

Interview



A PASSION FOR SERVICE

Susan Ring believes passionately that outstanding customer service is the key to commercial success. She explains to Anthony Thomson how she puts the principles into practice at UnumProvident.

For us in the Forum, marketing strategy is the focal point in financial services. That is not your background, so what exactly does marketing mean to you?

It is about ensuring that we are really clear in identifying and understanding customer needs, and making sure we have a really good appreciation of that right across all the different customer sets. We sell through independent financial advisers (IFAs), so it is really important for us to understand what *their* needs are, but also the needs of *their* customers – employers, employees, individual buyers. Then we can create solutions that fulfil those needs.

Also, everyone within the organization needs to have an appreciation of this, and to act on it, and therefore to be marketing the company in everything they do on a day-to-day basis.

When I came in, there was an LED display asking “What are you going to do for your customer today?”

That’s really important to us as an organization. We are actually celebrating National Customer Service Week, so there have been all sorts of activities designed to make people think about the customer. Not just in terms of what they are doing on a day-to-day basis, but also in the broader context of delivering that service.

We have had people in from CIS, one of our individual private label partners, to talk to staff, and we have had job-swaps with customers – some of our staff are going to their organizations and some of their staff are coming to us, to improve the level of understanding and awareness, and to develop relationships.

By “customers”, you mean the actual end-customer, not the intermediary?

Yes, but we are hoping to do it with intermediaries as well. We have also done it with our parent company in America. Five employees have just come back from the States – incredibly enthusiastic, with all sorts of bright ideas – and there will be a reciprocal visit by Americans in January.

So does everyone come back when you send them out to all these wonderful places?

Yes they do, and the buzz and level of energy it creates makes it incredibly worthwhile. We like to think that we are very customer-focused as an organization. These sorts of activities help us to place the customer at the centre of the business, and to instil an approach that is not just a one-off event but continues throughout the whole year.

How do you develop this customer centricity in the staff? The problem with service businesses is that people interpret a uniform standard of

service – rather than a consistent product – in different ways.

It is really important to make sure that staff have the right attitude, and therefore display the right behaviours, when they are interacting with customers. So it is not just the way that the senior executives talk about customers, but what we *do* as well – it sends the wrong message if we *say* the customer is at the centre of the business but then just talk about the financials.

So you have to be really aligned and consistent. I know it’s symbolic, but our balanced business scorecard literally has the customer at its centre. We have something called Destination Customer: it has all sorts of change programmes within it. We call it a journey, and it is all about improving continually the way in which we deal with customers. There is an annual recognition programme for the staff where we take the top 10% of performers throughout the organization away on what we call a TopUp event. The first focused on customer service and delivering service through teams, and we took them EuroDisney and had the Disney trainers train them.

When you said Euro Disney, I thought it was just going to be a jolly

It was that as well – it is important to have fun too – but there was obviously an element of training and development in there as well, around service and having the right attitude.

Within Destination Customer, we also have a strand that we call “embed service attitudes”, which is all about examining the practices. We have identified various customer interactions – call-handling, complaints, e-mails, letters – and we have defined some standard approaches, where what staff say is consistent and, sort of, “non-negotiable”. This, we hope, gives people the freedom of empowerment to work around this framework, so that we don’t wipe out the diversity of style that makes our interactions with customers more “human”.

This works well, as long as you have the right attitudes and behaviours in place and the right values within the organization. We are very strong on visionary values that trickle down to all staff.

So do you remunerate staff in part on the levels of customer satisfaction?

We used to, but not now. That is partially driven by the metric that we agreed with our parent on balanced business score card delivery. We are tracking how that is working, and may change things later. At the moment, we

Susan Ring joined UnumProvident in 1995 as Director of Customer Services from PPP, where she had been head of customer services. She was appointed to the board of Unum Limited in 1999, and was promoted to her present position of Chairman and Managing Director in 2002.

Susan’s focus in this role is shaping the strategic development of the company and delivering growth, both organic and inorganic, whilst also ensuring that the company meets its targets for both operating and financial results.

Susan is a member of the ABI’s Industry Standards Group for Raising Standards, and part of the BitC Leadership Forum on the Healthy Workplace initiative.

In any spare time, Susan enjoys sailing, walking, gardening, reading, and socializing with friends and family.

have bonuses based on corporate performance and individual performance – using appropriate core competencies such as customer service or communication.

You mentioned visionary values. What is your vision for the business?

We actually re-launched our vision in April. We had a very wordy vision before – which we actually believed that we had achieved – which was all around being the outstanding provider of income protection solutions, and as a board we decided that we were really well-positioned as far as that was concerned.

So we created a new vision that is very very different from the usual forty-odd words written in business-speak. We now have something that is much more memorable from an employee perspective, and much more engaging and inspiring.

It is about keeping dreams and ambitions alive even when accidents or illness strike, which obviously speaks to what we are about as an organization in terms of working with customers who are unfortunate enough to have to make a claim because of temporary, or in the worst cases, permanent inability to work.

We also think that our value proposition speaks to the dreams and ambitions of the employers of these people, and of the IFAs who sell our policies, and actually of our own employees. We hope as an organization to keep alive the dreams and ambitions of our staff through the way we support them, provide them with opportunities, and so on.

It sounds a fantastic environment to work in. If that's your vision – and it sounds quite empowering – what is your strategy for delivering it?

Our strategy again is focused on the phase of organization and development. We have been through an acquisitive period, in which we took on the Sun Life

Financial of Canada and Swiss Life businesses, so there has been a period of consolidation, absorbing that business into our organization, and transitioning the employees into our organization as well.

The future phase is really all about expanding the market. As you know, the market for our products, income protection especially, is quite under-penetrated – 10% on group products and even lower on individual – so as market leaders in group business, we are seeking to expand the market and improve those penetration levels.

We also aspire to be market leader in individual income protection, and are looking at other areas into which perhaps to expand from our core, into adjacent products and services. We also need to stay at the leading edge, so that we sustain our differentiation.

Where do you think that differentiation comes from? It's very hard to differentiate through product without being copied very quickly.

We are a specialist niche player, so we have to have very strong levels of expertise, knowledge and



specialists skills within our business, and we really invest heavily in that.

So, for example, we have our own in-house rehabilitation services team, which a lot of other insurers have out-sourced. We argue that rehab is an integral part of the product solution that is purchased from us, and it is really core to our ability to deliver return-to-work solutions for the individual.

We also think our whole approach to disability assessment medicine and risk management is quite different. We have gone into partnership with Cardiff University this year by funding a chair in psychosocial and disability research, looking at all the bio-psychosocial factors that cause someone to not work, beyond the pure medical side of things. If we can really understand what the underlying causes and key drivers



are from a psychosocial perspective, then we can focus our activities on the right things.

What do you see as the biggest challenges to achieving your market objectives?

Creating further awareness of the need for our product, and then creating the solutions to meet those needs. And it is important to understand customer needs as well. For example, we recognize that many employers don't necessarily want to keep an employee on their books for life or through to retirement, so our Capital Option product provides a solution for a shorter time-period.

We work with our distribution partners to identify these customer needs, and then try to come up with different solutions. That may mean reconstructing or reconfiguring our product, or it may just need an enhancement to what we currently offer.

Another key challenge is how to bring self-insured employers into the insurance arena – as well as targeting the small- and medium-sized enterprises.

One problem is just lack of awareness.

People generally still believe that the government will support them when they need it, and don't realize what a small amount they will actually get. People just do not appreciate the protection gap that would exist if they were suddenly to be without their salary. There has been a lot of coverage of the savings gap, and the whole pensions issue has been really well publicized, but people haven't really hooked onto protection in the way we believe they should.

I think that trust is a big issue. We see stories about private investigators being engaged to follow claimants who say they are unable to work, and many people will suspect that claims are not honoured.

Our approach is that we pay the right benefit to the right person at the right time, and we look at every single case individually and go through a very fair and thorough assessment process. One of the things we do is to work with employers very early on – hopefully before anybody even becomes a claim – so we very much espouse the merits of early intervention and prevention to try to keep people at work.

I wasn't suggesting that you aren't fair, but that is the general perception.

Yes, that is the perception.

So is that a challenge?

Yes, certainly. I don't think, though, that this perception is an issue at all for the brokers and employers that we deal with as customers. Established brokers and employers know us already, and with new [corporate] customers we go to great pains to meet them and talk them through what we do and how we do it.

We take them along a "customer path", which guides them through the whole operation and explains the way we work – so they get a real sense of the organization. We like to be really transparent and almost open-house as far as customers are concerned. In dealing with claims, we keep in regular contact with the employer – and we would also stay in touch with the employee. If



there were any misperceptions, I think that this process of dialogue would eliminate them very quickly.

We have touched upon a number of distribution issues. Where does your private label business fit in?

For individual business, we deal with IFAs, networks and private label partners. We are keen to continue to broaden access for each of our products, so we are eager to develop established relationships and to start new ones.

On the group side, almost all the business is distributed through IFAs, and the types of products we sell do need that intermediary to help understand what the customer need is and to explain, package and deliver our solution back to the customer. That works extremely well, and I don't see any reason to change.

We have no problem with our products being distributed in someone else's name – we're not particularly precious about our branding in that sense.

What's your view of the future of the IFA market? It is very important to you strategically, but do its advisers – typically fifty-something white Anglo-Saxon males – click with the whole of the market? And now that the direct sales forces have virtually vanished, where will the new blood come from?

That's a good question. I think that there is still a migration from insurers to IFA companies, from people who are perhaps broker-consultants currently. It is still attractive for them to build up their own equity in an IFA and become a partner.

Beyond that, as the market has changed, there will be more people going directly into broker houses, who increasingly are looking to take graduates straight from university.

Does it concern you that the market is polarizing into manufacturers and distributors, and that the balance of power seems to have shifted to the distributor?

I don't know whether I would agree that that's the case. I see it more as a partnership – and quite a healthy partnership. We are very happy being manufacturers, and we are keen to become the manufacturer for others, which we do through our private label partnerships with companies like CIS and Standard Life.

It's a bit like being "Intel inside". We have no problem with our products being distributed in someone else's name – we're not particularly precious about our branding in that sense.

But people only know that it is "Intel inside" because the company has spent a lot of money branding itself and taking that market position. Do you think it's possible, or even desirable, for you to build a new brand in the UK market?

We have a strong brand reputation as far as the trade is concerned. We are very happy with that, and would want to maintain that without a shadow of a doubt, because that is really important to us. But we are actually also very happy to be the Intel inside other people's brands as well – and we hope to develop that even further.

Your language is very interesting. We have interviewed about twenty people in Argent over the past four years, and all of them have tended to say "I" – but you consistently have talked about "we".

You have noticed that particularly?

Yes. The only real exception is our human resources special interest group – I'm not sure if that is because they predominately are women, or whether it is just an HR thing.

What are your views on the future of the welfare state and incapacity benefits?

We actually work quite closely with the government and other opinion formers, and I think we have established ourselves as experts in the area of disability. So they do generally seek our input on these issues.

One aspect that has worked for us, and should work for the whole market, is case management – working on rehabilitation so that individuals can return to work instead of being on benefits for life. We don't think that benefits for life is in anyone's interest – quite apart from the cost for the individual or the taxpayer, quality of life is very important, and work is an integral part of someone's life.

We think it is also very important that people are not put in a position where their financial safety net is taken away the minute they go back into work. If you are not careful, that can be a deterrent rather than an incentive.

People returning to work after a long absence must fear a relapse, or that they will not be able to cope with the demands of the job, and they need some reassurance that they will continue to receive proportionate support in this event.

I can see why the government would certainly seek your opinion, but there is a fine but significant distinction between the government listening and the government doing. What do you think the government should be doing in terms of legislation in your arena?

I think that the legislative changes that the government has been putting through have been very positive. For example, the Disability Discrimination Act now causes all employers to consider what they can do to try to keep a disabled person in the workplace or to support them in coming back to work.

We would also encourage them to keep the actual structure of benefits under review and the way in which people are supported throughout the whole process. I think that is just as important, if not more important, than any new legislation.

Not many people that I interview sound as comfortable with the regulatory environment!

I think, generally speaking, that regulation is a good thing, in that it encourages the right sort of practices and puts a framework of process structures around it. So, for example, we think it's a good thing from a customer point of view to ensure that intermediaries are properly authorized, and similarly that customers are being treated fairly or being given contract certainty. Customers should know about what it is they are purchasing.

We have always tried – and I think we have succeeded in this – to be an early adopter of what is regarded as “best practice”, because we think that supports what we are trying to achieve as a business. So, for instance, we were one of the early entrants into the raising standards initiatives – we were one of the first five brands to be accredited – and we always try to adhere to what we think is good sound business practice as far as regulations are concerned.

For example, some regulations only require a company to do something for a particular type of business, or a particular aspect of the business, but we always try to apply these principles across the *whole* of our business, because we think it makes sense. Apart from anything else, it is just confusing to do something for one tranche of customers and not extend it to others, or to do it to the same customer in one situation but not in another. It makes sense organizationally, as well as being good practice, we think.

With life insurance, it is generally pretty straightforward to determine whether a claim is

fair – you have a body, and it's dead. But in your area, I understand that there have been big increases in “soft” claims for things like mental illness. How do you judge whether these claims are fair?

Mental, nervous and psychological claims are a big issue. They now make up about 25% of our claims and they are the fastest growing proportion of our block. A few years ago, it would have been cardiac problems, cancer or muscular skeletal, but now it is psychological.

It is even higher for the Government, I believe – about 40% of claims. It is an increasing trend, and it means you can't just approach disability claims on the basis of looking only at the physical evidence. You can have two people with the same impairment, the same level of severity, and one of them will work and one of them won't. So you really have to understand the psychological factors – and even more so with the increasing number of claims in which there is not an identifiable physical cause for whatever it is preventing them from being able to work.

A lot of this is very subjective, but nonetheless it is real to each individual. That's why we differentiate ourselves by taking a much more holistic approach to claims management. We train our people to look at things in the round, and to understand all of the underlying causes.

Do you think we will be able to move from paying claims to preventing claims? You can't stop someone from breaking their leg, but in terms of depression or anxiety or other nervous related issues?

Again, that is something which we very much promote and are totally supportive of. If you can work with people early enough, you can intervene, and early intervention does work. You can keep them in the workplace for longer, and you can get them back to work sooner.

Perhaps we should be like the Chinese, and pay the doctors only when we are well.

Exactly. And when someone is unable to work, it is absolutely critical in terms of making it easier for them to get back to the workplace to have contact with the employer throughout – and also the support that they get from us and our rehab consultants.

They get this support throughout their absence period – we don't wait until the deferred period (six months on average) on our products has expired. If companies wait that long before having any contact with the employee, it is not surprising that they find it difficult to get back into the work ethos.

A lot of passion comes through when you talk about your business and your clients. You talk about trying to help them solve their problems rather than just a source of profit.

Yes, I think that is very much how we view it. We are not a charity, we are not philanthropic, we take our business very seriously – and we are successful in doing that – but the way in which we go about it is really important, and that makes a big difference.

We talk about ourselves as having a very noble purpose, and when it comes to staff being motivated to come in day in, day out, they are not going to be motivated by the next penny that they will make for us, but they *are* motivated by serving customers and serving them well.

We obviously have to deliver profits, but *how* we deliver them is also important to us.

Noble is not a word I hear often when interviewing chief executives.

No, but I think there is a real social purpose behind the product that we promote. I think it is quite a worthy thing, a noble thing, to work with people to help to restore their quality of life, which comes back again to the vision.

We had the head of retention at O₂ as a guest speaker recently, and he described how they look for opportunities to “delight” their customers. Are there opportunities for you to delight your customers, and to offer them value in excess of what they would expect?

Yes, I love the expression.

That is actually one of the things that we are looking at, because a lot of companies – particularly smaller organizations – won't make a claim that often, so we want to find ways in which we can increase the level of contact. That should let us increase both the perceived value and the real value of our products.

The other thing that we are doing is positioning ourselves as the thought-leader in our field, and making sure that we communicate this via seminars, workshops and practical materials that we produce for IFAs and employers.

We will use some of the outputs from the UnumProvident Centre for Psychosocial and Disability Research at Cardiff University in this way, and we also produce an annual publication on trends in health and disability. Strictly speaking, there is no direct need or driver for us to do that but, again, we think it makes good business sense. It is good for the positioning, and also stimulates IFAs, employers and other experts and opinion formers to discuss these issues with us.

Just to conclude, how would you sum up your key focus?

One of our key ambitions is for the company to have a really strong reputation for being the best in service delivery in our market. We obviously have to deliver profits, but *how* we deliver them is also important to us. I think that is reflected in the number of industry awards that we pick up.

I saw them all in your reception!

Yes, but it has not just been industry awards. I am really proud that several of our people have won individual awards this year – we have the case manager of the year and the executive assistant of the year, and several other staff have got through to final stages. It is great for them to get the recognition.

We don't actually go out to win the awards. It's a natural by-product that we get the recognition and acknowledgment because of how we go about our business.

So how do you set your standards? Against the industry? Against all industries?

We gradually set the bar higher and higher – against our sector, then against financial services more broadly, and then beyond that. For example, with our employee opinion survey, we originally compared ourselves against the national average, then we went for a high performance norm, and now – because we have been exceeding that – we are actually going against a global index.

You are setting yourselves higher targets.

Exactly. It is not a question of looking over our shoulders, but we keep challenging ourselves to do things better tomorrow than we did today. □