

People still the differentiator, says AIA Australia

The most crucial factor in the insurance industry was attracting and keeping the right people and this was what would set the top companies apart, according to an industry expert.

The key differentiator was not product, nor technology, said AIA Australia's Damien Mu. "The crucial ingredient is the right people – people who can develop the appropriate product solutions, develop and create the technology and then most importantly have the 'soft' skills to build genuine relationships and be able to deal one-on-one with people at some of the most difficult and sensitive times of their lives".

Mu, AIA Australia's chief distribution and marketing officer, said that while product development and technology were critical components to delivering the best value and benefit to members of superannuation funds, it was having the best customer service people that would ultimately be the differentiator.

"It's not about just getting a product first to market," Mu said, "or, to put it another way, being the early bird that gets the worm."

"It's the company that has the right people who take more time to consider appropriate product and service solutions, can help partners implement these changes, and then deal with their members in a sensitive and helpful manner. In essence, it's the second mouse that gets the cheese."

Hand-in-hand with this, Mu said, an organisation that claimed it was customer focused must do extensive research on customers' needs before developing and launching products and services. "It is definitely not a case of 'build it and they will come'."

Group insurers had to align themselves with super funds' needs and understand the key objectives of the funds, if they wanted to remain relevant



Damien Mu

in an increasingly competitive group insurer market. "Genuine members' best interests, values and positive customer experience must be the objective".

Internal staff should be aligned with the varied aims and cultural aspects of funds. "For example, Fund A may have a stronger growth outlook whereas Fund B may be focused on refining customer experience. Ensuring the right person with the relevant skill set and outlook is matched to the right fund is crucial to a successful relationship and the best outcome."

Another example of this on the service side was customer service activity. "We've moved from the days of call centres being measured purely on how quickly they could answer and finish a call. Now it's about the customer service officer building a rapport and being able to respond and assist with any policyholder's questions."

The life insurance industry was evolving rapidly, he said, with the growth of both the group and retail channels remaining strong.

Group insurance had grown across the board in the last five years through superannuation funds in size, benefits offered, number of claims and underwriting applications, technology developments and legislative requirements.

This fast-paced change would

continue into the foreseeable future, Mu said.

"With all of this change, it's people who make the genuine difference for partnering financial services companies such as life insurers," he said.

"Technology and products are important and critical, but they're a facilitator and can be a commodity to a degree – the differentiator is still people."

Finding and retaining people who could manage and execute across a broad end-to-end service spectrum was key to delivering the best service and client satisfaction.

The traditional life insurance resource pool of people has had to change dramatically in three main areas to meet the needs of its partners.

The first was in relationship management. "People need to be all-rounders. They should be able to demonstrate value add and be well-versed across a broad spectrum," he said. This included:

- product – the technical aspects of policies and benefit designs
- communication – both written and verbal to interact with a broad range of stakeholders and engender credibility and trust
- industry knowledge – on market developments and trends
- marketers – to drive marketing campaigns and member communications
- operational process experts – across claims and underwriting processes to resolve issues and implement proposed process improvements
- technology savvy – to ensure appropriate development of practical system solutions

Second, claims and underwriters were always seen as back-office but they now had an evolving critical front-office role as well through enhanced services:

- tele-claims – assessing the claim or collecting information via the phone, claimants wanted to speak with the

person assessing the claim

- tele-underwriting – underwriting by phone to assist members and fast-track the process
- process experts – looking for ways to make the end-to-end process more efficient

The third area was the call centre or customer service centre because:

- this was about resolving the call satisfactorily and ensuring a positive customer experience
- staff needed to be process- and product-experts
- relationships were needed for people to build rapport

"Investing in your people is the best investment you can make as an organisation," Mu said. "We need to support people with the adequate training, career development and positive performance management to help them perform in these broader roles."

The challenge was how did the industry attract good people to industries such as life insurance? What could the industry learn from other industries?

Mu said some examples included:

- being an Employer of Choice
- promotion of the opportunities and attractiveness of the industry
- listening to staff and making changes
- looking to promote internally
- taking a chance on good people
- creating an open, collaborative and transparent working environment
- promote diversity and inclusion
- create an ethical and sustainable work environment
- appropriate reward and recognition plans
- succession planning

While investing in people seemed an obvious concept, it was too easily overlooked as insurers looked to gain the competitive edge on latest products and cutting edge technology. ■

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