

Successful traits and the future in the employee benefits markets

By David Price, managing director, Liberty Corporate

THE YEAR THAT WAS

There is one thing the financial services industry can certainly agree on – 2009 was not an easy year. Seldom is a year 'easy', but 2009 brought with it a particular severity of challenges that are unlikely to be repeated for many decades.

Both globally, and locally, many players in the insurance industry were very hard-hit over the past 12-18 months. However these tough trading conditions have also presented opportunities for our industry. I believe that the companies that will succeed going forward are those that have learnt from these recent experiences and emerged more aligned to their core competencies whilst keeping an eye out for strategic opportunities.

WHAT WAS OUR GAME PLAN?

Firstly, we took a hard look in the mirror.

Our management team decided we needed a fresh look at the mechanics of

our business – administration. We looked at all our systems and processes and implemented a number of changes which we believe will make it much easier to do business with us. A simple example of this is reducing our new business forms from 25 odd pages over 6 documents into a single document of 7 pages. We have also been investing heavily in innovative technology platforms which will dramatically improve our efficiencies and again make it easier for our customers to engage us at their convenience. These platforms will be rolled out across our entire base as we move into 2010.

Liberty Corporate is very proud to be an intermediated business and certainly as a team we recognise the massive role that our country wide network of Adviser partners plays in ensuring clients' changing needs are being met. We have always enjoyed a strong relationship with our Advisers but early into 2009 we further cemented this by kicking off a formal process whereby our top Advisers meet regu-

larly with decision makers within our business to share challenges, insights and ideas. We have found this hugely helpful to both parties and it has resulted in, for example, a number of new products being designed which will be rolled out over the next few months.

THEN WE WANTED TO UNDERSTAND WHERE ALL THE MONEY IS GOING

In 2009 we took a hard look at our cost base and mapped out in great detail all our profitability drivers. We started from an understanding that we wanted to keep costs contained, but not at the expense of long term growth – or by postponing projects which we felt would have high impact on our ability to do business, or for Advisers and clients to do business with us.

Within our business we have always decided on resource allocation based on competing business cases and in unpacking all our key profitability drivers in absolute detail we are now able to make some very insightful decisions around spend or lack of spend, par-

ticularly around our product development for example, that we believe will stand us in good stead going forward. It sounds like common sense and something all businesses do anyway, but you'd be surprised at the fresh perspective a year like 2009 brings.

An example of one of the projects we have continued to fund throughout 2009 is our new client interface system due to be introduced shortly. This system was piloted with clients late in 2009 and will allow rapid transfer of information, creating an improvement in data integrity and client service. We have also invested heavily in an intensive programme of up-skilling staff members and this will remain an ongoing priority as we look to grow and retain our skilled staff. The point is that cost control is all important – but not short sighted cost control.

WE DECIDED TO FOCUS ON STOPPING CLIENTS LEAVING THROUGH THE BACK DOOR

We also recognise, like most businesses, that it is vital to remain close to our clients and relevant to them if you want to have a sustainable business. However in the past, insurance companies may have been guilty of focusing more on generat-

It is vital to remain close to our clients and relevant to them if you want to have a sustainable business

ing new business than on retaining existing clients. As a result we spent extensive time in 2009 looking at why clients might leave any given insurance business, and then established tactical projects to ensure that we addressed any of these issues in our business should they exist.

Key to retaining clients is having open and honest dialogue and this means finding practical two-way communication platforms that allows us and our clients to interact easily. These platforms also enable us to share the information our clients need to make informed decisions. Part of this particular work stream looked at investigating "new" communication platforms but we have not ignored our more traditional client access points such as our website which we completely overhauled towards the end of 2009.

FINALLY, WE NEEDED TO THINK ABOUT 2010 AND BEYOND

This is a dynamic, ever-changing industry and we are confident that we have a solid foundation to work from. We believe a focused,

yet flexible strategy, state-of-the-art systems and importantly the right people will position us to take on the challenges 2010 will no doubt present. I do believe that as a business Liberty Corporate has already made great strides emerging from the tough local environment of 2009 with a lot of credit and this is evidenced by the awards we have recently won.

These include the 2009 FIA (Financial Intermediary Association of Southern Africa) Award which is very encouraging for our team and this vote is from independent financial advisers as opposed to Liberty Franchise or Agency advisers. In addition it was announced on the 7th December that Liberty Corporate has also won the PMR, Africa, Golden Arrow Award in our relevant employee benefits category. Obviously these awards are a great indication of what the market thinks of our business but we certainly understand that this is no reason to sit back and relax and the team and I will certainly be pushing towards even greater heights as we move into 2010.