

INNOVATION PARTNERSHIPS CASE STUDIES

Willis Towers Watson (WTW) - Relativity6 Case Study

AI to predict over 80 % customer churn and drive customer success

Plug and Play's Global Partner and portfolio startup came together to improve customer experiences and retention.

The Innovation Partnerships Case Studies is a series that focuses on key projects that emerged through the Plug and Play Insurtech platform.



The Business Problem

The two key goals for WTW Australia were increasing retention and better understanding the behavior of clients within the SME customer segment. The WTW team was searching for a solution which would enable their brokers to better predict when their clients had a propensity to churn. The solution had to be able to accurately predict 60 days in advance of the churn event, and also provide recommendations of which products to upsell and/or cross-sell in order to retain them.



**Plug and Play Insurtech
Global Anchor Partner**



**Plug and Play Insurtech
Portfolio & Batch 4 Startup**

CORPORATE

Willis Towers Watson

Willis Towers Watson (WTW) is a leading global advisory, broking and solutions company that helps clients around the world turn risk into a path for growth. With roots dating to 1828, Willis Towers Watson has 45,000 employees serving more than 140 countries and markets.

STARTUP

Relativity6

Founded at MIT, Relativity6 is a machine learning/AI platform which enables carriers and brokers to accurately predict when their customers are most likely to churn. Coupled with its cross-sell recommendation algorithm, Relativity6 is able to reduce monthly churn by 1% on average.

INNOVATION PLATFORM

Plug and Play Insurtech

Plug and Play's InsurTech team recommended Relativity6 to WTW Australia General Manager – Affinity & Commercial, Brent Lehmann during his visit in Silicon Valley, as a startup that could help improve client retention.

Pre-Pilot

Relativity6 sent a pilot proposal to the WTW Australia team. They discussed and refined the proposal over the course of two months, and ultimately moved forward with a pilot to test the accuracy of the Relativity6 artificial intelligence model.

Pilot

Relativity6 trained their system to predict which WTW SME clients would churn within the next 60 days. These predictions included client level cross-sell recommendations, as well as matching brokers to the optimal account. There were weekly check-ins throughout the process which allowed for rapid feedback, and tweaks to fit WTW's specific business needs.

► Results

Immediate results:

- 84% accuracy in predicting which clients would churn, 60 days in advance of the churn event.
- Roadmap to deliver weekly predictions to WTW Brokers

Results after the first quarter of Relativity6 weekly predictions:

- 6.5% improvement over quarterly budget
- 80% effectiveness retaining clients identified as having a high risk of churning
- Achieved return on annual investment

Timeline

Nov. 2017	Meeting at PNP Silicon Valley
May 2018	Official Project Commencement
Aug. 2018	Pilot Phase 1 (Proving technology and accuracy)
Sept.-Oct. 2018	Pilot Phase 1 (Revisions on how to operationalize the technology into business units.)
Nov. 2018	Strategic Partnership was officially launched

Post-Pilot

Post pilot, WTW Australia decided to move forward with Relativity6 for commercial deployment of their technology across three business units. Client predictions are delivered weekly directly to the brokers.

► Envisioned Impacts of the Partnership

Business unit revenue growth

By reducing churn and increasing number of products purchased per client, WTW expects annual 5% growth in client retention and double digit growth in new business conversion for the business unit.

An immediate spike in retention

The partnership could help WTW retain clients significantly by identifying and predicting over 80% of churning clients and recommending the next best product at the right time.

Cross-sell opportunity

Relativity6 can rank brokers based on historical performance, matching the best broker to drive retention and create cross-sell opportunity.

Improved customer experience

Brokers can better understand client needs with churning insights generated by Relativity6 and prioritize dedicated services to valuable but churning clients.

Education

Relativity6 empowers WTW to perceive client engagements in a brand new way with data-driven customer insights.

New customer acquisition

The technology could also be used by WTW prospective enterprise clients, increasing WTW's likelihood of winning new clients with the highest lifetime value.

Partnership Takeaways

Importance of Partnership

WTW views Relativity6 as a strategic partner rather than a technology vendor. Creating and operationalizing actionable innovation within a large organization takes trust and commitment on both sides. Throughout the pilot process, WTW was collaborative and open to constant iteration. This was instrumental in Relativity6 delivering value.

Protection for Data Privacy

WTW was confident in Relativity6's protection for their proprietary data. Anonymization of all customer data is the backbone of Relativity6's privacy practices. But Relativity6 takes additional measures such as deploying entirely in cloud-computing environments, and being on the cutting edge of privacy regulations like the General Data Protection Regulation (GDPR) in Europe as well as all state and federal privacy laws.

Effective Communication and Collaboration

The startup is always willing to keep moving in the direction that the corporate needs to go and adjusting their model to suit what the corporate wanted to achieve. A churn prediction is only useful if you can take action on that prediction. WTW opened up access to their brokers who provided feedback on their preferred method and frequency of the predictions. This resulted in the creation of a product that delivers weekly predictions directly to the brokers.

Translating Technology into Actionable Business Values

The corporate guided the startup along the way of the corporate processes and how their frontline employers actually work. Meanwhile, the startup founders travelled to WTW site in Australia several times to understand how they can best deploy their AI engine into the everyday work of WTW brokers. After understanding how exactly the frontline employees at WTW Australia work, the startup was able to fit their technology into business needs, and ensure their AI technology can be translated into business values.

► Reflections

From WTW

“We had a depth of understanding performance within the business that we never had before,” said Brent Lehmann, General Manager – Affinity & Commercial for WTW Australia.

“It’s a process of changing behaviors. Technology is one thing, but if the outcomes of the technology help you change behaviors of the brokers within a business, so they understand the new ways of working with clients, it’s equally important as the immediacy of the result from the technology.”

From Relativity6

“As a startup, you really need to pick good initial partners who are clear about their business needs and have a plan to operationalize once a pilot is completed,” said Alan Ringvald, CEO of Relativity6.

“It’s important that we show them how accurate the technology is, but it’s also a process to see if we are compatible, could we work well as a team together. You need both things, otherwise you won’t be successful.”

Since 2006, we have built the largest innovation ecosystem on the planet, bringing together startups, investors, and corporations. We are experts in facilitating meaningful introductions, investing in startups, and bringing together key stakeholders into one world-changing network.

Since inception, our startup community has raised over \$6 billion in venture funding and we continue to make hundreds of investments worldwide every year.

Contact sigi@pnptc.com to learn more.

