Analytics Process Automation (APA)
And Its Role in the Insurance Industry

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Introduction

For organizations to stay robust and thrive in a rapidly-changing environment depends on their ability to adapt to transformation. One valuable tool to support this transformation is Analytic Process Automation (APA).

John F. Kennedy famously stated,

"Automation does not need to be our enemy. I think machines can make life easier for men, if men do not let the machines dominate them."

If we already have Business Intelligence (BI) and visualization, Robotic Process Automation (RPA), Business Process Automation (BPA), Extract, Transform, and Load (ETL) tools, and Data Science and Machine Learning (DSML) tools, then why do we need APA?

The data requirements in the rapidly growing market to solve end-to-end processes can be satisfied only by APA. In business terms, APA is a new data analytics software category created by the convergence of democratized data, automation of business processes, and a perpetual upskilling of people. The diagram below shows this business process.[1]
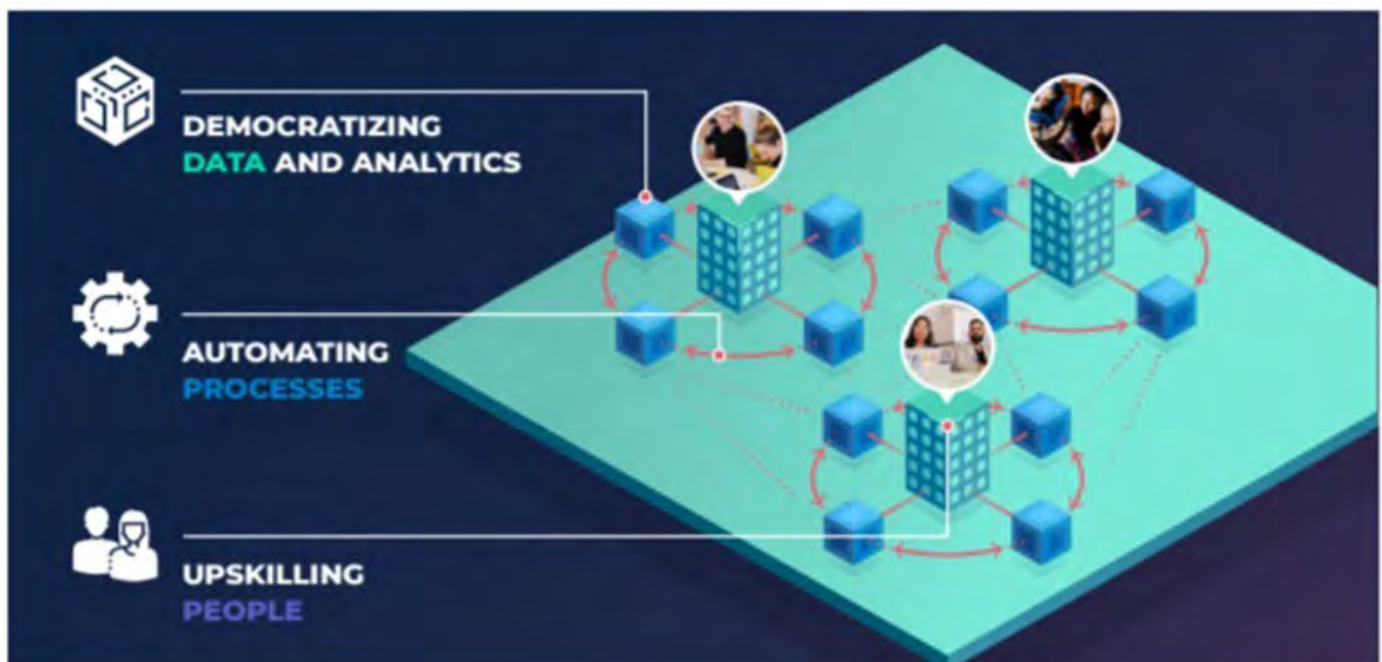
How is Analytic Process Automation Different?

The existing tools can help speed up different aspects of the process, but they can not transform the entire data analytics process. In addition, these tools require advanced knowledge, expert skills, and training to use and implement them properly. APA also provides end-to-end automation and bridges the gap between surplus data, and makes it available at a centralized location in an optimized and automated way.

Analytic Process Automation Definition:

"A unified platform for self-service data analytics that makes data easily available and accessible to everyone in your organization, optimizes and automates data analytics and data science processes, and empowers your entire organization to develop skills and make informed decisions using machine learning (ML), artificial intelligence (AI), and predictive and prescriptive analytics."[2]

APA and the Insurance Industry

APA provides a way to streamline and automate insurance processes like claim management, underwriting, policy administration, and tasks involving heavy documentation. In addition, it creates a platform to enhance analysis, enable intelligent decision-making, and empower business analysts to deliver actionable insights. As a result, APA can help control risk, reduce defects, meet regulatory requirements, improve customer satisfaction, and deliver better outcomes for clients and stakeholders. . APA can accelerate the digital transformation of the insurance industry.

Challenges with the Insurance Industry

The major challenges faced by the insurance industry are:

Operational Blockades

Manually intensive, repetitive, and time-consuming processes currently lead operations in the insurance industry. These operational barriers are evident in primary functions such as underwriting, claims, sales and distribution, pricing, policy admin, finance, and accounts.

Data Crunch

There is a continuous flow of data in the insurance industry. Unfortunately, this drives a surplus of unused data due to the lack of technology to process and organize it. This results in a missed opportunity to unlock new information and correct data management.

Mismanaged Resources

Repetitive and monotonous processes mean compromised efficiency of resources and may result in ignoring crucial areas.

Customer Experience

The new-age customer now has the option of switching to alternative markets with digital-first offerings at the snap of a finger. As a result, all the challenges listed above lead to unsatisfactory customer experiences, business losses, and a dent in incumbent players' reputations in the industry.

Adoption of APA in the insurance industry will ensure better efficiency and provide a solution to the above challenges.

Analytic Process Automation Benefits in Insurance

APA is an all-in-one supercharged data analytics machine that aids in revenue growth without incurring additional expenses. In addition, APA helps get work done faster, allowing employees to use their time in high-value work, codifying and streamlining procedures to overcome market challenges. Above all, it supports the improvement of customer satisfaction.

Some of the key benefits of using APA in the insurance industry include:

Claims Processing

APA accelerates claims handling by automating document processing and claims workflow to improve timeliness and accuracy. As a result, the claims process faster, improving customer satisfaction and organizational efficiency.

Policy Management

It benefits the entire cycle of policy management operations, including policy issuance and updates. In addition, it increases process efficiency and improves productivity by automating repetitive processes.

It also helps increase policyholder retention by identifying retention risks and proactively offer products and services to meet customer needs.

Underwriting Processes

Underwriting involves gathering and analyzing information from multiple sources to determine and mitigate the risks associated with the policy. The entire process can be time-consuming.

APA can significantly speed up the following functions:

- Data collection from external and internal sites
- Pre-population of data fields in internal systems
- Assessment of loss runs
- Reviewing the history of customers' claims and producing recommendations based on previous losses

Regulatory Compliance

Insurance companies have to comply with a significant number of regulations. APA ensures data accuracy and can create augmented responses to inquiries, affectedly reducing the response times and resources required.

Additional Benefits of APA

- Increases customer revenue by automating the customer lifetime value (LTV) process and marketing campaigns.
- Transforms business outcomes globally, driving quick wins, digital transformation, capital efficiency, and significant ROI.
- Failures or misaligned outcomes are spotted quickly before causing negative impacts on the business and far before massive capital investments.
- Easy for everyone, code-free, and a non-intimidating analysis process.

Three Pillars of APA: Data, Process & People

APA is a crusade that brings together the three key pillars of the organization's engine: data, process, and people. APA provides faster data outcomes, fully automated business processes and allows the company to quickly upskill their workforce in a unified approach.

Analytic Process Automation
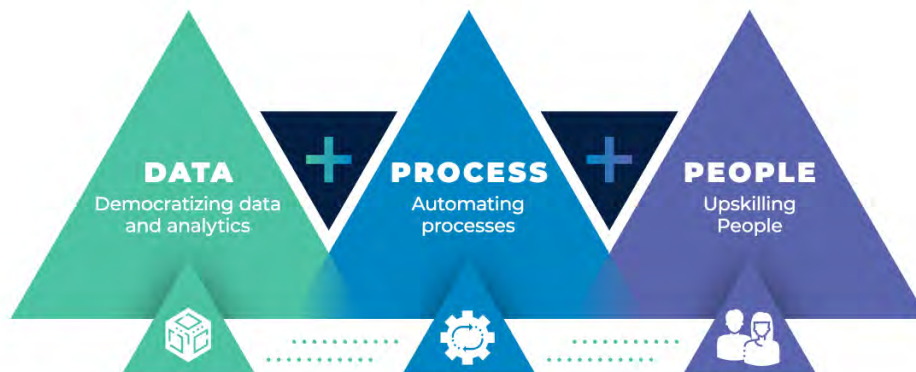
i. Data: Democratizes Data and Analytics

The first pillar focuses on digital transformation to make information more accessible to everyone across the organization.

Problems faced by data and business analysts without APA[2] include:

- Time analysts waste time searching for data at a rate of 51%
- The number of data sources accessed are 6 inputs and 7 outputs
- The number of tools used to perform data activities is 4 to 7 tools
- Decisions made with data are only at 48%

APA solves the following data problems:

- There are hundreds of code-free automation building blocks that simplify the process
- Easy and broader data accessibility to anyone in the organization without specialized skillsets
- Success rate are higher with narrow analytic outcomes

ii. Process: Optimizes and Automates Processes

The second critical pillar of digital transformation is optimizing and automating repetitive and complex analytic processes such as coding, production quality check, and intelligent technology.

Problems faced by business processes without APA[3] include:

- Time analysts waste preparing data by 47%
- 57% of business decision-makers report significant challenges using data for decision-making
- Top skills gaps include a lack of creativity in analytical thinking and statistical skills

APA helps solve this issues and achieve far greater efficiencies and business outcomes, increasing efficiency to 99.4%, which:

- Enables intelligent business process and workflow automation.
- Automates repetitive and complex analytic processes that allow people to use their time in productive processes.
- Accelerates daily activities directly into applications and to stakeholders in preferred output formats.

iii. People: Empowers People

The third pillar is human capital which is the most important asset of any organization. Researchers consistently prove that only reskilling and upskilling employees at all levels could improve overall company performance.

Digital transformation helps shift people's focus from forced learning, and it enables people to upskill at their own pace.

The state of organizational structure without APA[4]:

- Slower response time to requests by 29%
- Lack of collaboration by 28%
- Organizations without a data culture at 72%

APA can solve this problem by:

- Engaging everyone with a human-centered, self-service platform.
- Amplifies human output and the continuous upskilling of people.
- Infuses a culture of analytics across the organization.

This need to bring together the people, processes, and data to support and drive the convergence throughout the organization is crucial.

How APA is Transforming Insurance: Case Studies

Despite these potential barriers, more companies invest in APA and perform exceptionally well because of this centralized process.

APA is used in over 6,700 companies globally and in over 37% of the Global 2000.

- **Coca-Cola and PwC** accelerated their analytics transformation with Analytic Process Automation.
- **Quale Infotech**, a leading end-to-end IT consulting and implementation company, uses technology to simplify business practices creating long-term value and enabling connected life.
- **Blue Prism® (AIM: PRSM)**, a global pioneer and market leader in intelligent automation, partners with Alteryx to drive faster and more reliable data analytics.

While more than 90% of business executives believe that data analytics are important for their organizations to remain performant, only 4% of enterprises achieved high analytics maturity.

Organizations need to automate processes and democratize data analytics to deliver inventive outcomes, elevating the workforce's ability to gain on-demand insights to thrive in their roles.

About the Author

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Prachi Dwivedi is an Associate Consultant within Global Logic's Business Solutions & Consulting (BSC) group. She has more than eight years of business analyst experience in the insurance industry. She also has expertise in IT, Policy Administration, Claims, and Productions services within the workers compensation line of business. She has worked for one of the largest insurers in the world.

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