

THE CHALLENGE

Our client is a large diversified Funds Manager, Structured Finance and Leisure group, grown aggressively through acquisitions.

- The client had grown organically and by acquisition, which resulted in seven incumbent brokers supplying insurance and related services to the group, with each autonomous business unit holding multiple types of policies.
- Because of the diversity of the industries the group was involved in, and the legacy of the pre-acquisition days, there was little sharing of information and collaboration, even in areas where there would have been immense synergy. The focus was on revenue growth and changes on the operational level rather than on expense management and procurement.
- Initially, there was huge resistance from all the key internal stakeholders about bringing this category out to market as each business unit felt that their relationships with their broker could not be replaced and that they had already negotiated very good pricing themselves.



OUR APPROACH

- We meticulously gathered detailed understanding of each stakeholder's requirements and sensitivities. Coupled with a communication and ownership programme we implemented, it ensured that we brought the stakeholders on the journey with us. Once they felt involved and heard, their buy-in to the project although gradual, was very strong.
- The review was completed in 3-phases. The first phase shortlisted the incumbent brokers through a detailed qualification process based on the levels of service, simplicity of processes and areas of expertise as required by the client.
- Shortlisted brokers were invited to tender for the client's business based on very specific requirements that were defined, ensuring that we were able to do accurate benchmarking of costs against current, as well as comparing "like with like" across the brokers.
- Based on stringent evaluation criteria, and using price as the final determinant once the quality and service capabilities had been established, the successful broker was then invited to work closely with each business unit to ensure all requirements for the new policy year was catered for, and that all new needs and relevant information were collected and accounted for.

CLIENT BENEFITS

- The business units each achieved between 38.7% to 49% savings on their insurance costs, with an average result of 45% across the group.
- The contract-winning broker was a smaller company with deep expertise in the different industries the group participated in. The substantial size of the client's account for this boutique company meant a highly personalized level of service and great attention provided to every business unit. This was very well received by the stakeholders who were initially concerned that they would no longer receive the attention they used to receive from their broker managers.
- The group policy that was structured ensured that all units within the group were provided levels of cover that were in most cases at levels better than before.
- We initiated a programme to help our client overcome the issue of varying expiry dates on each of their many policies making it possible to achieve common end-dates on all policies by the end of a 12 month period.

