

How to

Thrill customers in a Crowded Market

CNP Assurances Chief Digital Officer **Magali Noé** believes her



company's digital transformation will deliver urgently needed change.

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“Thrilling and
delightful” are
not words most
people would
use to describe
an insurance
company.

The industry is often associated with dependability and trustworthiness—not excitement, passion or seamless customer care. But Magali Noé, chief digital officer (CDO) of Paris-based insurance giant CNP Assurances, is determined to deliver something different.

Four years ago, Ms. Noé was put in charge of CNP’s far-reaching digital transformation. CNP sells its array of insurance products through third-party partnerships—a business model that has turned it into a €3.8 billion Fortune Global 500 company with 51 million customers (many in France and Brazil) and 5,200 employees worldwide. But in spite of its success, CNP knew it had to change.

“With digital, customers take control,” CEO Antoine Lissowski said in an annual report. “They gather information and progressively build the solution they want by looking at all the options the market has to offer.”

Given CNP’s global scale, business model and increasing competition, transforming the 160-year-old firm is like turning a battleship in the middle of a typhoon.

Ms. Noé is under no illusions about the sweat it takes to create successful change. “The first things you need are goodwill and buy-in,” she says. “It’s going to be hard. There are things people will not understand. The key is to take the time to explain and to convince every team in the company that new ways of creating and innovating are essential for our transformation.”

After becoming CDO, Ms. Noé and her team created a digital transformation strategy with four goals: change the culture, promote customer-centricity, invest €100 million in digital startups and build agility. “We sell long-term products,” she says, “but we must be fast and flexible.” In early 2018, the company launched its CAP 2020 initiative under Ms. Noé’s leadership. It aims to accelerate and



Magali Noé with the Youse team as they won the Argus d'Or award in the affinity insurance category

PHOTO COURTESY OF CNP ASSURANCES

deepen CNP's digital transformation by 2020, building on work already done.

She does not mince words about the roadblocks she has encountered. "Too often I hear, 'We'll never get there,' 'We've always done it this way,' 'I don't have time—I already have a job.' These excuses are toxic for innovation." Confident and ambitious leadership lays the foundation for success, she says.

All-Inclusive Change

Culture change has been a large part of the transformation effort from day one. But this year, it is the main focus. The goal is to foster a collaborative problem-solving mindset that enables CNP to better serve customers.

But if employees do not feel adequately supported, they will not step up to drive im-

provements. So in 2017, management and employees signed a quality-of-work life agreement, which emphasizes joint decision-making, encourages experimentation and maps out future rules around working from outside the office and the right to log off. Skill-building is another important element of culture change. Nearly 90% of CNP employees have completed at least one training course. Some courses focus on customer service and empathy, others on digital skills and some on fostering innovation and entrepreneurship.

"To serve a customer, our employees must be happy with the support they are receiving," Ms. Noé says. "They want to do well and they want to help customers, but they didn't have the tools and training."

Having fortified the company's relationship

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with its employees, Ms. Noé and other CNP leaders knew that next steps in the transformation should be made transparently and collaboratively. That is why they directly involved employees in the planning process. Rather than announce change from on high, the human resources department in 2018 held workshops to develop new behaviors and new solutions. The approach helped to build buy-in and encourage collaboration through group decisions—new habits that continued into this year.

Upgraded Experience

Ultimately, building better relationships within the company is the basis for an improved customer experience. A central feature of its ambitious CAP 2020 plan is a €50 million overhaul of the customer experience. Goals include enabling customers to complete 80% of transactions online and without delays, and processing 90% of life insurance policy cancellation requests within 72 hours.

Improving the customer experience is the *raison d'être* of CNP's transformation, but the company's partnership-based business model makes this complicated. CNP's insurance products are distributed through large banks and smaller organizations that can be protective of their customer bases. One question that came up early in the transformation process was whether the company even had the authority to contact customers directly.

“Even though we are their partner,” Ms. Noé says, “they like to remind us that these are their customers.”

Instead of butting heads with its third-party distribution partners, CNP focused on transforming those aspects of the customer experience that it does control. For example, it is working to reduce the time customers spend obtaining redemptions and making premium payments. “The very first action with artificial intelligence we took to prove our worth was to work with employees who deal direct-

ly with customers,” Ms. Noé says. “It's about improving the points at which the customer needs us most.”

Another customer experience it could improve was CNP's information systems. In addition to upgrading infrastructure and digitizing information, Ms. Noé's team has also created entirely new digital channels for customers. It has been a learning process. The first iteration of the @dèle digital portal, a stylish new claims management system, was disliked by customers. So CNP assembled a team of digital experts, user experience designers and, for the first time, policyholders to redesign the interface. La Banque Postale, one of CNP's major partners, implemented the system, followed quickly by several other major corporate partners. In its first year, @dèle served 5,500 customers. Users have since praised the system's ease, simplicity and convenience.

Looking to underscore its commitment to the customer experience, CNP has also introduced an AI voicebot customers can speak with to sort through complex insurance documents and find answers to their questions—at any time of day.

Solutions, Not Products

Raising the customer service bar in these kinds of ways is relatively standard fare for digital transformation efforts. What sets CNP's apart is what Ms. Noé calls the company's “primary transformation tool”: a €100 million startup investment fund called Open CNP.

By launching the fund in 2016, CNP's sent a clear message: The company's transformation is not limited to internal changes. Instead, the organization wants to harness any creative forces, whether inside or outside the company, to develop digital solutions that could build CNP's future.

“Our first objective in making an investment is not to make money,” Ms. Noé says. “It is to help transform the company.”

For that reason, she does not view Open CNP as a venture capital fund. Yes, it seeds innovative ideas (which CNP can then acquire), but it also delivers value through rub-off effects. The program brings CNP teams in close contact with startups, where highly responsive, agile ways of working are the norm. “It allows me to take someone from CNP out of their natural environment in order to look at a startup strategy. And when he returns to work here, he has another way to see, a different way of thinking.”

Youse, CNP’s 100% digital subsidiary, is an example of CNP’s pivot away from traditional insurance product development toward creative solutions. Launched in Brazil and then adapted to France, this brand is the first B2C digital application of the Group. For example, in Brazil, a Youse Friends policy allows small groups of people to buy pooled auto insurance. They can also claw back half their premiums if none of them submits a claim during the year. In France, Youse is part of the housing rental market, insuring the monthly rent of people (like entrepreneurs) without a regular paycheck who have trouble finding a landlord ready to offer a lease.

Ms. Noé began her career at CNP in product marketing. The switch in perspective from just marketing products to identifying solutions that may lead to products has been a “huge, huge change,” she says. “When you see the problem from the customer’s point of view, the answer is not necessarily a product—or the product may be only part of the solution.”

While Ms. Noé has seen mindsets change during her time as CDO, she believes the company still has a ways to go before it can claim to fully embrace innovation. Valuable creativity is measured as a cost. “There is a lot of waste in innovation, which means it’s sometimes considered a sort of toy, like children fooling around.” The company also lacks innovative managers who can partner with

Magali Noé's Transformation Lesson

“If I had it to do over again, I would involve top management much more. I would communicate with them much better. We did a lot to involve employees and not enough to get buy-in from the top.”



startups and embrace new ideas. Too often they think like a big-box store, Ms. Noé says, expecting things to conform to recognizable, familiar patterns.

To foster ideas from within, CNP created the Open Innovation Challenge, encouraging any employee to propose and develop ideas. While the challenge has sparked excitement, it has brought underlying resistance to the surface. “There are those at the top who still don’t understand why these other people are coming up with ideas and thinking they can see them through,” Ms. Noé says. “The company will need to find more hunters and fewer shepherds and gatekeepers. We will put a lot of energy around managers going forward. An employee who

comes up with an idea is disappointed when the idea is blocked by the manager.”

True Believer

With 2020 just around the corner, Ms. Noé and her transformation teams are in a hurry. But they must also “respect the company’s breathing rate at a given moment and not apply too much heat. Beyond that, I have to be sure that there is nothing happening in execution that will burn people out.”

An optimist by nature, Ms. Noé is always looking to recruit those with the right attitude first. “Not everyone can do this sort of thing,” she says. When assembling her three transformation teams—acceleration, investment and partnerships—she searches for team members who are “quirky and determined, who don’t run away from difficulty.” This is because CNP’s transformation is not a strictly digital endeavor—it is more fundamentally about changing the company’s culture and ways of working.

Through it all, Ms. Noé has refined her leadership approach. She still prizes authenticity and loves to rally teams around a vision while “avoiding long speeches embroidered with trendy jargon.” But as the transformation process has gone on, she has placed a greater emphasis on empowering others and laying the groundwork for change.

“Leadership needs to be expressed through encouragement, relationship-building, letting go and gratitude. In a transformation context, it’s also necessary to constantly prepare each step in advance and communicate around them in the right ways.

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