees (Diversity, Young Agents, and Best Practices) to take issues forward, as well as utilize the IIABA Marketing & Communications group to communicate to fullest extent available. TC board & advisors mtg.
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ACT’s involvement & progress with regard to each specific Hard Trend:

1. **Changing Nature of Risk** – Formed [new ACT ‘Changing Nature of Risk’ work group](#) March 2016, now meeting bi-weekly to create ‘Advisories’ on changing risk such as the Sharing Economy, Drone, and Smart Homes/Buildings.
 2. **Social Culture/Digital Transformation/Internet of Me** – Continued focus and industry direction recommendations by the [Strategic Future Issues work group](#), as well as the ‘[ACT Trend Advisors](#)’ think tank.
 3. **Connected Society** - Continued discussion & focus by the [Strategic Future Issues work group](#), as well as the [ACT ‘Customer Experience’ work group](#), which started Phase 2 work in April 2016.
 4. **Mobile First** - Re-engaging the [ACT ‘Mobile’ work group](#), starting summer 2016.
 5. **Demographic/Segmentation & Personalization** - Collaborating with the [Big I Diversity Taskforce](#), as well as the [Young Agents program](#) to determine ways to communicate and educate.
 6. **Growing Availability of Big Data and Actionable Business Intelligence** - ACT facilitated an industry forum/discussion at the Feb 18 ACT Meeting, including Live Streaming/recording. Currently discussing whether [ACT ‘BI Think Tank’](#) needs to be re-engaged.
 7. **Information Security & Privacy Regulation and Cyber Liability** - Continued work and expansion by the [ACT Security Issues work group](#), which started next phase work in May, 2016.
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ADDENDUM - RESOURCES

Very relevant TED talk by Charlene Li about Leadership in the Digital Era: [Charlene Li – TED Talk](#)

Resource from Agency Nation - [Mobile Agency Must Do's for Independent Insurance Agents.](#)

[Digital Transformation](#)

ACT resource: [Security WG](#)

[Burrus top 25 trends](#)

[Social business and the connected society: from past to future](#)

[5 trends from Accenture](#)

1. The Internet of Me is changing the way people around the world interact through technology, placing the end user at the center of every digital experience.
2. At the same time, digital devices on the edge are powering an Outcome Economy and enabling a new business model that shifts the focus from selling things to selling results.
3. The Platform (R)evolution reflects how digital platforms are becoming the tools of choice for building next-generation products and services—and entire ecosystems in the digital and physical worlds.
4. The Intelligent Enterprise is making its machines smarter—embedding software intelligence into every aspect of its business to drive new levels of operational efficiency, evolution, and innovation.
5. Advances in more natural human interfaces, wearable devices, and smart machines are extending intelligent technology to interact as a “team member,” working alongside employees in a Workforce Reimagined