



Applied at 25

An Exclusive AQ Interview with Jim Kellner

On the occasion of Applied Systems' 25th anniversary, ASCnet Quarterly spoke with Applied CEO Jim Kellner about the company's history, recent developments and future.

AQ: The company is celebrating 25 years in the business. As you look back, what stands out?

Kellner: From our rather modest start in the founder's garage, we've brought together some terrific people and built a thriving business around serving insurance customer needs. I've been part of this growth for more than two decades, and I'm proud of not only what we've achieved, but also of the people who have done it and the customers—including, of course, our ASCnet members—who have supported us and kept us motivated along the way.

AQ: We recall that 2004 was a milestone. Can you share a little about that?

Kellner: For starters, we changed owners. More than that, we changed philosophy. We increased our focus on product. We made a strategic decision to focus on meeting the needs agencies and brokerages have to manage their business. And we started building a team that would move us forward through the next 25 years—and beyond.

AQ: Tell us more about the changes.

Kellner: Our commitment to product drove a lot of them. First, we divested operations that weren't part of our core agency management system focus. To enhance

our product offering, we built a team of product managers—75 people focused on product, compared to three before the change. These individuals work on products, testing, analysis and customer feedback. I tell them, 'It's all about listening, listening, listening. The customers will tell you what they want.' At the same time, we're listening to the broader marketplace.

AQ: What else has changed?

Kellner: We've instituted a more rigorous screening and interviewing process, to make sure we bring on the highest caliber talent we can find. Before, we might have hired one out of three people who applied. Today, it's more like one out of 30. In some positions, it's one out of 100.

We have focused all of our activities around three things: alignment, accountability and execution. Alignment with customer needs and emerging technology; accountability for product, quality and service; and execution—delivering on our promises. Today, we gauge everything we do on these three core items.

AQ: What has this done for you?

Kellner: What it's done for us is less important than what it's done for our customers. It has allowed us to deliver consistent product improvements in TAM, Vision and DORIS. For instance, we had been faithfully adding features of the month. We felt there was more we should be doing, though, things we couldn't do in a monthly release. That led us to think bigger.

AQ: Can you tell us more about that “bigger thinking”?

Kellner: Our ownership change and investment offered us an opportunity to focus more on research and development. We heard from our customers that they were feeling the effect of technology becoming more complex—something we recognized as a technology leader. So we worked to improve existing products and release a new version each year—something I’m happy to report that we’ve achieved. This release schedule has allowed our customers to plan for technology updates.

At the same time we were enhancing existing products, we started behind-the-scenes work to develop a new system—one that we believed would dramatically change the tech-

nology-based management of insurance agencies and brokerages.

AQ: How did you develop the system, which I understand has been called “Product X” during development?

Kellner: It was developed by our customers, even though they didn’t know anything about it. You see, our product managers spent time in agency offices, sitting down with CSRs, talking with principals, shadowing producers, meeting with accounting and technology staff. And their job, again, was to listen, listen, listen.

They spent months—years, actually—inside of agencies, studying and watching what happened. They brought back what they learned,

and we started building what our customers wanted.

What we ended up with was something entirely new, a new platform. For agency principals who want technology that can make them profitable, this is it—the cost savings, the platform ease, the functionality, the interface, it’s all there. As we previewed the system over the past few months, users were just plain excited about it, and they were confident they could jump into it with minimal training.

AQ: Where does the system stand now?

Kellner: I mentioned at the 2007 TENCon in Orlando that I would be making a big announcement this year. This is it. TENCon has been selected as the venue where the system is announced, along with details on how agencies and brokerages can get on board when they’re ready.

AQ: What does the future hold?

Kellner: We’ll work over the next few years moving customers who want to move onto the new system. And we expect to build our customer base at the same time. However, we won’t stop our research and development efforts. We’ll continue to bring on new modules that meet agency and brokerage needs. We know that our users judge us every time they touch the application.

Our focus will be on the three things we’ve been drilling into our employees for the past four years—alignment, accountability and execution. We’ll be evaluating everything in the context of what our agent and broker clients need to run their businesses more profitably.

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