



HOW ICARE'S CX REVITALISED WORKERS COMPENSATION IN NEW SOUTH WALES



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01

BACKGROUND





icare (Insurance and Care NSW) was formed in 2015 for one, simple reason: to “deliver a fairer, more sustainable compensation scheme with a focus on the injured person rather than the process”—Finance Minister Dominic Perrottet.

At its core, icare was designed to revitalise a floundering worker’s compensation insurance industry, which was dominated by systems that were disappointing for users at best, and adversarial at worst.

The 284,000 employers, 3.4 million workers and inordinate healthcare providers covered by the statutory workers compensation insurance programme were not receiving the level of support and care they expected—or needed.

icare turned to best-practice private sector approaches as a remedy, but the board soon realised that a simple process review would not be enough.

“While there were a few mechanical process issues we could fix, it didn’t actually give us insight into what the customer experience was really all about—or what it was lacking,” says Acting CEO of icare John Nagle.

“We realised we didn’t have any direct way of getting feedback from our customers—about the pain points they were experiencing in workers compensation claims.”

Considering the size and complexity of icare, gathering this information would be no small feat.

As such, the icare board embarked on an initiative to provide sorely-needed insights, reshaping its relationships, operations and processes through a bespoke customer experience (CX) management programme—with the Net Promoter Score (NPS) system at its core.

Now, 18 months later, icare has evolved. It has grown its NPS score by 40 points and is well on its way to revitalising workers compensation in New South Wales. But that’s not all icare has achieved—in fact, it’s only the beginning of the changes.

Through world-class CX, icare no longer just provides state-sponsored insurance—it takes the voice of the customer, and amplifies it.

Social initiatives, business strategy, even culture; everything exists to give the workers, employers and healthcare providers of New South Wales what they need: a more inclusive, more adaptable, more reciprocal workers compensation insurance programme.

In less than two years, icare has revolutionised its business and the greater insurance industry of New South Wales.

This is how it was done.

02

WHAT IS NPS?

The NPS system is an index measure of the willingness of a group of customers to recommend a company's products or services.

This willingness is expressed as a single number between -100 and 100, taken as an average of all customers surveyed. A positive number indicates a higher proportion of “promoters”, or those who are willing to recommend, while a negative number indicates a higher proportion of “detractors”, who are not willing to recommend.

Put shortly, the higher the number, the better the performance.

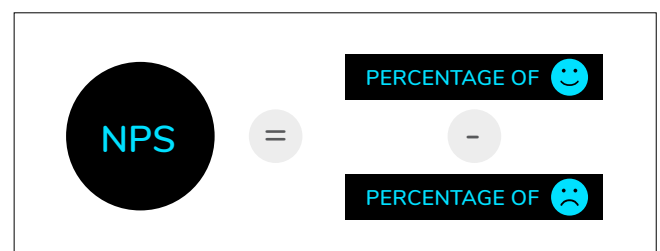
Were the NPS system to stop there, icare's initial negative score would simply reveal what was already known: that there was a problem with customer satisfaction.

But icare needed more—it needed context that couldn't be provided by just a score.

It turned to the addition of “verbatim” questions, which illuminated the much-needed context for icare; something which is often missing from other CX programmes.



This could provide the detail that icare needed to improve its services—but first, it needed to overcome the challenge of rolling out a complex programme across an entire state of Australia.



03

A QUESTION OF SCALE





icare's use of scheme agents for claims management and delivery effectively meant that the CX programme would need to stretch across half a dozen corporate organisations and more than 3 million individual stakeholders.

"icare needed to create a unique world-class customer experience programme—but icare is a very complex machine. It has various different divisions providing completely different services, and when you combine that with the sheer size of the working NSW population, you're talking about a very complex environment," explains Chris Pescott, CEO of icare's CX and insights partner Perceptive.

By 2018, the programme has extended to almost 200 different surveys, 180 different CX dashboards, and over 700 questions, allowing for an all-encompassing view of the NSW workers compensation landscape.

There were questions centred on experiences with injured workers, employers, healthcare providers, insurance case managers—questions that asked for a score, a reason for



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Oliver Allen, Perceptive Head of Research.

the score, a question regarding expectations, and a suggestion for improvement.

“Effectively, what we wanted to do was create a mechanism where we gave the customer a voice that could be more easily heard. We built a very comprehensive voice-of-the-customer programme that touched on all facets of the icare organisation. Anyone involved in workers compensation was surveyed on one, or more, of the interactions that they had,” continues Oliver Allen, Perceptive Head of Research.

The scale of the surveys and specificity of the data gathered provided icare with the greater level of detail required to take real action on the customer feedback—which is exactly what icare did.



04

FROM INSIGHTS TO ACTION





Once icare had the data they needed, they didn't simply sit on the score.

"We've got somewhere in the vicinity of 400 actions and initiatives that we're currently running," says Tony Pescott, Scheme Insights and Improvements Manager at icare.

"The one-hour monthly meetings that we had in the foundational stages are now two-hour monthly workshops. We actually get right down to where the rubber hits the road."

These workshops have resulted in a slew of changes, ranging from small process adjustments right through to complete strategic re-evaluations, all centred on putting icare's customers' needs first.

Greater social responsibility

The most concerning discovery was that some scheme customers were reaching the point of self-harming behaviour. This was revealed through some of the verbatim responses to the surveys.

As a result, processes were changed, large and small. One initiative developed a new phone system that would forward missed case manager calls to the next available agent—meaning that scheme customers would always have a point of contact in times of trouble.

Meanwhile, the self-harming responses also prompted a more significant change: the creation of an entirely new escalation system, named Urgent Actions.

"Urgent Actions are when we go below the surface, and we look for words like harassment, bullied, threatened, intimidated, self-harm to self self harm to others—before this programme existed, there were only anecdotal stories. Now we know, and we act on it immediately," explains Tony.

"If we can prevent any self harm, then we've more than achieved what we ever expected with this programme."

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CX insights fuel strategy

To ensure the people of NSW were getting the best customer experience possible, icare needed the scheme agents to be the very best available.

Part of this demand for excellence eventually involved reducing the number of scheme agents from five to three. Financial measures informed this decision, as did the performance of the agents in the CX programme.

“All of our policy, billing and planning was outsourced. We brought the policy and billing functions in-house initially, but then we did a review of the scheme agent performance—we gave them all the opportunity to compete for why they should be re-appointed,” explains John.

“As part of that, we took into account their performance in their Net Promoter Score.”

“We looked at their NPS history, how they had performed, what alterations had they made in their operations and business models to improve the customer experience, and how that was being reflected by customer feedback and sentiment.”

“Depending on a scheme agent’s response to those kinds of observations, it helped us form a view on them, and helped us roll out a new model that would be best for our customers.”



This was no small strategic shift, with “hundreds of millions of dollars in premiums shifted—based largely on the data and the information provided through the customer experience programme”, as explained by Chris Pescott.

Like many new programmes, the scheme agents themselves were initially not convinced of the efficacy of NPS.

“We’ve gone through an interesting journey with our scheme agents, who were highly suspicious of the process, and its value,” says John.

Scheme agents were worried about whether the programme was suitable for a statutory insurance product model like workers compensation—if you **must** have a particular insurance product, then skeptics argued that icare wouldn’t truly be bothering to improve the customer experience.

“To us, it’s incredibly important that we do the best we can.”

Geoff Henderson, icare General Manager of Commercial Engagement and Performance

Geoff Henderson, General Manager of Commercial Engagement and Performance at icare, refutes that entirely:

“If we took it as ‘they don’t have a choice’, then we wouldn’t bother with a CX programme ... but to us, it’s incredibly important that we do the best we can,” he says.

“If you give your customers a level of service that exceeds their expectations, there are a lot of benefits if people feel supported. They get back to work faster, and the evidence shows that you recover faster and better, more completely, when you’re in meaningful work.”

Once icare proved that they were serious about putting the customer back at the heart of the business, the scheme agents settled into the new and improved working routine.

“What they’ve seen in the distance between how we run this programme, with the emphasis we have on responding, and their own programme (which is probably more about numbers)—it has been interesting,” John continues.

“But it’s now reached the point where we have a number of them who are probably the biggest adherents of [NPS].”

From the scheme agents

David Hutton, Head of Workers Insurance at GIO, is one such example of these scheme agent adherents.

“Having access to large volumes of real customer feedback and verbatim commentary is powerful because it enables opportunities for improvement to be identified, while also reinforcing a brilliant customer experiences,” he explains.

“We’ve designed and launched a robust and comprehensive customer experience program called EMBRACE, which strives to achieve an NPS score of +60.

“While aspirational, EMBRACE, is nurturing a culture that encourages our people to deliver brilliant customer experiences not just when it matters most, but all of the time.”



Claims Services Manager Craig Wylie from Allianz mirrors those sentiments.

“It was through the dedication of the Allianz and icare teams working together which resulted in the NPS program successfully being implemented across NSW Managed Fund with marked improvements in scores from -37 to 25,” he explains.

“The steps we have made along this journey have been integrated as business as usual and we continue to strive for customer excellence and ensuring customers are at the core of everything we do.”

A stronger, more positive culture

icare’s motto is “commercial mind, social heart”, designed to reflect its unique position as a business that aims towards financial sustainability, as well as being a state-owned social insurer for workers compensation.

That position can seem at odds with itself, and in many cases it could be. In icare’s case, however, the CX programme has helped to keep the business situated around the function that pairs the commercial and the social together: doing what’s best for the customer—and that has permeated through the culture as well.



“It’s not just changes in processes and procedures, it’s a change of mindset,” says Tony.

“It’s a giant transformational programme; NPS is much more than a score ... We’re really embedding the cultural change, pulling hearts, changing minds.”

The evidence of this cultural change is clear across icare’s offices. Posters, slogans, a CX mascot—even the appointments of dedicated NPS specialists across icare and scheme agents.

There are changes in the way that icare workers think about their work as well.

“Our people have always been more purpose-led but now they have evidence of their impact. It’s not about just coming in to perform a function,” explains Geoff.

This cultural change has been driven from the top down. The fact that partner Perceptive also embedded a full-time CX consultant, Tomas Dickson, into their offices as well, proves just how dedicated the board is to this programme.

“You can put a score on the wall, but unless people are actively owning it and running with it—and that comes from the top down—it’s just another initiative,” says John.

The inclusion of an employee-focused experience survey has also made a significant

“We’re really embedding the cultural change.”

Tony Pescott, icare Scheme Insights and Improvements Manager

impact on the internal workings of icare. This survey, which queries icare employee thoughts about a variety of issues focused on the workplace and their position in it, has informed everything from icare’s performance as an employer overall, to specific elements of scheme agent training programmes.

“It’s the same process. Feedback around project opportunities, around role clarity, around flexible working arrangements, training—these are all common questions that we tackle,” says John.

“It allows us to see if a particular team is struggling or under pressure—that comes through in their scoring and responses. It helps us identify where we need to put in extra resources.”

It isn’t just the customers of icare that have benefitted from the CX programme; **it’s everyone directly or indirectly employed by the company as well.**

05

CX IMPROVES 18.5 PER CENT
IN 18 MONTHS





Since the introduction of the icare CX programme in 2015, icare has seen its Net Promoter Score grow from the low negatives, up to above 20 in 2018, with an ultimate goal to keep it there in the near future.

In an industry that is dominated by impacted customers, this would be impressive enough, but the true progress of icare in this space lies beyond pure numbers. As the workers compensation team says, **NPS is much more than a score.**

The true value of the programme has been the reignition of the drive of icare to achieve its ultimate mission: providing robust, consistent and proactive insurance and care to the workers and employers of NSW; getting people back on their feet after a work injury, supporting them towards recovery both emotionally and physically.

The renewed focus on the customer, not the capital, has been enabled by the introduction of the CX programme. From a lack of understanding of customer needs, complaints and concerns, the team at icare have developed a programme that builds initiatives directly from customer feedback, creates new, better trained scheme agents and has transformed the company culture from one of work and function, to one of passion, care and empathy.

Through the implementation of the CX programme, icare has balanced both the commercial mind and social heart that are at the centre of its operations.



In truth, however, this is only just the beginning for icare. The journey towards becoming a world leader in customer experience is never over—it simply evolves. The needs of the customers and the methods required to meet them, are always in flux.

But through the efforts of their insights partner Perceptive, and the flexibility of their programme as a whole, icare will be able to adapt to any new challenge that they encounter.

Commercial mind, social heart; Insurance and Care New South Wales.

06

ADVICE FROM THE EXPERTS



We asked six key stakeholders from Perceptive and icare a simple question:

What advice do you have for organisations that want to implement a CX programme?



CHRIS PESCOTT,
CEO at Perceptive

“Lead it from the top. The CEO has to be passionate about it. The board has to be passionate. The board has to understand why you need to do it, and you have to lead it from the board right through the chief executive and down through the management teams. **Have great leadership.**”



OLIVER ALLEN,
Head of Research at Perceptive

“Use a provider that can provide more than just a survey delivery mechanism to your customers. Especially those who may not already have a robust, internal method of dealing with customer service. **Bring on a partner.** When you have a partner working with you, changing, adjusting, tweaking the model—it’s a lot easier.”



TOMAS DICKSON, Senior Account
Director at Perceptive

“One overlooked but fundamental element for success in a CX programme is the customer data. Getting your customer database correct underpins **all** of the findings from the surveys. **If you don’t have good data, it will let you down.**”



JOHN NAGLE,
Acting CEO at icare

“You can’t just replicate what we’ve done, you have to let the programme grow—and it will only work if you do complete, end-to-end company alignment and **acting on the information that it finds.**”



TONY PESCOTT, Scheme Insights
and Improvements Manager at icare

“If you want to be seen as a world leader, you’ve got to be innovative, agile, open-minded and flexible. There’s CX, and then there’s **CX**. If you’re serious about a programme, **you’ve got to use it to drive change**—you’ve got to create something that makes changes happen. It’s much more than a score.”



GEOFF HENDERSON,
General Manager of Commercial
Engagement and Workers Insurance

“You have to make a plan, implement it, and then make lots of little changes. **Don’t wait for the perfect solution**, because there never is one perfect solution: only continuous improvement.”



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