McKinsey
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Rewired in Action

Real-world examples of Digital and AI transformations and how leading companies succeed

Allianz Direct: Advancing as Europe's Leading Digital Insurer

The opportunity

Launching a new era for growth

Allianz Direct, the pan-European digital insurer of global insurance leader Allianz Group , wanted to shape the future of online insurance and provide a new level of service, that could galvanize the organization and propel it to a new era of growth. To outcompete and ensure strong growth well into the future, it embarked on a daunting journey: it would transform ways of working and use modern, cutting-edge technology and advanced analytics to reimagine the end-to-end user experience, from buying the first product to filing a claim. The North Star was to become "digitally unbeatable" in all areas of the value chain and thus Europe's number one digital insurer.

> "With a combination of technical excellence, sophisticated IT, and digital marketing capabilities, we've created a strong foundation that will act as the innovation engine for the Allianz Group."

– Philipp Kroetz, Chief Executive Officer, Allianz Direct

The solution

Transforming a digital disruptor with state-of-the-art technology and new ways of working

Allianz Direct had three cornerstone goals: a fully digital business model, highly competitive market positioning, and an agile corporate culture, radiating the engineering mindset throughout the organization's activities.

With support from McKinsey, Allianz Direct built a state-of-the-art, digital platform that can be scaled across all countries in record time. The platform allows teams to learn from one another as they launch new products, improvements, and plug-and-play software. For customers, the online experience is easy to use and features many time- and cost-saving innovations with maximum self-service capabilities. In one example, Allianz Direct built a flagship service—the "60-second claim"— enabled by AI-based loss assessment and evaluation, allowing customers to process a claim in less than a minute by uploading photos and documents.

Allianz Direct built momentum in the direct insurance market in Europe in just a few years by targeting two important market segments: "smart shoppers" and "price seekers". The business provides them with the features they value most, including competitive pricing and a broad online presence.

All of this was enabled by a foundational change in the organization's culture, operational and technical excellence, and a disrupting operating model. McKinsey helped Allianz Direct create a talent strategy built around hiring the best engineers. This infusion of talent was crucial to building an agile, engineering-focused corporate culture. Today, a third of Allianz Direct's employees work in technology or data roles. The Allianz team created an operating model based on best-in-class technology capabilities and cross-functional agile squads responsible for creating and marketing insurance products. The result is a highly adaptive and scalable operating model that fosters cross-market collaboration.

The impact

15%

Year-over-year revenue growth momentum (in selected countries).

30-50%

Reduction in costs due to the scalable platform strategy.

+90%

Customer satisfaction ratings, after reimagining the customer experience.

Lessons learned

Strategic Roadmap

Create a clear roadmap for deploying digital services
Allianz Direct focused its strategic roadmap on a full suite of digital self-service assets (for claims notification, claims management, policy administration) equipped with best-in-class tools such as AI-based loss assessment and claims segmentation.

Agile Operating Model
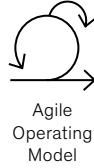
Work toward rapid implementation
Allianz Direct teams worked in biweekly sprints. New products were tested and implemented immediately whenever practical. More than 40,000 deployments on the platform per year underline this approach.

Technology

Aim for consistency and reusability of digital assets
By building a platform that could be used across Europe, Allianz Direct is able to scale its services and continuously improve the customer experience while lowering costs.

Data

Make data widely available and easy to use
Allianz Direct committed to instill a data-driven decision-making culture, so it created easy-to-use dashboards and data-enabled performance management systems along the full value chain.

"The successful transformation can be attributed to the combination of technical excellence, sophisticated IT infrastructure, and advanced digital marketing capabilities, along with robust execution and global delivery in a complaint way. We dedicated utmost attention, allocating 150% of our focus, to launch and establish our platform as a solid foundation. In addition, we complemented the approach by emphasizing key aspects such as market analysis, retail marketing strategies, pricing optimization, efficient damage management, and streamlined operations to maximize our competitiveness within the industry."

- Christoph Weber, Chief Transformation Officer, Allianz Direct

"The most impactful decision was to be stubborn about the outcome, to never waiver on what good looks like. And that means you need to invest in the best technology, in the best people, and be really stubborn about it"

– Philipp Kroetz, Chief Executive Officer Allianz Direct

"We are disrupting at scale and will continue to work consistently on the transformation of our business model, always questioning industry standards and looking beyond our category."

- Christoph Weber, Chief Transformation Officer, Allianz Direct