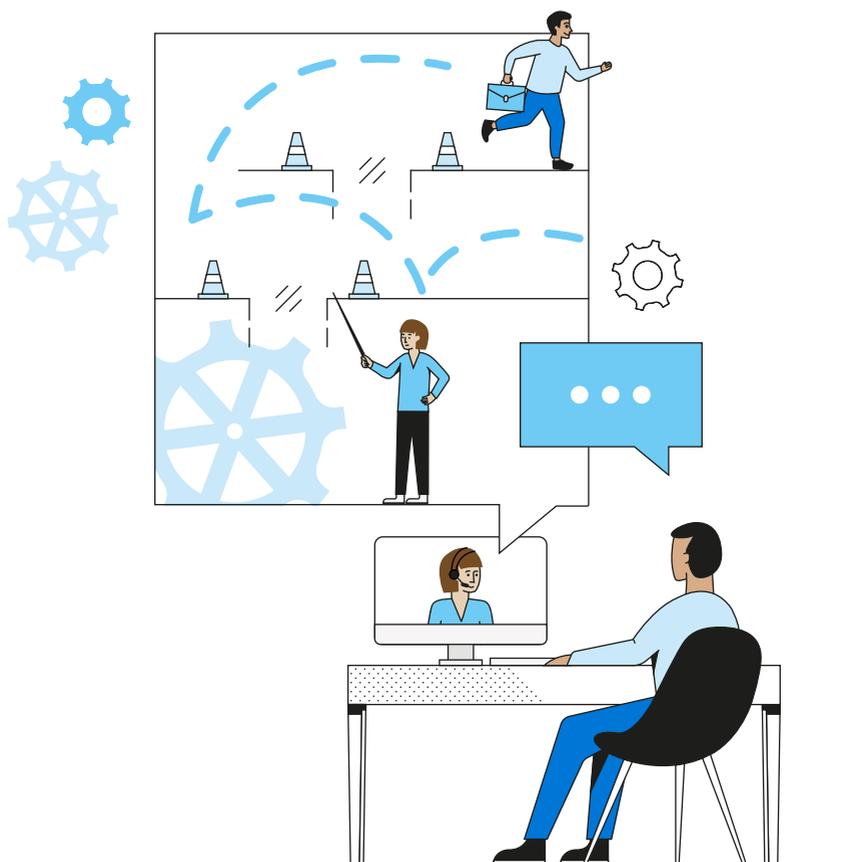


Avoiding pitfalls and business failure

A Distribution Quality Management Programme learning



In today's tough market, there are challenges that many in the protection industry face. As well as helping to retain clients, managing quality can help businesses face these potential issues and stay competitive at the same time. Trends that we observe being faced include:



Increased professional indemnity costs

Without quality management practices in place, a business is more likely to face cases of negligence, pushing up their professional indemnity premiums.



Negative referrals and damage to your reputation

Intermittent client service, careless administration and passive business management can all take their toll through word of mouth, especially in social media.



Clawback

Client's expectations about level of service are increasing, especially in the ever more digital world. Not meeting their expectations may leave them feeling undervalued, leading to cancelling policies.



Losing income and lower embedded value

With lapsed clients, cancelled policies and higher professional indemnity premiums, the bottom line could be affected, decreasing the book value of a business.



Losing clients

Inefficient practices could easily alienate clients, and in a competitive market they'll have plenty of alternatives to turn to.

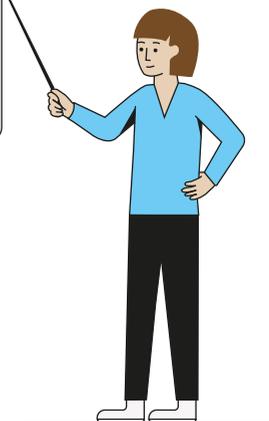
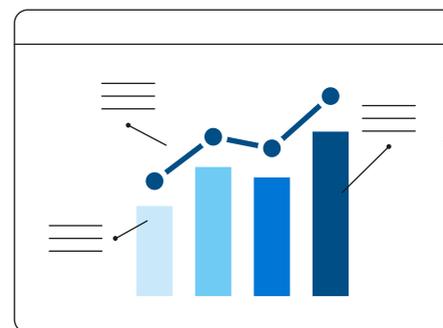


Going out of business and bankruptcy

Noting the warning signs around client retention is especially crucial in today's competitive market. Negative impacts can snowball quickly, causing business failure.

Another pitfall which is easy to fall into is a lack of understanding for data security. This can have serious implications for your business. Our experience has taught us valuable lessons, so we've put together this list of issues for you to think about:

- Add data security terms and conditions to the staff employment contract.
- Set up individual agency numbers for sellers.
- Block external memory devices (eg. USB sticks) from being used on company machines.
- Introduce a ban on mobile phones at desks for sellers – particularly in a call centre environment.
- Set up internet security, for example, Websense.
- Set up a 'kill switch' on company devices, so if an employee leaves or the device is lost, the device can instantly be rendered useless.
- If possible, have a separate customer services/post-sale/admin team away from the sellers and the lead generators.
- Security cameras in the office – this would be prudent, not just for data security but for office security as a whole.
- Secure Customer Retention Management (CRM) systems, so for example, they can't be downloaded.
- Be aware when purchasing leads. Try to source a reputable provider and remember that quality leads can come at a premium - but may be worth it in the long run.



Looking after clients is central to our programme, and it's designed to help you build trust and confidence with yours.

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