



# skandia:

## Building Channel-Agnostic Wealth Experiences

## Background and Challenge

Founded in 1855, Skandia is one of the indisputable market leaders in financial advisory services within the Nordics. Throughout its long history, the institution has relied on the expertise and experience of its financial advisors, who earned trust and appreciation from thousands of customers over the decades. Today, as the company transitions to a multichannel, digitally empowered business model, a focused area is the delivery of a superior service through all available channels – from traditional face-to-face meetings to digital financial experiences. Therefore, the insurer strives to build communication channels in a digital space that would match the physical experiences in engagement levels and even improve the service quality in a way that has not been achievable before.

Digitalising communication with customers is a challenging endeavor. A successful transition to a digital space would involve the ability to account for several financial variables

simultaneously and present the results of the analysis to the customer in an “easy” and informative way. “Most of our customers are aware of the benefits of long-term saving and the approximate impact of their financial decisions. The reality for many of them though, is that they have limited expertise, interest and, possibly confidence when it comes to managing their savings,” – shares Heléne Jonsson, Senior Business Analyst at Skandia.

Skandia reached out to Kidbrooke to transform the knowledge and expertise of their advisors into a consistent, digitalised framework that could be used to engage with their customers in all channels – physical, digital and hybrid. The insurer was specifically looking for a partner that shared its ambition of leveraging technology to empower the platform to answer complex open-ended queries reliably. “Kidbrooke’s OutRank has proved to be very useful in achieving this ambition,” says Heléne.



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**Heléne Jonsson,  
Senior Business  
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## Leveraging Financial Analytics to Foster Channel-Agnostic Customer Engagement

Skandia began its digitalisation journey already enjoying one of the leading positions with respect to the market share. Therefore, the incumbent aimed the project at value creation for their existing customers. The core challenge regarding this category of consumers was the limited knowledge the insurer had of its customers. For example, the insurer lacked scalable processing of data in relation to the customers’ savings and their risk appetites. Therefore, the incumbent decided to start from the beginning of the journey – by prompting existing customers to go through the onboarding process as they opened additional savings accounts. “Starting with the onboarding process gives us the opportunity to learn more about our customers. We can then use this knowledge to send them relevant information about the progress of their savings and actionable insights about their holdings,” says Heléne.

The core element of processing customer data and generating relevant insights at Skandia is the financial simulation engine, OutRank. It can analyse the holistic financial situation of a customer in incredible detail, considering taxes, local account rules, fees, and other intricacies of consumers’ personal finances. OutRank utilises a probabilistic approach to modeling the possible economic outcomes for a variety of potential financial decisions, considering several thousand scenarios of market development per second. The insights from this comprehensive analysis are then used to suggest to the user the next best action regarding their personal financial situation. “Our experience in wealth management helped us make necessary assumptions, and by combining them with OutRank’s calculations we found a lot of possibilities

to provide useful insights to our customers, thus creating value. These insights could, for example, inform the customer that it might be time to rebalance their portfolio or suggest diversifying their holdings,” says Heléne.

OutRank is delivered through an API, which makes it easy to integrate into various infrastructural set-ups. Built for growth, OutRank has a modular nature that can support complex strategic roadmaps such as Skandia’s. For instance, after first incorporating financial analytics into onboarding use cases for pension accumulation, Skandia can use the same technology to build monitoring capabilities and a self-service investment planning journey, avoiding spending time on additional stakeholder alignment and thus dramatically shortening time to market for new use cases.

Skandia’s expectation is that enriching workflows with new capabilities will gradually lead to tectonic shifts in the advisory process. One of the biggest changes stems from the customer’s willingness to meet Skandia in more than one channel and the insurer’s increasing ability to meet this demand. “This implies that our advisors will not be in charge of a customer’s lifecycle journey or the customer’s interactions with Skandia in the same way as before. Yet, the advisors will be informed of everything we have ever done in our relationship with the customer and will be equipped with super-human tools allowing them to address the customers’ queries in a matter of seconds,” says Heléne. “It might also mean that, going forward, the way of working will be a bit more conformed than it is today,” she adds. Another major anticipated change would be an ability to provide a better “after sales service” and allocation of more resources in that area.

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## The Impact and Vision for Future

At present, Skandia is on a continuous journey of bringing its business into the digital age, and there have already been several achievements. For example, in June 2020 Skandia was the first incumbent in Sweden to release a fully digitalized premium pension advice journey, while in June 2021 it complemented its digital offering with an automated investment guidance experience. In both cases, all calculations are powered by OutRank. As the incumbent builds digitally empowered communication capabilities, it emphasises the importance of maintaining and fostering customer loyalty.

“We know from our research that the more we interact with customers, the more loyalty we tend to build. We can use financial analytics software, such as OutRank, to find a lot of good reasons to initiate meaningful conversations with our customers. The research suggests that customers are particularly interested in systematic notifications, such as those that would guide them or provide dynamic advice about their investment portfolios. Not surprisingly, our customers are interested in the performance of their holdings over time in terms of rate of return, risk and the probability of reaching financial goals such as an early retirement,” shares Heléne.

“The point is to be able to keep this interaction going over time. Many companies offer good initial advice or guidance services but then let go of a customer after a sale has been performed,” she continues. “With OutRank, Skandia developed cutting-edge digital capabilities to evaluate the customers’ financial situations on an ongoing basis, thus a brilliant opportunity to sustain an active and meaningful dialogue with our customer overtime, and thereby creating loyalty.”

“From our point of view, it has been an undisputable success that Kidbrooke has helped us in formulating our requirements for the new capability. That takes knowledge both in financial analytics and in forming requirements in an efficient way. We only have these kinds of combined skills to a small extent inhouse. This knowledge will also be of importance to us in our future collaboration. I also very much appreciate Kidbrooke’s general business knowledge and the ability to inject new or different angles in our discussions on future business development, for example how to use data to create better customer experiences,” concludes Heléne.

Looking to the future, Skandia firmly places its bet on a hybrid approach to communicating with their customers. “If we consider the use of automated analytics capabilities in two areas of the value chain, advising and monitoring, I think the latter is to a very large extent going to be a domain that technology takes over,” – says Heléne, - “But when it comes to advising on actions based on conclusions from monitoring, there is more room for human touch.”

When it comes to finding the main channel for addressing customer needs, Skandia re-iterates their determination to give their customers a choice on their preferred method of communication. Indeed, there is a considerable number of customers who would prefer a conversation with a qualified human expert, and it would benefit the overall customer satisfaction to provide this option. Therefore, the insurer strives to offer as many services as possible digitally, while providing sufficient support for those who would need some extra help. “A dream scenario would be to serve all customers in the channels they prefer but in the end it’s about balancing the customer experience and cost-efficiency,” says Heléne.