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AXA Life Japan: Digitally empowering insurance for Japan

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How AXA brings technological innovation to insurance in Japan

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With Ambition 2020, AXA Life Japan looks to transform insurance services in Japan through technology innovation

On the ever-evolving world of financial services and insurance, technology continues to steer the industry in new and often unprecedented directions. How a company embraces this rapidly expanding marketplace is a task facing many all over the world. For AXA, providing insurance and asset management services for more than 30 years, innovation has been and will always remain firmly at the heart of everything the company does. It is a core value to the business and has played a crucial role in establishing AXA as a global leader in insurance and asset management.

In June 2016, the company announced its Ambition 2020 strategic plan as it looks to continue to meet and exceed its customers' rapidly evolving needs and grow in a challenging economic climate. The bottom line of this transformation is simple: to further its growth and accelerate its transformation to best serve its expansive customer base.

"The defining factor of our ambition is to be better at helping our customers by providing greater power to them in order for them to live a better life," says





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Hervé Le Hen, Chief Operating Officer (COO) at AXA Life Japan. “Particularly here in Japan, we want to become customer vigilant, thus leading this ambition to become a facilitator for our customers, leveraging both human interaction and technology.”

Having worked with AXA for over 20 years, both in France and in Japan, Le Hen has seen first-hand the transformative and truly disruptive role that technology has played in the insurance space. Most importantly, he has learned how companies have to react in order to continue to deliver and

exceed what is expected of a modern-day insurance provider. He feels that technology has started and will completely redefine the insurance and asset management industry, and that it is important for AXA to understand and combine the best of both worlds –human interaction for the emotional connection coupled with technological innovation to provide convenient and consistent services.

As a company that has always placed innovation firmly in its strategy, AXA has very much always placed a great deal of time and investment into its IT and

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Herve Le Hen,
 Executive Officer and Chief Operating Officer

EXECUTIVE PROFILE

Herve Le Hen

Hervé Le Hen is currently COO & CIO at AXA Life Japan and member of AXA Life Japan ExCom and Group IT Forum.

Following his Master Degree at Ecole Supérieure d'Electricité, Paris, Le Hen worked from 1991 for 10 years at several management positions in AXA Global IT Organization.

Then he moved to AXA France and worked there for another decade holding CIO position for several lines of business (Life & Savings, P&C retail and Corporate). He successfully crafted and orchestrated cutting-edge programs to design and deliver the AXA France Individual Life Information system, reengineer AXA France P&C claims operating model and platform, and deliver a full omni-channel new business platform for motor insurance.

In 2013, Le Hen moved to the Corporate Center as Group Life & Savings CIO where he setup and actively promoted a collaborative L&S IT community, fostered sharing of competencies, knowledge and best practices. With some pilot entities, he led programs to co-design and deliver Group shared business assets.

Since 2014, Le Hen is based in Tokyo, Japan. He is in charge of Customer Service, IT, Project & Portfolio Governance, Operational Resilience and Information Security.





FSI Organizations Need to Deliver on New Customer Experience, Not Products

“The customer is always right.”

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Connie Leung,
Senior Director,
Financial Services Business Lead - Asia,
Microsoft



There is a saying that goes “the customer is always right.” Customers obviously prefer to deal with their businesses of choice that assure both good service and products. This is especially true with the FSI industry, where beyond smart investments and transactions, customers build long-term, trusted relationships with their preferred banks or insurers.

According to our latest study, “Unlocking the Economic Impact of Digital Transformation”, organizations that have embraced digital transformation are seeing business improvements, especially in increasing customer acquisition rates. By 2020, for example, respondents expect an additional 70% improvement in customer acquisition rates.

However, digital transformation goes beyond digitization of existing products and services. Any implementation needs to make sense for customers at the end of the day, whether increasing convenience, or empowering customers with more visibility and choice of products. FSI organizations need to move from selling products to offering solutions, and by re-imagining new business models with speed and agility. Simply doing what has proved to work in the past is not acceptable in the new digital era.

What we are seeing today is a shift in mindset, where addressing customers’ needs is now a priority. More than half the FSI organizations (55%) polled highlighted that they will be focused on transforming customer service and support this year as part of their digital transformation initiatives. In addition, FSI organizations are concentrating on measuring customer advocacy as one of their top KPIs.

The question is then about how

business leaders can adopt an effective digital transformation strategy to better serve customers. The answer could lie in the volume of data available within their organizations today.

The Future of FSI Organizations in Asia Pacific Hinges on Data

Digitalization of FSI services should focus on turning the customer journey into something personal, rather than utilitarian. Financial services should work seamlessly as part of the lifecycle of a transaction. It should be an end-to-end journey, from transacting on mobile devices, understanding customers’ financial status through self-service analytics tools, to interacting with financial consultants.

A customer can receive personalized offering developed from artificial intelligence (AI) tools to meet specific financial goals, rather than a cookie-cutter plan.

All these can be enabled with the smart use of data. Today, organizations need to ensure they have a three-step data strategy to develop a new generation of customer experiences and solutions:

Step 1: Collection of Data

FSI organizations first need to evaluate whether they have a data strategy in place to make the most sense of existing data, both internal and external, to develop real-time insights

about their customers

Step 2: Optimization of existing products and services with data

Leveraging data and advanced data tools such as big data analytics, machine learning and even AI, organizations can improve products and services for the customers and to deliver optimised and personalised financial services through digital channels.

Step 3: Creating new experiences and solutions

Ultimately, customer behaviour data should provide feedback to the data insights to help continuously create new experiences, services and solutions for the digital customers. For example, smart banking, intelligent consulting and even enabling open banking APIs for organizations and fintech institutions to collaborate in developing a new generation of products.

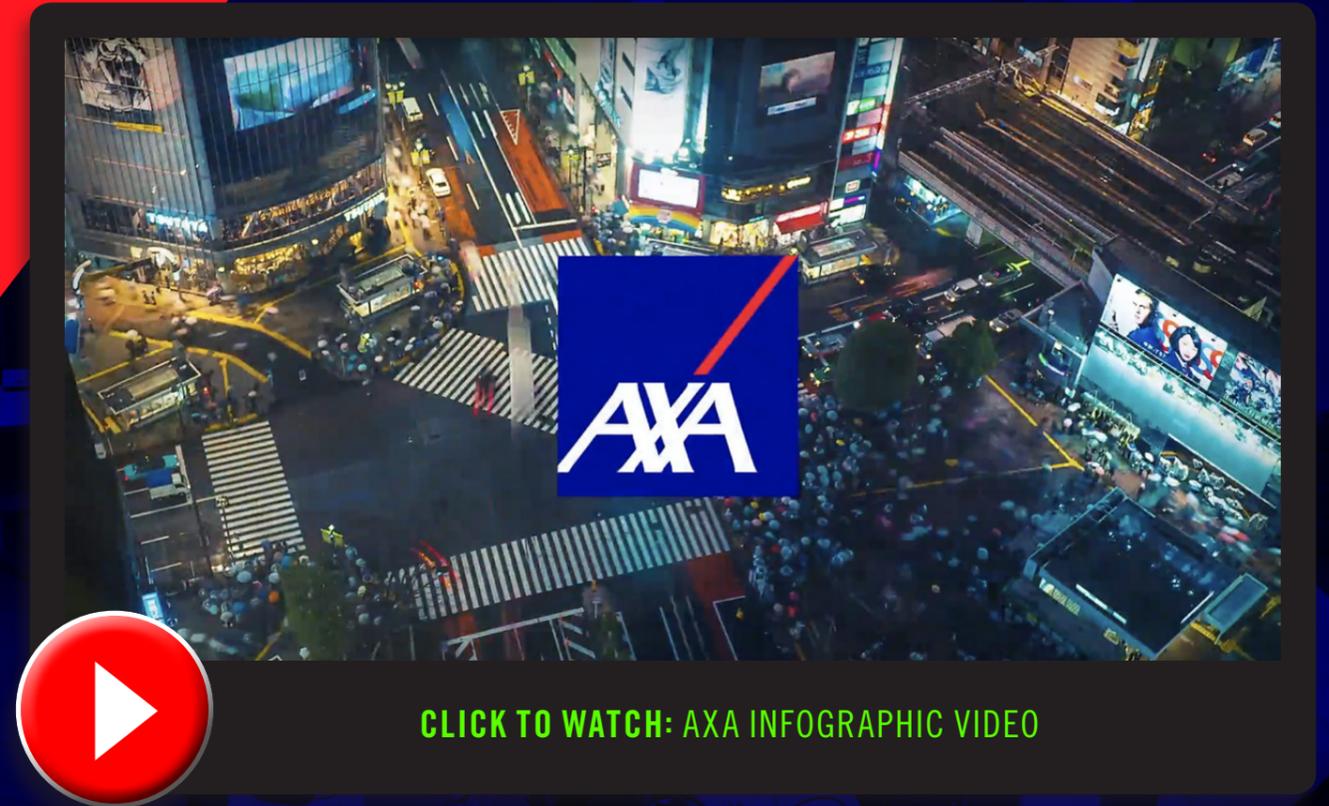
Data is already enabling Sumitomo Mitsui Banking Corporation (SMBC) to enhance their customer experience with Microsoft Cloud by developing chatbots for personalized and interactive service delivery. The organization notes that its collaboration with Microsoft has enabled it to build an AI system that generates learning data, helping constantly improve service efficiency.

FIND OUT HOW FSI ORGANIZATIONS CAN EMBRACE DIGITAL TRANSFORMATION



“Once they can understand how we can better leverage technology to continue to grow and better serve our customers, then we can challenge the way we work even more which in the long run will allow us to become more efficient as one unified team”

—
Herve Le Hen,
 Executive Officer and Chief Operating Officer



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technology capabilities. But as Le Hen notes, with the pace of change across the industry even AXA has had to redefine its own IT infrastructure.

“Industry wide, IT was still perceived as simply a cost centre. We have to immerse and invest in IT, because that’s how we run our own business,” he says. “Traditionally there has been product development and service to customers, two separate elements that were never truly aligned. This is what needed to change.”

In order to drive innovation, part of AXA’s ambition will see the company look internally within the business and reassess where more investments and greater efficiencies can unlock further value as the company grows.

“We want to become a tech-led company and a data-driven company and so IT has had to take a seat at the table because without it, it would be very difficult to drive any form of transformation,” says Le Hen.

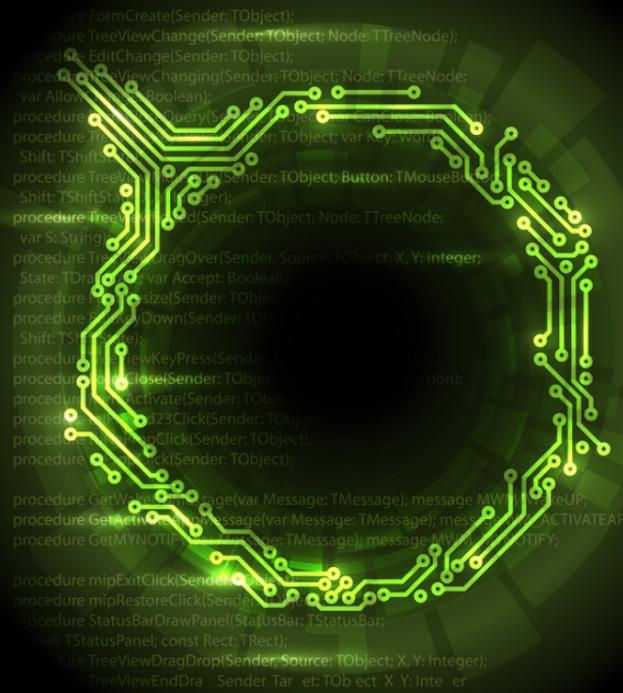
Such a seismic shift in the percep-

tion and valuation of IT is felt industry wide and in order to fully embrace and harness this, communication and collaboration will be essential. After all, for some this shift is tearing up the traditional ways of working, which in itself can cause a challenge.

This is where AXA looks within to internalise, develop and reward key expertise within the business. “This is especially true regarding new technologies, but we also look and examine our capabilities to better understand our

business and drive transformation,” says Le Hen. “This requires a new operating model and for us to adopt a more agile business mindset to leverage technology and to drive innovation.”

As it moves away from its traditional function as a mere cost centre, now better enabled by a new, agile operating model, AXA’s IT role now operates alongside distribution, marketing, finance, HR, compliance and customer service as one unified service in order to deliver the most efficient and optimal solution.



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AXA GROUP

€98.5bn
Approximate revenue

1985
Year founded

160,000
The approximate number of AXA employees



“In order to achieve that we have to educate our business partners and help them to fully understand how and why technology is transforming the world we and our customers live in, the market we operate in and how it is transforming our competitors,” says Le Hen. “Once they can understand how we can better leverage technology to continue to grow and better serve our customers, then we can challenge the way we work even more, which in the long run will allow us to become more efficient as one unified team.”

Since its very first day, AXA has provided only the very best service as well as insurance and asset management products to its customers. The insurance customer of today is not the same as that of 30 years ago. With the incredible growth of technology and the disruptive effect it will continue to have on all areas of life, customers of today have more access to information than ever before. This, Le Hen feels, creates a whole new level of demand particularly in a challenging environment with prolonged low interest rates and an



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increasingly aging population.

“The insurance customer first and foremost wants to know that their life is protected, and their insurance will still be there when they need it the most,” says Le Hen. “They are looking for value for money and are more empowered through technology, meaning they search for and have access to more information. They are more aware and more informed and so we have to be responsive to that.”

He describes this modern customer environment as the digital reality, one

that is defined by greater customer experimentation, whether they are purchasing insurance products or booking a hotel. To this end, AXA must provide the same level of convenience and ease of access that customers expect.

This in itself presents a key challenge for the company – how can it develop and deliver new technology products and services to a market such as Japan that is still finding the balance between technological innovation and face to face interaction? “In Japan, there is



Culture eats strategy for breakfast.



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Herve Le Hen,
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still a huge demand for face to face interaction in insurance and that goes back to the whole trust element,” says Le Hen. “We are providing online channels and a call centre operation, but we are doing so in a more agile way that is responsive and listens to the customer. It’s a key part of our transformation in Japan, allowing the customer to decide which access point they ultimately want to use.”

AXA achieves this through an industry first approach. The company works with a provider of transaction-based reviews

and ratings called Transparent Customer Feedback (TCF) that works with some of the largest companies in the world. AXA Life Japan is the very first insurance company in the country to proudly display its customers’ rating on its website.

For Le Hen, this is one of the most important elements in developing trust with AXA’s customers. “It’s about transparency. We disclose it on our website so that customers can see how we are performing and more importantly they can see how we are responding to



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夢物語のままで終わらせない。



“It’s about transparency. We disclose it on our website so that customers can see how we are performing and, more importantly, they can see how we are responding to their feedback and complaints”

—
Herve Le Hen,
Executive Officer and Chief Operating Officer

their feedback and complaints,” he says. “We have a duty in insurance and we have a core value as a company, which is customer first at the very beginning of all of our decision making actions.”

With the transformative nature of technology and more and more companies playing catch up, it can be easy to fall victim to just investing in technology for the sake of investing in technology. After all, nobody wants to be left behind. The industry is awash with current technology buzzwords like Artificial Intelligence (AI), Big Data

and cloud services, but what can a company like AXA do to ensure its technology investments have a clear business case behind them?

“The idea is to be able to focus on value and move quickly, but to be able to stop quickly too,” says Le Hen. “It’s part of the agile operating model we have designed and put in place. I challenge my team to come to me with ideas, to pilot these ideas and understand that if they don’t work then we need to be able to stop and not disrupt the business and our service to the

NTT Data



customers, but if they work we also have to scale-up quickly.”

Le Hen’s core remit centres around modernising AXA Life Japan’s legacy infrastructure and systems. These he feels are the company’s greatest assets, and so he and his team work to provide flexibility around this infrastructure in order to open it up to new technologies and platforms. AXA Life Japan works with cloud service vendors as it migrates its core IT to private and managed public cloud services, enabling the company to access and implement data analytics

and data mining tools in order to disrupt and bring business innovation through greater efficiency.

“We are also utilising Robotic Process Automation (RPA) software as well as chatbots and machine learning to automate and straight through process our operations” he says. “Ultimately, we look at ways in which we can improve our cycle time, save costs, achieve more with less and reinvest to improve the customer’s experience with AXA.”

Digital transformation and digitisation



AXA LIFE JAPAN

Growth through diversity

To drive the company transformation while promoting the new way of working, AXA Life Japan has been carrying out initiatives to foster an inclusive corporate culture that includes diverse employees and realize an ideal working environment as a foundation.

The company considers diversity to be one of the strategies that are directly linked to business growth and believes that it is extremely important to incorporate various opinions of AXA employees that have diverse mindsets and ideas. It is also strategically important to initiate further innovation, and the participation of women, in particular, provides a competitive advantage.

The company has been supporting the “AXA Women Conference”,

which is voluntarily planned and organized regularly by employees and sponsored by the CFO, as well as the Employee Resource Group activities of the voluntary group “Japan Women @AXA”, which aims to revise the working rules regarding the childcare leave program and enhance the possibility of female participation through networking.

A mentoring program and a sponsorship program are also provided to make use of individual situations and advantages to steadily foster next-generation leaders.

AXA Life Japan will support the step-up of women to grow their careers in their own way and aims to raise the ratio of female managers that are corporate officers or in higher positions to 33% by 2020.



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— **Herve Le Hen,**
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require a strong and robust network of vendors and partners that can guide and support AXA as it navigates the ever-changing landscape of technological innovation. Le Hen acknowledges this but is keen to stress that AXA approaches partner relationships with a long-term mentality.

“Vendors are often used for their specific capabilities for a specific purpose and period of time,” he says. “Partners are different because it’s about the long-term value chain we

build together. You share capabilities and risks.”

“We want partners with the same beliefs and dynamics. That’s what forms a strong chain. We develop and we grow together. This is key to identifying opportunities for growth. You win, you lose, but you do it together and that’s a win-win model overall.”

The financial industry has already changed significantly, and if it continues to evolve as rapidly as it has done over recent years, then the innovation of

today may very well be usurped by the innovation of tomorrow faster than ever before. Le Hen knows that AXA must continue to ready itself for the future and wherever possible, predict the unpredictable to continue to provide the best service for its customer base.

“It’s all about the customers. We want to develop innovative products and services which meet with that changing customer needs,” he says.

“IT will continue to be challenged on its flexibility and how quickly we can

bring products and services to market. We need to continue to challenge ourselves to be quicker and be more responsible and prepare for the challenges of tomorrow.” ■



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