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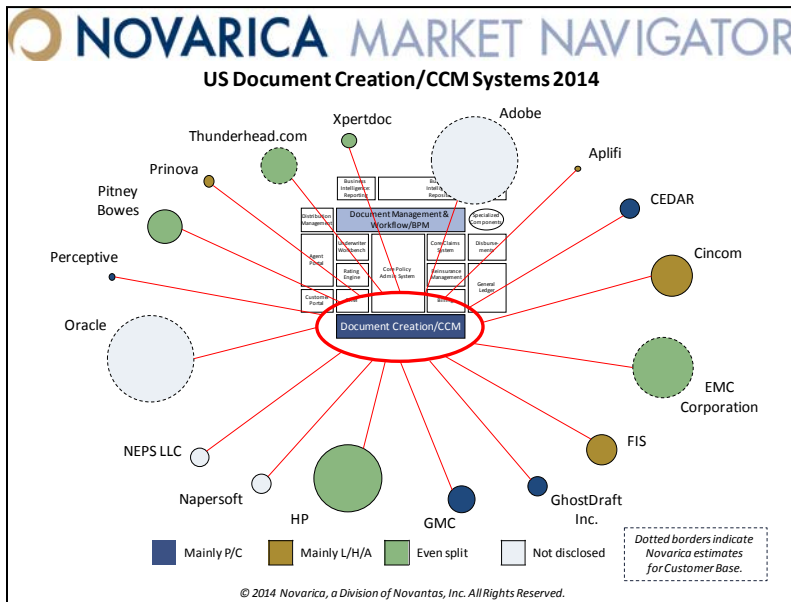
○NOVARICA

US DOCUMENT CREATION/CCM SYSTEMS

A Novarica Market Navigator Report

January 2014

CONTENTS

SUMMARY

This is an excerpt of a recent Nonvarica report that provides an overview of the available document creation and customer communications management (CCM) systems and services for US insurers. The full report contains profiles of each of 17 vendor solutions shown in the graphic above, summarizing the vendor organization, client base, technology used, differentiators, lines of business supported, deployment options, implementation approaches, upgrades and enhancements, and key functionality.

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INTRODUCTION

About The Report

This full report is designed to provide an overview of the current solution provider marketplace for document creation and customer communication management (CCM) systems and services, and to assist insurers in drawing up their shortlists of potential providers based on vendor market position and offering details.

Novarica Market Navigator™ reports do not provide subjective analysis or render judgment on each vendor's solution. They are based on factual responses to a universal RFI distributed by Novarica and subsequent follow-ups with the vendors to validate and confirm responses. The RFI covers details of organization, technology stack, client base, and key functionality. Profiles also include a summary of key differentiators, lines of business supported, deployment options, implementation approaches, and how upgrades/enhancements are handled. Screenshots of the products are available where they were provided by the vendor. Where available, Novarica's ACE Rankings are also embedded in the profiles.

This authorized excerpt includes the introductory material from the original report and the profile of Pitney Bowes.

RELATED RESEARCH

- *Insurer IT Budgets and Projects for 2014 (September 2013)*

- *Deconstructing ECM for Insurance (June 2009)*

Novarica Market Navigator Graphic

The Novarica Market Navigator Graphic is designed to provide an overview of the vendors in a particular market space.

In the document creation and CCM solutions graphic, the relative size of client counts (US insurers only) of those vendors' solutions is used to size each vendor's bubble. Further detail is available in the profiles of each solution.
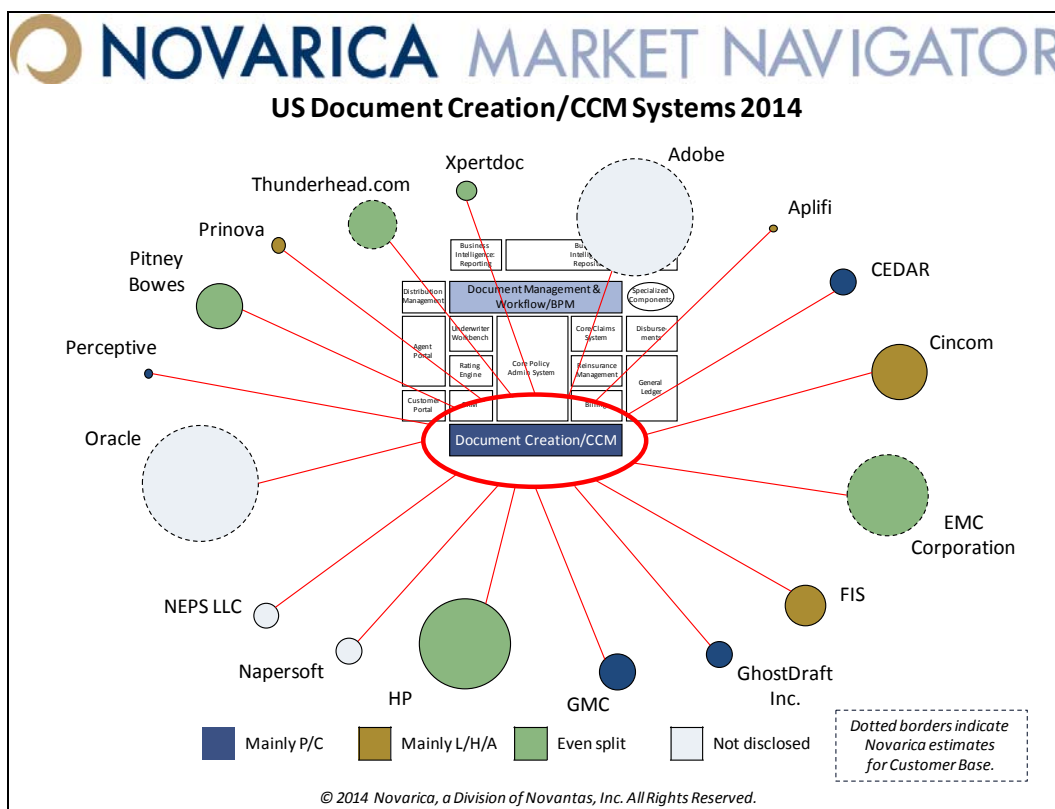
The graphic conveys the size of the client base with the relative size of the solution's bubble: the larger the bubble, the larger the client base. Novarica estimates are indicated by a dotted rather than solid border. The color of the bubble indicates the mix of P/C and L/H/A insurer clients where available. The Novarica Core Systems Map that sits behind the bubbles reflects the core focus of the solutions profiled—document creation—in dark blue, and additional focus areas (that some but not all of the solutions address) in light blue. Note that bubbles are placed around the center in alphabetical order; no subjective judgment is implied or intended.

MARKET OVERVIEW

Many insurers have identified customer experience to be an important factor in meeting their growth and retention goals. This has led insurers to evaluate customer interactions with a focus on providing a universal experience with consistent messaging and branding regardless of the mode of communication or the different policies that an individual possesses.

Document Creation and CCM Systems

Despite the increase in web-based communications, paper and electronic documents are still the predominant communication medium for insurers. Novarica defines **document creation** solutions as those that are primarily concerned with the composition and creation of documents, including policies, forms, customer and claims correspondence, and account statements. **Customer communication management (CCM)** is a related area of services and solutions that focuses on providing a universal messaging and branding across the customer's desired method of communication in order to communicate tailored messages using customer-preferred communication channels (e.g. print, email, mobile, text). Customer communication management also focuses on providing cross-sell opportunities by providing advertising or educational material that is targeted to specific customers. Customer communication may require integration of data across disparate core systems in order to provide a customer-focused rather than a policy-focused interaction. While many solutions work to provide both document creation and CCM capabilities, there are a few that provide either niche document creation or view themselves as providing CCM capabilities and services without document creation functionality (e.g. NEPS and Prinova).

It is important to distinguish document creation and generation from document management. **Document management** involves the intake, indexing, storage, and rules-based routing of external documents such as correspondence, applications, underwriting requirements, and claims materials. This report focuses on providers of document creation and CCM solutions. Document management solutions will be covered in a separate Novarica Market Navigator™ report scheduled for 2014 publication.

What Are Insurers Looking For?

Generally, insurers' document creation strategies are part of a customer communications improvement strategy (including both correspondence and statementing). Insurers need to make sure their customer documents are timely, accurate, and highly customizable. Improved customer satisfaction and cross-sell rates are generally the goal.

Insurers also typically invest in document creation solutions as part of improvements to their policy issuance capabilities, so that speed-to-market is not impacted by the inability to get new policy documents set up in a legacy administration and issuance system.

While modern claims, policy, and billing systems often have basic levels of document creation built in, carriers looking for multi-channel delivery, better look-and-feel for documents, or better content management capabilities look to more robust document creation solutions. Carriers' needs vary depending on the volume and complexity of the types of documents to be generated. High-volume production such as policies, bills, or statements uses different capabilities than low-volume correspondence, like manuscript forms. Most carriers need both capabilities. In claims, for example, there may be some communication that is highly automated—e.g., we received your claim—and other communication that is specific and unique to a particular claim, e.g., an offer of negotiation.

Insurers generally prioritize the following attributes of document creation and CCM solutions:

- **Industry focus.** Since document creation is more of a horizontal technology and many document creation solution providers serve multiple industries, insurers look for the vendor's level of understanding of the insurance industry and the infrastructures with which the solution will need to be integrated.

- **Content library and templates.** The key attribute here is flexibility in designing and customizing documents. Look for a robust content library with a repository for templates and forms. Some solutions include a pre-existing ISO or ACORD library, preloaded with all ISO/ACORD forms. Insurers should check to see how the library is managed and what the update processes are. They should also look for full version control to track, version, and compare templates, content, and business rules.

- **Core system integration history.** Many core system solutions have rudimentary document creation capabilities that have not kept up with the pace of robust functionality that is provided by document creation solutions. This means many document creation solutions are stand-alone solutions that are integrated with core systems. In some cases, the core system vendor and the document creation vendor may have a partnership in which the document creation solution comes embedded. Insurers should check to see if the document creation vendors that they are considering have a history of integrating with their existing core policy, billing, and claims solutions.

- **Document rendering.** Solutions support retrieving, processing, and updating data from external sources including databases, print streams, file systems, and third-party applications. Some easily extract document data to create reports and produce data files for new applications. Some include the ability to derive data values and include data validation. Insurers should consider the level of indexing ability for the output: especially for high-volume print, the system should be able to capture print stream attributes like page counts, data within each document, addresses, and barcode information for data analysis.

- **Rules capabilities** facilitate assembling documents on the fly. Configurable business rules support personalization, multiple jurisdictions, languages, and output channels.

Look for ease of managing and changing business rules as well as whether mass customization to create individualized messaging is supported.

- **Composition and design tools** vary significantly across vendors. Some are designed to work natively with MS Word, while others have proprietary tools. Those that use Word or are more Word-like make it easier for users to familiarize themselves with the tool, reducing training time and effort. Keep in mind that Word-based tools have a prerequisite of MS Word, so insurers should be sure to check if the solution was designed with the version of Word that they use in mind.

- **Document creation workflow tools** including management of existing assets, collaborative authoring, and approval cycles. For some documents such as correspondence, manuscripted endorsements, or claims documentation, a supervisor may need to review the document and sign off prior to release. Look for real-time monitoring and reporting of workflow processes for additions and changes to template content. Some solutions also include the ability to monitor new underwriting employee work based on a percentage defined by the manager.

- **Multi-channel delivery**, including PDF, email, web, and mobile as well as print.

- **Administrative tools.** A wide variety of tools are included with document creation solutions. Look for testing and quality assurance tools. Many provide toolsets for working with data schemas and metadata for transactional and database data sources. Also, document conversion can be one of the more time-consuming aspects of launching a new document creation solution. Check to see if the system includes document conversion tools to facilitate conversion of an existing library and reduce implementation timeframe. Most have role-based security and access control. Look to see how well the solution supports batch, real time, and interactive print.

- **Proof and approval process.** The process of creating new document templates varies among the solutions. It is imperative to understand the development process and the timeline involved in order to assess which vendors more closely meet an insurer's needs. The proof and approval process can be complex, with multiple steps that take hours, while other vendors' systems support real-time updates.

- **Vendor deployment options** Deployment options such as cloud-based/SaaS or on-premise, which may impact an insurer's vendor selection process. For instance, some vendors support either SaaS or on-premise exclusively, and some offer the choice of cloud vs. on-premise implementation.

- **Vendor services provided.** Solution providers in this space offer a wide array services for their clients. These can be part of the general license or available as additional services. Services provided for each are in the At-A-Glance table in each vendor's profile.
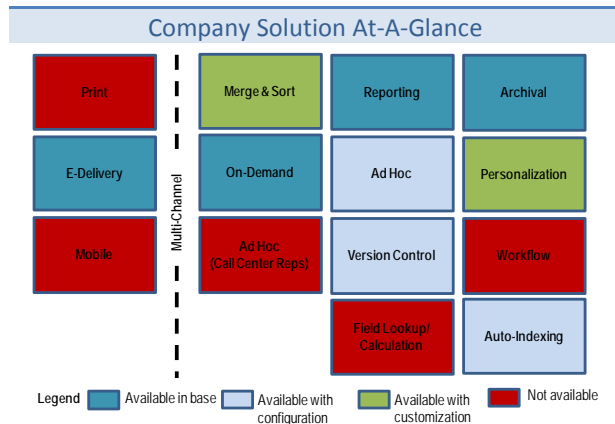
ABOUT THE PROFILES

Each profile contains a Vendor At-A-Glance graphic and quick reference table outlining the key functionalities and lines of business for each vendor's document creation and CCM system. Vendors that did not submit detailed information for this report do not have At-A-Glance graphics or tables.

A functional capabilities map provides a color-coded view for each application/suite based on whether a functionality is included as part of the system, and if so whether it is available in the base product, available with configuration, or available with customization.

For example, the sample diagram at the upper right of this page indicates that reporting and archival capabilities are available in the base product, and output to e-delivery and on-demand channels is supported. Ad hoc, version control, and auto-indexing are available with configuration. Merge and sort and personalization require customization. Field lookup/calculation and workflow capabilities are not included, and output is not supported to print, mobile, or ad hoc (call center reps) channels.

Company Solution At-A-Glance

Print	Merge & Sort	Reporting	Archival
E-Delivery	On-Demand	Ad Hoc	Personalization
Mobile	Ad Hoc (Call Center Reps)	Version Control	Workflow
		Field Lookup/ Calculation	Auto-Indexing

Multi-Channel

Legend: ■ Available in base   ☐ Available with configuration   ■ Available with customization   ■ Not available

Launched/Re-architected	Year
Core Technology	Programming Language
Total US Insurer Clients	Number of Carriers
Publicly Announced Clients	Carrier 1, Carrier 2
Deployment Options	Hosted, On-premise, SaaS
Forms, Libraries, and Templates	ACORD, ISO

Document Creation/CCM Services Provided

- Original Document Generation
- Document Consultation
- Proofreading
- Formatting
- Copyediting
- Communication Governance
- Document Assembly

- Print Mgmt
- Postal Optimization
- Barcoding
- Forms Design
- Forms Creation
- Forms Conversion
- Data Transformation and Integration

As part of the Vendor At-A-Glance section, the system launch date, core technology, up to two publicly announced clients (limited for space and consistency purposes), deployment options, document creation/CCM services available, and any pre-packaged, pre-built forms, libraries, and templates (i.e. ACORD, ISO) are provided. Total US insurer clients are also listed—this total only includes carriers, not MGAs or reinsurers, and only counts clients live on the solution. Clients in implementation, live outside the US, or MGAs or reinsurers are mentioned in the Client base paragraph of each profile. Many of the vendors profiled in this report also have a significant customer base outside the insurance sector, which is outside the scope of this report.
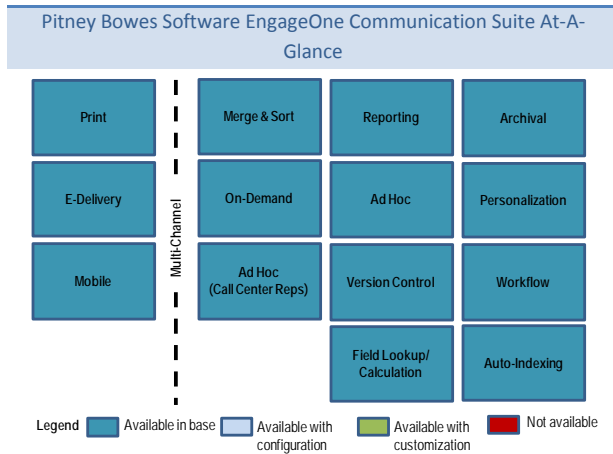
PITNEY BOWES SOFTWARE

Company. Pitney Bowes Software (PBS) is based in Stamford, CT with approximately 28,000 employees. Annual revenue is over $5 billion. The company is traded on the NYSE and NASDAQ under the symbol PBI.

In terms of document creation and CCM services, PBS provides original document generation, document consultation, proofreading, formatting, copyediting, communication governance, document assembly, print management, postal optimization, barcoding, forms design, forms creation, forms conversion, and data transformation and integration.

Solution. PBS's document creation and CCM solution, Designer/Generate, was launched in 1993. PBS reports that functionality has been added to the solution includes interactive and on-demand capabilities, inbound and outbound digital delivery capabilities, archiving, and analytics. The entire solution is now sold as the EngageOne Communication Suite and was last re-architected in 2012. PBS reports that Designer/Generate is the company's flagship document composition solution and the core component of its customer communication management (CCM) suite. Designer/Generate enables L/H and P/C insurers to design and generate high-volume, batch and on-demand, personalized communications for multi-channel delivery. The most recent update offers enhanced version control, control over user roles and access rights, an enhanced chart engine, rotation of single objects or grouped content within a container using one-degree increments, and 64-bit Windows support. Dashboard and reporting is not available.

The EngageOne Communication Suite consists of Designer, EngageOne Server, EngageOne Interactive, Vault, e-Messaging, Streamweaver, and Officemail.

Pitney Bowes Software EngageOne Communication Suite At-A-Glance

Legend: Available in base | Available with configuration | Available with customization | Not available

Launched/Re-architected	1993 / 2012
Core Technology	Java, C++, C#
Total US Insurer Clients	30
Publicly Announced Clients	N/A
Deployment Options	On-premise
Forms, Libraries, and Templates	N/A

Document Creation/CCM Services Provided

- Original Document Generation
- Document Consultation
- Proofreading
- Formatting
- Copyediting
- Communication Governance
- Document Assembly
- Print Management
- Postal Optimization
- Barcoding
- Forms Design
- Forms Creation
- Forms Conversion
- Data Transformation and Integration

Output Channels Supported

- Print
- e-Delivery
- Mobile
- Ad Hoc
- On-Demand

Solution/Component	Description
Designer	Provides a WYSIWYG design environment for forms and template development. Designed for use by forms development teams with the support of the document services team. It can import MS Word content and a variety of image formats.
EngageOne Server	Production environment supporting the creation and delivery of multi-channel output in high-speed batch or real-time. Provides template management and version control and delivery channel configuration and integration including physical, digital, and archive.
EngageOne Interactive	Supports the creation and delivery of interactive communications for call center and claims correspondence solutions. Allows users to enhance the created document via data prompts, optional content, and free text entry secured by the rules defined within the template. Built-in review and approval processes can be enabled to ensure compliance of generated output.
Vault	Provides archive and retrieval capabilities for all output – both print and digital. Can replace existing archive solutions or augment them through federated services.
e-Messaging	Provides digital delivery capabilities including application of digital signature, bounce management and tracking, reporting, and routing.
Streamweaver	Print stream manipulation solution for post-composition processing. Used by clients to sort, split, household, and provide post composition enhancements such as barcodes.
Officemail	Provides centralized print of ad hoc MS Office documents. Designed for migration efforts from Word-based correspondence solutions to EngageOne Interactive.

Source: Vendor RFI Response

Functionality. The EngageOne Communication Suite provides batch, real-time, and interactive delivery to print, e-delivery, ad hoc, on-demand, and mobile output channels without creating multiple templates or modifying composition workflows. It provides configurable business rules for the creation and delivery of all output, the orchestration of multi-channel delivery, and the inclusion of context relevant messaging into non-regulated communications. Print shut-off as a result of e-delivery is supported. It includes a self-service portal with EBPP, among other functions.

Available in base

- Retrieve, process, and update data from external sources, print streams, file systems, and third-party applications
- Extract document data to create reports and product data files for new applications
- Derive data values
- Mass customization to support individualized messaging
- Template-based ad hoc documents to support customer-facing users
- Auto-indexing
- Capture print-stream attributes
- Merge and sort capabilities

- Document creation specific workflow tools
- Full version control
- Archival capabilities for all documents generated

Key differentiators. PBS's EngageOne Communication Suite comprises a common data repository for batch and ad hoc communications, electronic archive, and retrieval and e-billing. EngageOne Communication Suite enables aspects of document automation within the insurance enterprise from data capture through to physical and electronic distribution. EngageOne Communication Suite integrates with PBS's Data Quality, Mail Efficiency and Location Intelligence, an end-to-end solution.

Technology. Designer is a Windows client/server application and requires Microsoft SQL Server as a data repository. It is written in C++ and C#. EngageOne Server is a JEE application that runs on JBoss, WebSphere, and WebLogic. It requires a database for content storage and supports both Oracle database servers and Microsoft SQL Server. The application server is supported on Windows and a variety of UNIX/Linux configurations including zLinux.

The solution supports ACORD XML. ACORD XML messages can be used as direct input to the document automation process for policy packet production and form generation. For a solution that was built to this standard, 100% of the document requests can support this message type.

Clients are not allowed to touch core code, but PBS does provide the source code for EngageOne Interactive for clients who wish to do basic customization as well as a complement of web services for integration into front-end policy admin, billing, and claims systems. The company has completed scalability testing internally and at IBM testing centers. It notes that a performance spreadsheet is available upon request and details performance across a range of conditions, which can be used for capacity planning. PBS follows continuous integration testing processes as part of its agile development methodology. A combination of human and automation testing is using for integration and user-acceptance test cycles. The company also offers a customer application adoption program where they host client repositories and perform regression testing on client data prior to general availability.

Partnerships. PBS reports that it has previously integrated the solution with policy administration systems from Accenture Duck Creek, Adaptik, and MajescoMastek. It also reports that clients have previously integrated EngageOne Communication Suite with Guidewire and TriZetto Facets in addition to their own internal claims systems.

Client base. PBS reports that there are 30 US insurers live on EngageOne Communication Suite. 22 of those carriers have annual premium over $1 billion. Fourteen are P/C insurers who write personal lines, including 10 carriers with over $1 billion in annual premium. Sixteen are L/H/A carriers, including 12 carriers with over $1 billion in annual premium. 75% of clients are on the latest release, and 25% are on a version that is more than 3 years old.

Lines of business. Clients are live on the product for P/C lines in between 2 and 24 US states for personal auto, specialty, workers' comp, other personal lines and other commercial lines. The solution is designed to support general liability, homeowners, personal umbrella, dwelling fire, boat owners, personal package, commercial property, BOP, commercial crime, commercial auto, E&O/D&O, inland marine, professional liability, commercial package, and surety, but no clients are implementing or live on these lines of business.

Clients are live in the product for L/H/A lines in between 2 and 24 US states for individual life, group life, fixed annuities, variable annuities, individual health, and group health lines of business. The solution is designed to support long-term care, disability, term life, whole life, universal life, group term life, group universal life, indexed annuities, single premium indexed annuities, cancer/critical illness, accident, Medicare supplement, hospital indemnity, and other supplemental benefits, but no clients are live on or implementing these lines of business.

Support. EngageOne Communication Suite is supported by a unit of 22 employees, all in customer-facing roles. Support staff averages 3 years of experience. Support staff are drawn from a common pool of staff. Support is provided from the Americas, EMEA, and APAC. A user conference or other event is not available.

Deployment options. EngageOne Communication Suite is available as an on-premise deployment. PBS also offers hosted solutions.

Implementation. PBS prefers to have a professional services engagement to review the client's current solution and to plan an implementation that takes advantage of automation and increased functionality across all the communications channels needed.

PBS reports that EngageOne Communication Suite can be ready for initial go-live in 90 days or less and fully rolled out in an additional 180 days or less.

System upgrades/enhancements. PBS uses an agile-driven product development approach by Strong Form Product Management. A major new release in 2014 is planned for Designer/Generate as part of the overall EngageOne Communications Suite Collaboration release. The product management team uses a variety of customer insight techniques including QFD, ethnographic studies, and innovation research to prioritize customer and market enhancements requests. Customers participate in the prioritization process along with sales, marketing, and service personnel. PBS invests 15% of software revenue back into the software development process and uses a PMO process for product life cycle management.

Pricing. PBS reports that average implementation cost is $100,000-$500,000.

CONCLUSIONS

Document creation has evolved beyond tactical document generation to be part of a more holistic customer communication management strategy among carriers who are looking to provide a universal customer experience and drive deeper relationships among their existing customer base. Carriers are evaluating how their technology organization supports their more customer-centric business strategy. In many cases, insurers identify gaps in their core systems that feed the document creation tools. Carriers can resolve gaps in their technology portfolio as part of a planned system replacement or the addition of data warehouses and more robust customer communications management tools.

We recommend that insurers who are looking at these systems narrow the overall market to a short-list of three or four by focusing on four main areas: **s**taff, **o**rganization, **f**unctionality, and **t**echnology, easily remembered by the acronym **SOFT**.

- *Staff*
    - Does the vendor's staff have the right skills are experience?
    - How well are they likely to understand your needs?
    - What resources are available for implementation and support?
    - What assurances will you have that the staff you meet during the sales process will really be the staff that you work with?

- *Organization*
    - How stable is the organization?
    - Is it big enough for your company to do business with?
    - Who are their other clients?
    - How much of a role do clients have in product development?

- *Functionality*
    - Does the solution support the lines of business, states, and high-level functionality that you need?
    - Which functions are actually live at reference clients?

- *Technology*
    - Is the solution's technical architecture compatible with your enterprise standards?
    - Does your IT staff have the skills to support it?

ABOUT NOVARICA

Novarica provides information, insights, and perspective on markets, operations, and technology to financial services and insurance executives. The company delivers its service through published research, retained advisory services, and project-based consulting. Novarica's research includes market and trend analyses, best practices research, case studies, and independent analyses of insurance software vendors. Novarica draws its knowledge from the personal experience of its principals, the ongoing information gathering initiatives of dedicated research staff, and regular communication with insurer executives through informal networks and through the Novarica Insurance Technology Research Council.

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