

«Collaboration
is the most
advanced level of
interaction.»

Collaborate to be Competitive – Increasing Insurance Success and Sales



Flavio De Bortoli



Dr. Ronald Ivancic

Since the COVID-19 pandemic, insurers have faced a variety of challenges, including changing customer needs, digital and big data-based sales approaches, and more stringent regulatory requirements. New open insurance models and digital transformation within and around the insurance industry are changing market dynamics and confronting incumbents with disruptive change. Emerging InsurTech companies are challenging traditional business models by offering customers personalized, fast, and secure solutions. Collaboration is becoming a critical competitive factor in addressing this complexity and turbulence, as well as the exponentially increasing pace of change in insurance success and sales.

Open insurance concepts

Recent developments have led to a growing discrepancy between performance requirements and the performance of organizations. When traditional business models and/or organizational structures no longer meet the needs of the market and stakeholders, exploring alternative paths becomes necessary. To remain relevant, organizations are advised to proactively shape their evolution. In this context, it becomes essential to embrace new success factors summarized by the 4Cs: collaboration, communication, creativity, and critical thinking (Wagner, 2020). The demand for new types of knowledge work underscores the importance of collaboration and a sharing economy mindset, both internally and externally (Minder et al., 2022). Collaborative work is the future of Work 4.0 (Wagner, 2020).

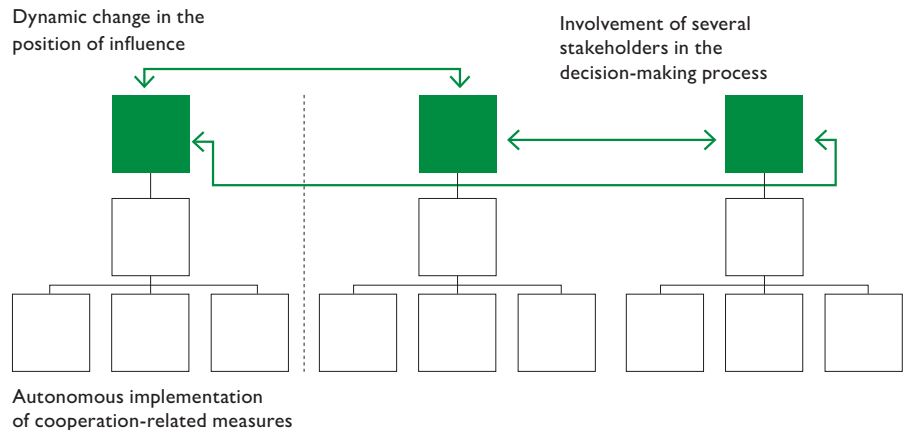
Open insurance concepts offer a promising foundation for improving collaboration between insurers and partners and overcoming the outlined challenges. Although sometimes labeled as new hype or buzzwords (Standaert & Muyllé, 2022), the provision and shared use of data and services under these concepts boost efficiency and innovation (Knupfer, 2023). The basic requirement for such digital ecosystems is a trusted collaboration between insurers and stakeholders, such as technology experts from business and academia, start-ups, suppliers, investors, etc. Encouraging this collaboration is vital, as organizations that work more collaboratively tend to show superior performance metrics.

Networks and their management

Intensive collaboration between organizations across various operational and strategic dimensions, which was considered a fundamental organizational innovation in the 1990s, has now become a matter of course (Künzel et al., 2019). It

Fig. 1: Network management

Source: Wohlgemuth (2002)



enables efficiency and effectiveness, trust and power, knowledge and learning, as well as cooperation and competition, facilitating the coordination of work across organizational boundaries. At the same time, the organization of corporate networks and virtual enterprises imposes considerable, and in some cases new, demands on management and leadership (Sydow, 2001). In particular, the economic and legal independence of the partners necessitates a careful balance between autonomy and heteronomy, as well as between cooperation and competition (Ivancic, 2011).

Since interorganizational cooperation is characterized by common goals, coordinated voluntary cooperation, and the autonomy of the participating organizations, the relational level of interaction becomes central in addition to the factual one. No interacting organization can formally justify its claim to leadership and decision-making authority, highlighting the importance of relationship management or partnership management (Figure 1) and coordination. At its core is the coordination of process interdepend-

encies, the ongoing balancing of different interests, and the stabilization of trust-based network relationships. Achieving this requires common goals, clear rules, and a culture of trust within the network (Ivancic, 2011), all underpinned by a collaborative philosophy (Künzel et al., 2019).

Intra- and inter-company collaboration

Based on the intensity of interaction and the level of integration (Figure 2), information, communication, coordination, cooperation, and collaboration can be differentiated as forms of interaction (Baumgarten et al., 2022).

Collaboration is the most advanced level of interaction. It is no longer possible to divide and delimit individual sub-tasks, and work is organized collectively (Ivancic, 2023), which is accompanied by a high intensity of interplay, co-creation, and collective intelligence (Mihardjo et al., 2020). In the current context, successful collaboration, both internally and externally, is increasingly crucial, relying more on networks and collaborative capabilities than on company size or resources (Robra-Brissantz, 2020). Within

open insurance models, this often entails implementing cooperation strategies, understood as cooperation between competitors or simultaneous cooperation and competition between two or more organizations or even entire ecosystems (Klimas & Radomska, 2022).

Both intra- and inter-organizational collaborations go through various stages of development that roughly follow the steps of team formation. In the orientation phase, attempts are made to understand other members, set expectations, and develop a common framework. This is followed by the conflict or confrontation phase, where members negotiate roles and interests. Overcoming this stage leads to a unity phase, enabling productive, collaborative work. The subsequent consensus, cooperation, or compromise phase, deepening during the integration and growth phase, paves the way for extraordinary achievements. This evolution is accompanied by a number of challenges, both within and between companies, which need to be addressed comprehensively.

Success factors for collaborative insurance

Promising starting points for enhancing collaboration can be identified at the level of individual employees, teams, corporate culture, and network culture. This approach necessitates a separate consideration of individual, social, and cultural circumstances despite their close interrelation and integrated effects (Ivancic, 2023). At the employee and manager levels, teamwork skills become central, with the greatest qualitative leap in the individual competence structure also occurring at the collaborative level (Wagner, 2020). Individual insurance brokers and salespeople must be made aware of the importance of open insurance and the need for internal and cross-company collaboration. Effective teamwork within



or across company boundaries requires functional familiarity as a result of the balance between relationship and task orientation, fostered by regular contact and exchange (Rieckmann, 2005).

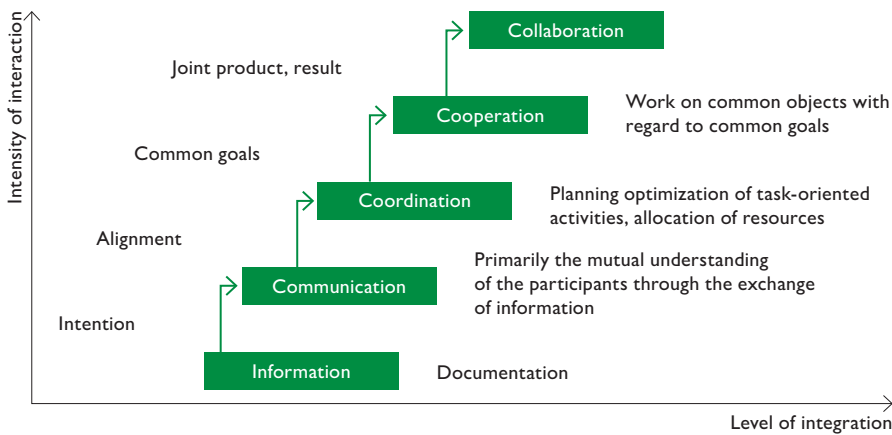
Corporate culture permeates the entire organization and is the sum of collective and self-evident assumptions learned over time. It ensures the viability of the organization and lays the foundation for the necessary openness to change and renewal (Gieldanowski, 2020). Although culture cannot be directly regulated, it can be indirectly cultivated by influencing the dualism of structure and behavior through context- and human resource management (Ivancic & Huber, 2018). In this way, individual selfishness can be counteracted, and team performance can be enhanced. These efforts are supported by cultivating an internal and external network culture. Beyond addressing egotistical tendencies at the corporate level, building close ties and trust among interaction partners and trust is essential (Robra-Brissantz, 2020).

Internal and external network culture

Participation alone is insufficient; instead, inclusion and transparency must be prioritized (Rosenberg Hansen et al., 2022). Creating a network culture requires integrating it into the individual corporate cultures of collaborating partners, acknowledging and addressing cultural differences, and resolving significant discrepancies and contradictions (Künzel et al., 2019). This integration demands systemic connectivity and the development of network citizenship behavior on the part of all employees and managers. Network citizenship behavior should be understood as an adaptation or extension of the concepts of organizational or brand citizenship behavior, which refers to employee behavior that is aligned with the organization or brand (Ivancic & Camozzi, 2016). Only here is the collaborative ecosystem at issue. Network citizenship behavior is based on helpfulness (positive attitude, friendliness, support, empathy, assumption of responsibility for tasks outside one's own area of responsibility, etc., also with regard to cooperation agendas), network awareness (adherence to network-related behavioral guidelines as long as they do not

Fig. 2: Forms of interaction

Source: Hofer et al. (2007) as cited in Baumgartner et al. (2022)



fundamentally contradict the interests of the company), network initiative (special commitment to collaboration-related activities, etc.), sportsmanship (no complaints about collaboration-related tasks, loyalty, etc.), network mission (taking on an internal network mentor role, external recommendations, etc.), self-development (continuous learning of network-related knowledge, further development of skills and abilities for collaborative action, etc.), and network development (contributing to the further development of the company network by providing feedback and innovative ideas, etc.) (Ivancic, 2011 and sources cited therein). Clear rules for the purposeful integration of cooperation and competition in the sense of insurance-focused competition are crucial for the true vitalization of network culture and the insurance and sales success that builds on it.

Regular interaction between participants in the collaborative ecosystem is essential. This not only helps to strengthen the necessary culture of trust but also

promotes shared learning, innovation, and progress. Furthermore, engaging in exchange groups (ERFA) with professionals from similar fields but different industry backgrounds is conducive to strengthening one's own sales. This is why, for example, an ERFA around B2B sales excellence was recently initiated at OST – Eastern Switzerland University of Applied Sciences.

Cultivation and ambidexterity

Cultivation or cultural change represents one of the most challenging areas in organizational transformation, and therefore, the triad of change levers – fear, power, and purpose – should be at the center

of attention. Accordingly, both within and across organizations, security must be conveyed and empowerment promoted (fear dimension), the interests of promoters and opponents must be managed (power dimension), those affected must be turned into participants, and the aim of collaboration must be sharpened (purpose dimension) and communicated in a comprehensible way (Ivancic, 2022). However, taking overly radical steps in collaboration in the context of open insurance is not advised. Rather, an ambidextrous approach is favored, allowing different directions to be taken simultaneously, i.e., the realization of new strategic projects (exploration) while at the same time harnessing existing core competencies as an advantage in the existing business (exploitation) (Back et al., 2022). While it may seem trivial to recommend the use of both advantages, delicately delineating boundaries to foster long-term trust within a network culture—and thereby facilitating innovative approaches in insurance brokering and sales—is far from trivial. Nevertheless, we are called upon to embrace this opportunity because «[...] collaboration can create conditions [...] to develop changemaker attributes [...] to be a force of change in the world» (Whewell et al., 2022).

Authors



Flavio De Bortoli
is a research assistant at the Institute for Organization and Leadership at the Ostschweizer Fachhochschule (OST).



Dr. Ronald Ivancic
is lecturer and project manager at the Ostschweizer Fachhochschule (OST) and the University of St. Gallen (HSG), and an advisory board member.

References

- Back, A., Bub, U., & Wagner, D.M. (2022): Organisationale Ambidextrie für Digitale Transformation gezielt entwickeln – Konzeption des «CDO-CIO Do-it Kit» auf Basis eines Reifegradansatzes. In: HMD Praxis der Wirtschaftsinformatik, 59(5), 818–839.
- Baumgartner, C., Brenner, A., Engelke, D., Stöckler, S., Thiel, C., Thoma, A., & Zimmermann, H.-D. (2022). Perspektiven auf das Konzept der digitalgestützten Zusammenarbeit. In Cloots, A. (Ed.), *Hybride Arbeitsgestaltung: Herausforderungen und Chancen* (pp. 143–177). Wiesbaden: Gabler.
- Gieldanowski, H. (2020). Digital Business Culture: Der Mensch im Fokus. In S. Gatzju Grivas (Ed.), *Digital Business Development: Die Auswirkungen der Digitalisierung auf Geschäftsmodelle und Märkte* (pp. 73–78). Wiesbaden: Gabler.
- Ivancic, R. (2011). Systemisches Management von Unternehmensnetzwerken. In K. Bleicher (Ed.), *Meilensteine der Entwicklung eines Integrierten Managements: Gesammelte Schriften in 6 Bänden: Band 4: Managementsysteme: Die Flexibilisierung und virtuelle Öffnung der Unternehmung* (pp. 267–282). Künzelsau: Swiridoff.
- Ivancic, R. (2022): Management von Wandel: Angst, Macht und Sinn als Herausforderungen. In: S. Laske, A. Orthey & M.J. Schmid (Ed.), *PersonalEntwickeln: Das aktuelle Nachschlagewerk für Praktiker: 280. Erg.-Lfg. zum Loseblattwerk August 2022* (pp. 1–45), Köln: Deutscher Wirtschaftsdienst.
- Ivancic, R. (2023). Digitale Kollaboration: Abgrenzungen, Ansatzpunkte, Erfolgspotenziale und Risiken. In A. Hohenstein & K. Wilbers (Ed.), *Handbuch E-Learning: Expertenwissen aus Wissenschaft und Praxis – Strategien, Instrumente, Fallstudien: 101. Erg.-Lfg. zum Loseblattwerk März 2023* (pp. 1–37). Köln: Deutscher Wirtschaftsdienst.
- Ivancic, R., & Camozzi, M. (2016). High-End braucht starke Wurzeln: Innengerichtetes Corporate Brand Management als entscheidender Erfolgsfaktor im High-End-Marketing. *Marketing Review St.Gallen*, 33(5), 16–25.
- Ivancic, R., & Huber, R. (2018). Normative Unternehmensführung 4.0: Grundsatzkonzeptionen zur Meisterung Digitaler Disruptionen mittels Industrie 4.0-Fitness. In P. Granig, E. Hartlieb & B. Heiden (Ed.), *Mit Innovationsmanagement zur Industrie 4.0: Grundlagen, Strategien, Erfolgsfaktoren und Praxisbeispiele* (pp. 139–154). Wiesbaden: Gabler.
- Klimas, P., & Radomska, J. (2022). Coopetition and Open Strategy: Common Roots and Shared Strategic Dilemmas. In *Problemy Zarządzania (Management Issues)*, 20(2), 197–214.
- Knupfer, G. (19. Juli 2023). Open-Insurance-Modelle gewinnen an Bedeutung. *Handelszeitung Insurance*.
<https://www.handelszeitung.ch/insurance/open-insurance-modelle-gewinnen-an-bedeutung-621053>
- Künzel, M., Kraus, T., & Straub, S. (2019). Kollaboratives Engineering: Grundzüge und Herausforderungen der unternehmensübergreifenden Zusammenarbeit beim Engineering von Produkten und begleitenden Services: Studie im Auftrag des Bundesministeriums für Wirtschaft und Energie (BMWi) im Rahmen der Begleitforschung zum Technologieprogramm PAiCA – Platforms | Additive Manufacturing | Imaging | Communication | Engineering. Berlin: iit-Institut für Technik und Innovation in der VDI.
- Mihardjo, L.W.W., Sasmoko, S., Alamsjah, F., & Djap, E. (2020). Digital Transformation through Integration of Co-creation and Distinctive Operational Capability. In: *Talent Development & Excellence*, 12(3), 393–407.
- Minder-Hochreutener, S. & Bleiker, H. (2022). Wissensmanagement in hybriden Arbeitsmodellen. In Cloots, A. (Ed.), *Hybride Arbeitsgestaltung: Herausforderungen und Chancen* (pp. 87–102). Wiesbaden: Gabler.
- Rieckmann, H.J. (32005). *Managen und Führen am Rande des 3. Jahrtausends: Praktisches, Theoretisches, Bedenkliches* (3rd ed.). Frankfurt am Main: Lang.
- Robra-Brissanz, S. (2020). E-Collaboration: mehr digital ist nicht weniger Mensch. In: T. Kollmann (Ed.), *Handbuch Digitale Wirtschaft* (pp. 213–237). Wiesbaden: Gabler.
- Rosenberg Hansen, J., Pop, M., Bak Skov, M., & George, B. (2022). A review of open strategy: bridging strategy and public management. In *Public Management Review*, 9, 1–23.
- Standaert, W., & Muyllé, S. (2022). Framework for open insurance strategy: insights from a European study. In *The Geneva Papers on Risk and Insurance – Issues and Practice*, 47(3), 643–668.
- Sydow J. (2001). *Management von Netzwerkorganisationen: Beiträge aus der Managementforschung* (2nd ed.). Wiesbaden: Gabler.
- Wagner, A.C. (2020). Kollaboration 4.0 als Drehkreuz einer modernen Kompetenz. In *HR Consulting Review*, 12, 189–192.
- Whewell, E., Caldwell, H., Frydenberg, M., & Andone, D. (2022). Changemakers as digital makers: Connecting and co-creating. In *Education and Information Technologies*, 27(5), 6691–6713.
- Wohlgemuth, O. (2002). *Management netzwerkartiger Kooperationen: Instrumente für die unternehmensübergreifende Steuerung*. Wiesbaden: Springer.