

## **Do you know the needs, wants and expectations of your customers, agents and other stakeholders?**

What normally drives you to consider making changes in your company? Board edicts? Marketplace changes? Eroding results? Internal processing needs?

These are all good reasons for considering change. Ignoring them is dangerous - potentially even detrimental to your company's success. But there are a couple of other things to keep in mind before considering changes.

First, changes should not just be reactionary. Don't be satisfied with quick fixes. They often fail to consider or produce the benefits you would derive from a more carefully thought through, ideal solution. Making changes for the reasons cited in the first paragraph often fall into this category.

Second, a company should not change how it operates based solely on internal drivers for change. What should drive change are those characteristics (plans, programs, processes, services, structures, etc.) that are most desired by your customers and other key stakeholders. Unfortunately, these people are often the least present in your organization. You will only know what they want if you ask them -- and knowing this information is critical any time you consider making significant organization and other changes. But you may be wondering who makes up these stakeholder groups?

We typically classify a company's stakeholders into four major categories. They are: customers (definition varies but are usually the company's economic customers), partners (agents and others that you work with to serve customers), employees (everyone within the company) and the "owners" of the company (usually represented by senior management). Each group has a unique perspective and significant interest in how the company operates. Our experience is that ignoring any one of these groups produces less than satisfactory results and, at times, can be disastrous.

The way you learn about stakeholder wants, needs and expectations is fairly simple. You ask for it. But you must be careful. You must always act on the input you receive. If you don't, you risk appearing dishonest and manipulative. It is always better not to ask for an opinion than to ask and not act on it.

We use a variety of techniques to get critical input from stakeholders. Customer satisfaction surveys are useful. Monitoring customer service calls and correspondence can help indicate trends and problems. Chief among these techniques is focus group meetings. They help you understand what is really going on with a customer or agent group and can get them involved in looking at and evaluating proposed solutions.

Knowing what your customers, agents and other stakeholders need, expect and want is critical in managing any insurance company. If you'd like to discuss this subject further, please give me a call. Also, please visit our website ([McDonaldConsultingGroup.com](http://McDonaldConsultingGroup.com)) for other topics of interest.