



VERTAFORE INC.

With a new approach to increase customer lifetime value, Vertafore bolsters future revenue growth

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Jayne Rothman

Senior Vice President, General Counsel, Vertafore Inc.

With the largest customer base in the insurance technology industry, Vertafore needed a way to develop a deeper understanding of its customers and maximize revenue from its commercial relationships.

Vertafore's core philosophy in the insurance technology industry is “to transform the way the industry operates by putting people at the heart of insurance technology.” Since its inception, Vertafore has been providing software solutions that help customers streamline their processes, improve collaboration, and strengthen connections.

A review of Vertafore's traditional contract management technologies and processes convinced leaders that an upgrade—and an entirely new approach—was needed to continue delivering optimal service to customers while maximizing the value of the company's enterprise data assets.

The initial challenge was that contract information was hard to access because it was scattered around multiple locations and systems. “We had contracts in an old instance of Salesforce; we also had them on the network, in paper, and in old proprietary databases or content management systems that only a few people had access to,” recalls Jayne Rothman, SVP and General Counsel for Vertafore.



Vertafore Inc. is a leading provider of insurance management software solutions, with the largest customer base in the industry. Founded in 1969, the company delivers innovative technologies for every point in the distribution channel; customers include agencies, carriers, managing general agents, state governments, and some 500,000 individual insurance professionals.

Industry: Insurance technology

Annual Revenue: \$400 million

Headquarters: Denver

CASE STUDY: VERTAFORE INC.

From the legal department's point of view, that raised the risk of potential delays in the company's ability to fulfill certain complex customer requirements, such as those around most-favored customer clauses. On the sales side, the lack of a uniform view of commercial relationships meant that opportunities to cross-sell were slipping away. And for the finance department, fragmented data complicated the task of establishing a reliable view of future revenue.

Vertafore decided to look for a solution with functionality deep enough to centralize and organize some 250,000 documents, as well as other relationship-relevant data scattered across many systems. Even more ambitiously, the company sought a systematic way to segment its customers and move them to its preferred commercial relationship status around agreement terms and pricing.

The Solution

An end-to-end approach delivers rich, actionable information

Vertafore compiled a list of solution vendors, eventually whittling it down to Pramata and one other. "Then we took a couple hundred contracts—and they were pretty gnarly—sandboxed it, and had the vendors come in," says Rothman.

An important consideration was the solution's ability to interface easily with Salesforce; this is where Pramata had a clear advantage. The other solution required Vertafore to do extensive coding to manually migrate data into the CRM tool. "With Pramata, I don't have to worry about approaching our internal enterprise applications team to recode Salesforce so that it can accept the data that I'm pulling out of the solution," says Rothman.

Pramata delivers richer data via a more effective user interface, Rothman notes. "There are a lot of different systems out there, but Pramata's the only one I've seen that's end-to-end as far as managed services, analytics, and a user interface that makes it easy to use."

Pramata quickly enabled Vertafore to organize and centralize 30,000 commercial relationships in a centralized system of record for the entire company to access as needed. It also enabled sales and renewal process automation via DocuSign and Salesforce, as well as specific solutions for price increases, obligations, entitlements, and deferred revenue. Most importantly, it provided a way to score the risks and strengths of Vertafore's commercial relationships to guide renewal and sales strategy.

Business Value Realized

Locking in revenue with targeted price increases

The Pramata platform provides the entire company with access to all commercial relationship data, by customer segments, with search capabilities that Rothman describes as "Google on steroids." That opened up new opportunities to improve service and to cross-sell. "Being armed with that information shows that we understand our customer," she notes. "You want to demonstrate not only competency but also empathy with your customer. And you can't have that conversation unless you understand how you are contracting with and relating to that customer."

By establishing a precise measure of the risk and reward potentials of Vertafore's commercial relationships, Pramata enabled the company to identify segments of its installed customer base that would most likely respond positively to a preferred contract structure that delivered significant benefits to both Vertafore and its customers. Rothman explains how the sales conversation works: "I see you've been a customer with us for ten years, with a price increase every year. But with the annual agreements that you've signed with us, you never know what the price increase will be. Let's do a longer-term deal, and I can give you a specific renewal price at, say, a 5 percent increase year-over-year."

"That's a great conversation to have," Rothman adds. "With Pramata, we have locked in future revenue by taking short-term contracts and turning them into 3- or 5-year auto-renew contracts, with 7 or 5 percent year-over-year price increases respectively. It makes life so much easier." The customer benefits, too, by simplifying budgeting and planning.

An unexpected benefit of the solution was a significant reduction in storage costs. By exporting hard copies of contracts into Pramata, Vertafore was able to clear space in facilities provided by an information management services vendor. Even better, that success sparked a wider company initiative to reduce unnecessary data storage, eventually clearing out six facilities and achieving a six-figure dollar amount in savings. "When you start cleaning up your data, it spills over into other areas," Rothman explains. "One good thing begets another."

Read more Pramata customer success stories at www.pramata.com/success.