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Appendix I: Introduction Letter to Interviewees



Bournemouth University
The Business School

Bournemouth House
19 Christchurch Road
Bournemouth
Dorset BH1 3LH
United Kingdom

1st March 2008

Re: Participation in Relationship Marketing Research

Dear Sir or Madam,

This is Simon writing from Bournemouth University Business School.

The UK commercial insurance market was the sole domain of the commercial insurance broker. However, in recent years, new players (in particular the direct writers), have entered this market and have made a significant impact at the small premium end. Indeed, a recent Datamonitor report, *Targeting SMEs in UK General Insurance 2007*, established that whilst only 19% (vs 12% in 2004) of SMEs currently buy their commercial insurance direct, 74% (vs 58% in 2004) would consider doing so, in the hope of cost savings. The retention of SME customers is therefore a critical issue for brokers and their long term survival. Relationship Marketing has been suggested as the best way of achieving customer retention and loyalty.

I am currently doing a doctoral research titled *Winning the competition through relationship marketing: Case studies of relationships between UK insurance broker and their SME customers*. This empirical research seeks to answer several critical questions constantly puzzling insurance brokers: *What are the enabling factors for a durable customer relationship? How to achieve a durable relationship? What are the benefits? How to evaluate a customer relationship?*

You are sincerely invited to participate in this research, through which you may gain the following benefits:

- A free customer relationship needs research for you: Interviews to your customers will be feedback to you, help you to gain a deeper understanding to your customers' relationship needs;
- Benchmarking your relationship marketing/customer relationship management practice with your peer group companies.
- Gain publicity via business school education: subject to your approval, case study will be compiled into business school database for teaching on undergraduate and postgraduate levels.

By participating into this research, I would need your help to participate in a one-hour face-to-face interview, in which your views and current practices on customer relationship will be discussed. Also I need your help to identify 3 to 5



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of your SME customers (10-250 employees), whom I can interview face-to-face for 40 minutes to gain deeper understanding of their relationship with your company from a neutral perspective.

Confidentiality and anonymity of your company and individual participants will be strictly kept, in all the research conducts, including all the interviews, data analysis, and subsequent publication of such results, if it is so required by you.

Your company is regarded as one of the most appropriate organizations to participate into this research. And I believe participation in this research is equally beneficial to you and your company.

If you are interested, please reply using the respondent form attached so that I can contact you for an appointment. Thank you for your time and looking forward to hearing from you soon.

Simon Ning
PhD candidate
The Business School
Bournemouth University

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Appendix II: Respondent Consent Form



Simon Ning
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RE: Participation in Relationship Marketing Research

Hello Simon,

I am interested to participate/explore your research.

Please send me more information about your research

Please contact me for an appointment

I also recommend that you speak with: he/she could be interested to

Name: _____

Organization: _____

Contact details: _____

Yours sincerely

Name: _____ Position: _____

Organization: _____ Telephone: _____

Email: _____

Appendix III: In-depth Interview Protocol

Purpose of the interview

This research aims to empirically explore the nature and benefits of relationship between insurance broker and their SME customers, and how such relationships are managed.

Data collection plan

Obtain company list from BIBA, data sorting into MS Excel by location, make telephone calls to identify Customer Relationship Manager/Customer Service Manager/Leading Broker/Sales Manager/Chief Underwriter. Email contact person the invitation letter to participate, then follow up in 1-2 weeks, till appointment for interview confirmed, or rejected. Interview should be face-to-face wherever possible.

Familiarize with the interviewee company and their business scope and focus; identify current issues from their website, or news search, (if any) as ice-breaking in the interview.

Follow the major route in the interview question flow chart, divert to alternative flow where necessary. Before finish ask for 3-5 SME customers for interview. If agreed by interviewee, then follow up and complete customer interviews.

Write up field notes during interview. Also write up a short summary to describe the impression and key issues on the interview day.

Obtain documents from interviewee to verify their views. All documents and recording of interview must be transcribed into text soon after, whilst the details of the interview can still be clearly recalled by the interviewer.

Implementation procedure

Interviews

Once interview is confirmed, the interviewee must be briefed before the meeting with the following:

- Research project description
- Topics for discussion
- Potential questions to be asked (be aware of bias)
- Duration of and schedule of interview
- Guarantee confidentiality and anonymity
- Ask for interviews to 3-5 SME customers

After interviews

- Follow up SME customer interviews (repeat interview procedure loop)
- Supply any information as promised during interview
- Write thank-you letters

Data capture

- Interviews must be recorded, subject to the permission of interviewee
- Field notes to be taken wherever possible
- Correspondence with interviewees to be filed

Data verification

- Verify data whilst transcribing recordings
- Reduce data to allow them to emerge
- Peer review by peer group PhD students
- Verify data with supervisors and experts

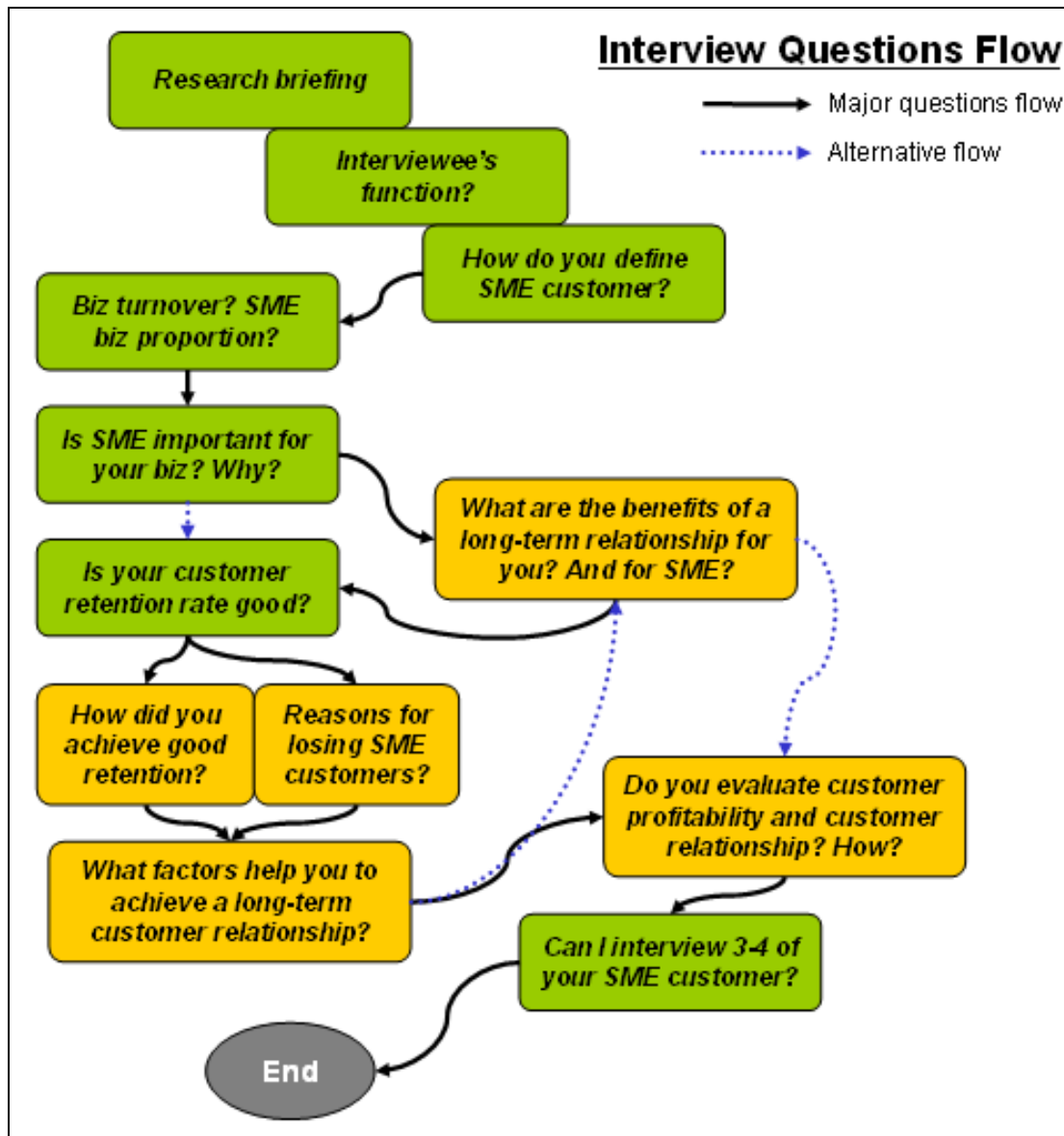
Continuing observation

- Follow up the case company for new issues in the research field
- Follow up strategy/policy changes, if any
- Update case study for any inconsistency

Interview questions

- Start with a brief introduction of purpose of study and interview. Emphasize telling the truth is important whilst answering questions.
- What is your function in their organization? Who is responsible for RM in your company?
- Do you think customer relationships are critical for your business success? If yes, why?
- How do you define SME?
- How is your business doing in terms of business volume, number of customers? Is SME important for your business, why?
- What is your SME customer retention rate? Do you think this rate is good, average, or poor? Why? What is the benchmark?
- What factors helps you to build a long-term relationship with customers? (Prompt: trust, commitment, bonding)?
- How did you achieve these enabling factors for a durable relationship? (prompt: e.g. frequent communication, customisation, loyalty program)
- What are the benefits (if any) of a long-term customer relationship to you as a broker? How about SME customers, any benefits for them?
- Do you review your customer profitability? If yes, how often do you do it? How do you do it?
- Do you evaluate your customer relationships? If yes, how? Any particular model or numeric formulas? (Prompt: current/future value, qualitative/quantitative etc.)
- Do you have any documents, such as strategy paper, company policy, correspondence with customer, internal/external reports which support your views expressed today?
- It will be Ideal if I can interview 2-3 customers which are identified by you, that will be perfect for this research. We are looking at the relationships from two sides, rather than one. I understand there are a lot of concerns, and if we do that, I will be very careful.

Appendix IV: Interview Questions Flow



Appendix V: Interview A Transcript

Time: 10:30-11:35, 15 April 2008
Venue: meeting room, Stuart Alexander Limited Head Office,
130 Fenchurch Street, London, EC3M 5DJ
Interviewee: Mr. Rob Holmes (RH), Group Marketing Manager
Interviewer: Simon Ning (SN)
Transcribed by: Simon Ning
Voice file name: interview_StuartAlexander_RHomes_150408
Length: 1:00:02 hrs.

SN: Thank you for allowing me to have this interview with you today. Here is my name card.....

RH: Thank you.

SN: I am with the Business School of Bournemouth University. I am doing this research for a PhD level degree. This research will be finished in two years time, while hopefully. [Laugh].

RH: [laugh]

SN: What this research is looking at is, the background is that in the past few years, we see insurance broker is [are] losing their SME customers to direct writers.

RH: Yeah.

According to a survey done by DataMonitor, In 2007, whilst only 19% (vs. 12% in 2004) of SMEs currently buy their commercial insurance direct, shockingly, 74% (vs. 56% in 2004) said they are thinking to go for direct [insurers] or do something else in the hope to get their cost down. Cost is a big concern nowadays.

RH: [nod]. Yeah.

SN: My research is about the role of insurance brokers in the whole value chain. Specifically I am looking at the relationship between insurance brokers, like yourself, and their SME customers. [In fact] There is a relationship [between them]. Why this relationship works? And how this relationship works? And how this [relationship] create value in the long run.

RH: Okay. So, you are looking at other brokers as well?

SN: Yes, this is [done] under the ethical regulation of the university which I am [operate] from. I will not disclose any information of [our interview] to other brokers, vice versa, I will not disclose the information of other brokers to you.

But, what I can add value, bring back to you as interviewee company, is that, [at the end of the research], what is the general practice in the industry as a whole. What people tend to do [for relationship marketing], what are the benefits, advantages and disadvantages, kind of general practices.

RH: Right. So your finding is not made sort of specific for Stuart Alexander as a big case.

SN: No. No. It will be a sort of [interrupted].

RH: We are not bringing in some big strategy stuff, but a lot of practices we follow for SME customers are the generic strategy of the marketplace. What we will discuss will be, the way we deal with our client where we probably slightly different from others.

SN: Okay.

RH: Where did [do] you want to start?

SN: Can we start from, what is your role in the [your] organization?

RH: I look after marketing for Stuart Alexander. We have offices in London, Southampton, Bournemouth, and Ashford.

SN: So, you have several branches. How do you operate with companies such as Bishop Skinner, which you have recently acquired?

RH: um. [Looks puzzled]

SN: Do you operate like affinity, or?

RH: Yeah, we do. Just bring you back a few years, in terms of the growth model of Stuart Alexander, we look at acquisitions. Over the past few years, 5-6 years, we identify brokers, we talk to brokers, with the aim to acquiring certain bit of their businesses. Bishop Skinner is a classical example of that. Bishop Skinner is actually the only broker which we acquired and decided to retain their own brand. This brand is still heavily focused in marine industry. Most of other acquisitions without exceptions, while Bishop Skinner is the exception, we merger them into our business, we do not retain their identity. After 6-7 months [after acquisition], we start to merge their operation into our own. And generally when it comes to acquisition, that is the model we follow. If we acquire a business as Bishop Skinner, and they have a very strong brand in certain industries, and it will bemental (5:57) to take their brand away, we will obviously retain it. So, Bishop Skinner is here based in London, their team is there. There is no plan to change it at this stage, it does work pretty well. And Bishop Skinner got their clients; the majority of them know that Bishop is actually part of Stuart Alexander. It is difficult to get that message across. That has been the case for a year, and every year. Occasionally we still get client [asks] who is Bishop, who is Stuart Alexander. It is a sort of "drop-feed" (6:38) of that information, and eventually, gets the message across.

SN: Yes. Typically with this kind of acquisition, the two identifies take some time [to merge]. Back to the research we talked about, in your business how do you define SME customer?

RH: This is a *Very* good question. There are numerous definitions what a SME is. I think it probably varies from industry to industry. From our perspective, the first way we identify SME is by their insurance premium.

SN: Ok, I see.

RH: We have a scheme in place for SMEs. The type of businesses applicable for that scheme pays under 10,000 pounds premium.

SN: Under 10,000 pounds.

RH: Yes. Obviously you may have company with massive turnovers but minor risks, and you may have companies have very normal turnovers but major risks, So to define a customer as SME by x amount of staff, with x amount of turnover, is difficult for us, because it does depend on type of business they operate. I guess it is a pretty loose spot-part we say usually about 5 to 6 million turnovers, is the "bread-and-butter" of our small and medium size of our business.

SN: Do you categorize any micro size business, with really small scale of operation?

RH: Well, we do NOT in terms of product offering. What we do do is that when we identify that in our initial conversation, if we feel the organization is a one-man-band, or something like this micro business, that will define the way we deal with the customer when business comes forward. We may not have on-site visit with the customer; instead we have email or telephone conversations. We do not go out and look for that kind of businesses, but when the business come through our marketing, we look forward to put up businesses.

SN: Yes, obviously.

RH: We do a lot of fact-findings. This is the key, the main part of a big broker really. When sometimes some customer go directly to insurance company, these processes [fact-finding] they [insurance company] do not necessarily heavily involved in. But we will always do a heavy fact-finding. We offer face-to-face service, if we feel it is necessary. In order to gauge the size and requirement of the company, and the level of service they require from us, we have to do fact-find from day one. Through which obviously we need to understand what kind of policy the guy need and what service they need.

SN: In your business, what is the percentage does SME counts, in your total business?

RH: We are a commercial broker. You could put, say, about 90% of our business is commercial business. Of that 90%, probably 70-80%, no, 60-70% will be SMEs. And remaining percentages will be larger corporate risks, which would not fall into the category of SME.

SN: Okay. 60-70% is [the percentage]

RH: Yeah. In terms of trade, we will look at SMEs as a shop, a manufacturing factory, an engineering shop, etc. a crude wide rough of [businesses] we would classify as SME.

SN: Yes.

RH: The non-commercial business we do is primarily high net worth individuals. The home content insurance for individuals etc... That actually works quite well. When we talk to big corporate, the individual insurance can be cross-sold to them.

SN: That is [how] cross-sell [works].

RH: Yeah.

SN: For this kind of individual business cross-sell from corporate, do you intentionally go for that business, or it just come across whilst [you deal with corporate]?

RH: Cross-selling exist pretty heavily with Stuart Alexander, it is obviously not with every client, but often. For that a good relationship needs to be established. We do your business insurance, you know, let's talk about your personal insurance as well. Generally speaking, the account executive who hold the relationship with the clients, when they feel [it is] necessary to talk about other insurances we offer, they will do so. That might not be in a business stage, might be you on your way home. It is definitely high in the priority list for us, yeah.

SN: So, it is high on priority [list].

RH: Yeah.

SN: People have different views on SME business. Some may think SME is good business for them, and some may think SMEs are tricky, less profitable business and want to get rid of them. What is your view on this? What do you mean by saying SME is your "bread-and-butter" business?

RH: I think, the Stuart Alexander business model, without wishing trying to get heavily into that [the business model topic], you know, we are commercial insurance brokers. The buying habit of the SME market will be a lot more, I guess, aligned with the way we do business. For example, we do a lot of direct marketing with emails; we do a lot of direct marketing with letters. To try to approach a big corporate with letter and email, it does not work. But for many of SMEs, if they get a letter in mailbox on Monday morning, generally they give a look. There is no receptionist, there is no hierarchy, and it goes directly to the decision maker. From our perspective, SMEs are fairly easy to deal with, fairly easy to get in touch with. And their insurance requirements are pretty generic, unless you speak to a company who is doing completely wonderful, which takes a bit more effort to understand what is their need in

terms of insurance, but generally, we know for SMEs we can provide a very good package for them, with a good premium.

SN: Yes, I understand.

RH: To certain extent, I would question any brokers who think SME market is difficult one to tap into, because the raising into these guys are pretty straight forward.

SN: Yes.

RH: But I think insurance brokers must be aware of, nowadays internet plays an important role in the market. Not only personal insurance like car and health, SME are looking on the internet to buy their insurance online. Insurance broker need to embrace that, and working with electronic media like internet worked pretty well for us.

SN: When you said internet is quite important and works well for you, do you feel this is a “double-bladed” situation. Many customers go online may think they may get it cheaper when go direct, and that is what many insurers are saying repeatedly to their customers.

RH: That has always been the “strip line” of direct insurer. Let’s cut off the middle man, put straight into insurer. I was working with Norwich Union when Norwich Union Direct was launched. Obviously brokers would say, hey, how you can have a direct arm, whilst you have all the brokers arm. There always been this problem with broker and direct insurers. But the way we position ourselves as broker, is we operate a number of schemes. To give you an example, we had a scheme for charity insurance, when charity comes to us, essentially we act like insurer for them. We can do the quote for them, we underwrite their risks as long as fall into our group risk authorization limits. We provide documentations, we ship it all out, we deal with claims, essentially we act like an insurance company. Obviously we are not an insurance company, I mean, the service we provide in that aspect is obviously very good. We get it across into our marketing in the way we talk to SMEs, charity, private people, as to how we can do with their insurance. We get the service aspect across quite heavily. Premium is obviously another aspect. The problem with you go for direct writer is that, the only thing they will assure is their own rights. If you go to [a company like] Directline, you will see what they charge, but if you come to a broker, we can go out to the market, compare the premium, find the policy which gives you all the “plug-up”.....(19:03). You do have that independent aspect when you deal with broker, which you do not have when you deal with insurance company. That is a good point to get across, to get across not only to business, also prospects, not only SMEs, but all around industries. If you deal with brokers such as ourselves, you get independent services, and we can find the most suitable policy in the market for you.

SN: Generally speaking, you said you offer scheme and package of services, and secondly you give independent services [to beat competition from direct insurers].

RH: Yes. Independent service, advice. To give you an example of SME business, who come to us saying this is what I need, this is [are] my insurance requirements, from fact-finding, we can then go to the market, find out the policy which is what they really need, really tailored to what they wanted, at a premium which they felt is competitive, at least comparing to what currently paid. We should go to SME say this is the product I can give you, that is what we mean by broker, and talk with them about the policies to make sure they are happy with the one which we goanna recommend.

SN: Ok, that is pretty clear. Do you think these advantages are generally applicable to the broker industry, or is it a specific advantage to Stuart Alexander?

RH: Do you mean the independent side, or?

SN: Yeah, the independent side, and the service side, I mean the reasons why a SME should come to you, not a direct insurer. What you have said, [the reasons] is independence, services.

RH: Each broker who is established broker should have their access to the major market, should have their big 5-6 insurance companies. We are in a very good position due to our financial strength, and our relationship with key insurance companies. We can talk to these insurance companies about providing competitive rates and very good policies. I can only talk to you about the way we go about that. Other brokers forthcoming their way to insurers I do not know. We know we have to maximize relationship with the market, and we can provide cover for pretty much any risk come alone.

SN: In terms of business volume, what is your turnover last year?

RH: Ok, that is something I cannot go into specifics. I cannot talk about figures in financials. The reason is that we have just gone through a re-brand, and merger and acquisitions, the sensitivity of financials stuff is boxed for the time being. Unfortunately I cannot talk to you about that.

SN: I understand. No problem.

SN: In terms of customer retention, do you think your company is doing well, poor, or average?

RH: Yes, this is a big question when we do our marketing planning. We have some retentions rates. Generally we worked a 80-85% retention rate across our businesses.

SN: Oh, yes, that is a [good rate].

RH: Which is pretty good. That is a testament for the brokers themselves who work in the business, the account executives, and the relationships they hold with their clients.

SN: Yes.

RH: Every broker is goanna have their policies, that is the way it goes. But we do play heavily on the relationships our guy have with our client bases. In terms of relationships campaigns, we do 2 news letters a year, which obviously involve our clients. In terms of the content, we try to keep it light-heated, not technical, it is more of what we do, what we have been up to, charity events we have been doing, and also certain focus on a certain element of cover we feel is quite important. The purpose of the newsletter really is to make sure our customers knows we are still here [laugh]. And we are not here to provide cheap premium, we are here to provide services and everything else.

SN: Okay [laugh]

RH: The reason you should understand is that, for a one-man band SME who pays a relatively nominal premium, say 1000-2000 a year, they are not goanna need to speak to us every month about their insurances. However, if a corporate business who pays 25000 a year, they might need talk to us on a regular basis. I am always conscious about that group of policy holders who do not pay us a big amount of money, however, still need our services, not all the time, but when you need to renew your policy. We need to stay in contacts with those people, so it is newsletters, customer satisfaction surveys. We do a lot around corporate entertainment, and events, with our clients and prospects. So it is really a mix of all kinds of activities, [via which] we bundle up relationship campaign.

SN: For your corporate social responsibility, do you handle it through your marketing team, or do you have other specific department dealing with it?

RH: That does not fall heavily within the marketing team. That is picked-up by the businesses [team].

SN: For your [customer] retention, do you visit customers often? Or, do you find face-to-face communication more effective? Or on average, you find newsletters are good enough?

RH: Again, it is depends on what business we have. For SMEs, we might want to begin with face-to-face, they might not want to see us every time when you come around. That is where the newsletters, customer satisfaction surveys, corporate entertainment comes into play. But back to business some clients want to talk to us, we often have meetings in these offices, or bring them on-site, just make sure that relationship is there. It is a mixture of both really.

SN: If I try to compare the way you keep relationship with customers, say you write 2 newsletters to a client and you visit them twice, which way do you think if more influential on the quality of relationship with them?

RH: It is hard to quantify them. As I said before, it is really a question of what clients really want, more than anything else. If a client is relatively small, they are not fussy about face-to-face contact, if a business is one-man band, they want to get on with their business, they do not want to see brokers every

month. They might find the newsletters once every 6 month in their letterbox is brilliant, that probably is what they want. So face-to-face is mainly at the early stage. In general I can say most of SMEs are happy to receive newsletters once every 6 months, or maybe via email, telephone, or courtesy visit. And obviously we speak to them in depth at the time their policy renewal, what changes they may need to make in their policies, maybe in a face-to-face conversation. But generally speaking, if we can get in touch with a customer a couple of times a year, that works pretty well.

SN: I assume your clients have their policy renewal time across the year?

RH: Yes, there are processes laid down by the FSA [financial services authority] that we have to follow. We have to get in touch with the client a certain time ahead of their policy renewal. We have processes in place that these communications are automatically generated, so that there is less reliant on the account executives to remember all the renewal dates. The system automatically flag up 1 week before we need to thinking about renewal, which is actually 1 month ahead of the actual renewal dates. But for any brokers they should do that sort of things, like planning for big renewals, small renewals need much more planning, we still speak to that client in good time, to give them a chance to talk to us for their policy needs for the coming year.

SN: Do your customer visit your company quite often? Do you find your website very useful, or?

RH: We do a lot on web now with regard to attracting new business. We have website for client and prospects who can find pretty much all the products they want, not only for commercial, but also private clients. We do a lot of marketing campaign via email, we send out every month probably 14,000 or so emails, when you click on certain elements in our email, it will link you back to our website, customer can apply with forms. So we use web to attract new businesses. We post appropriate news on our website, so that we can keep our client updated what we are doing. We also post some useful information like exhibitions, whatever useful information we put onto our web. But it is fair to say that at Stuart Alexander we use our website mainly for attracting new business. We do a lot of search engine optimization works so that we feature certain products searches, which till now is working well for us.

SN: When you said you attract new business online, how do you carry out your fact-findings? And how do you understand customer's needs in depth? Do you do it offline?

RH: Absolutely. We put ourselves into the shoes of customers when we design our forms online. I do know how you feels, but if I visit a website, and it ask me to fill out 4-5 questions, I will probably switch off and get elsewhere. So we use the website pretty much as initial contact, if somebody find our website, and they want to talk to use about their commercial insurance, what we ask them to fill out is simply a company name, contact person, contact number. And we contact them in 24 hours, and from there we start the real fact-finding. And we fill up forms and build up a picture of their business. Difficult to have these services on the web, unless you have the facility that

clients can actually buy their insurance on the web, which we do offer for block and flat and our dini.....insurance. (35:15). We will be launching a new buyer's facility next month. This is where it get interesting, the buying patterns of SME start to show that they want to use web to buy their insurance. They are not that certain about their insurance needs, and there are back and forth some jargons which we use in the insurance industry. We also looking for to have a buying online facility for SMEs. That is under development.

SN: Do you do this, using website to attract new customers on the web, as a strategy to respond to the buying behaviour change?

RH: Yes, it is pretty interesting that there are a few popular insurance publications, like insurance times, time magazine, and they supply quite often information about buying behaviour of SMEs when it comes to their insurance. A lot of SMEs look online to buy their insurance. And we have to listen to that sort of stuff. If we feel either it fits our own strategy or that is the way the marketing is moving, we have to take notice, and we think that is something we need to do, and we need look into it. We won't be seen as innovator in the broker market in that particular type of activity [online service]. The buy online offering in the insurance world has geared up towards direct writers. In Norwich Union there is a buy online facility, in AXA there is a buy online facility. But not too many brokers have decided to jump into that arena. But we certainly look into it. As a result of a customer satisfaction survey we did last year, we found that a lot of our customers are saying, well, we actually like to be dealt with emails, maybe you could send my policy documentations via email, and we like to use the web. We do have to listen to that sort of stuff. And if we found something fits into our plan, then we will do it.

SN: In your last customer survey roughly how many percents of customers said they want to be deal with emails?

RH: That is difficult to answer. From our last customer survey, we had about 50 plus percent respondees saying they are happy to receive their policy documentations electronically or via email. The research done by those insurance publications, I cannot quote numbers, but I know there is a descent percentage of SME customers now want to buy their insurance online. For your research, you probably want to talk to those publishers, so that they can give you a flavour of what SME customers are talking about.

SN: Yes, thank you for the advice. I do have several researches reports in hand, but sometimes different research may get very different result on the same thing, anyway. Let's carry on.

SN: You are saying you are quite successful in terms of customer retention. Do you have some bad experience where you lose SME customers, for whatever reasons?

RH: I believe every broker lose some customers, some lapse sometimes. From my experience, we have never had an influx of lapse of customers. Obviously if an account executive move to somewhere else, if that executive has good relationship with clients, clients may move with him. Essentially

business can walk, but we never see a big dip in our retention levels. The market has been a pretty soft market in the past a couple of years, insurance premium are getting lower, lower and lower. But as long as we do our best to make sure we get the right premium for our clients in all the stages, we should not see any issues. Obviously when claim arise, and claim does not go the way you want it to go, you may look elsewhere for your insurance. But we do not see any big issue in this area.

SN: You said sometimes clients move with account executives, when account executive moves elsewhere, client moves with them. Do you mean personal relationship between a broker, a member of staff and customers plays an important role within your relationship with SME customers?

RH: Yes, it is important. I would say it is important for every broker to ensure their staff to build up good relationship with their clients.

SN: Personal relationship?

RH: [laugh] Depends on how do you define "personal relationship". It is a business relationship. And that is the way we handle the business: the way we handle everything from start to finish. When our account executives are professional, and they provide expert advice from day one, that sort of tenses stick with people. As long as we do what we say we are goanna do in term of service, meeting our clients needs. I guess there is a personal element when some of our big clients are invited out to our corporate entertainment events, a golf day whatever it might be, you start to get that sort of personal relationship as well. But first and foremost, the bulk of SME customers stay with us because of the way we handle their business, their insurance, and the professional manner when we come across to do that. And if they develop an extremely strong personal relationship with that individual, and if by chance that person moves somewhere else, there is a potential that business may follow. But that is the trend in the insurance industry. When we get new staff onboard, we also get that when we have new people joining us, it a kind of work out even.

SN: Yes, again it is a balance of pros and cons.

RH: Yeah.

SN: When there is a "personal" or "business" relationship, although difficult to define them sometimes, what generally are the "driving factors" behind these relationships?

RH: [looks puzzled]

SN: I mean, for example, it can be trust, or [was interrupted]

RH: Yeah, that [trust] is probably one of the most important elements. It is trust, it is the confidence you have with the people you dealing with that they can meet your insurance needs. Confidence is a major element. If you are put your insurance portfolio into the hands of somebody who you are not

confident is goanna deliver the appropriate policy for you, and when you want to make a claim, and you are not confident that you are covered when claims arise, you probably want to look at somewhere else. So it is about have a team of staff, who are trustworthy in the perception of clients, but also very knowledgeable in the market where they are operating.

SN: Yes, there is the trust, confidence, professionalism and knowledgeable staff [elements], as you said. Do you also find the “bonding” factors play a role in your relationship, or?

RH: Sorry, what is that?

SN: Bonding, I mean, for example, if you sign a contract with customer, saying that once you are in the contract, you [customer] have to do this and that, or by the end of the contract, if they stay with you, for their loyalty, you can give them something free, such as extra services.

RH: That is a difficult one. There are certain ethics and regulations we have to adhere to, in terms of the Financial Service Authority are regulating. There are very strict processes we must follow in terms of incentive, offering, or the loyalty bonus whatever you call it. I am not convinced that is the way a professional broker should do his job, and that is not the process that we would follow. We would always let our expertise and our professionalism speak for itself, without saying that if you stay with me at the end of 12 month, we do X Y Z for you. We would not do that. There might be brokers out there doing that, but that is not what we do.

SN: I am not saying anything illegal, unprofessional or under-table as such, I mean sometimes, some companies sign a contract which will try to hold the customer as far as possible. That is very different from the opposite [attitude, where] that, you say you are very confident about your service and you tell customer they are free to go anywhere if they are not happy with your services.

RH: Yes, that is very true. We make very public in terms of our cancellations, “cool-off periods”, we do not want to hide any of that. I think as you said we feel confident that our service being there, whilst vast majority of people knows what they can do, they can leave, 9 out of 10 will not, they will stay with us. What is critical is when the time comes at the end of the 12 month when renewal comes. For example the policy arrives late, or an error on the policy, any mistakes like that will put us in a bad life. That will obviously affect our retention rates. We should be as professional and transparent as renewal, as all through the period of the policy with us, that is quite important.

SN: Do you regularly evaluate, and how do you evaluate your relationship with your SME customers?

RH: The main way we do that will be the customer satisfaction surveys. Giving our customers the chance to say how do they feel about the service we provide, that is the main way we try to get feedback.

SN: Do you try to quantify on this? Do you have something like profitability evaluation of customers? If some customers do not make profit for you, do you still keep them? You might want to get rid of them?

RH: Yeah, we are governed by our Insurers on that to certain extent. Despite a good relationship we have with a client, if that client file claims every 5 months, the insurer underwrite them would say, we need to increase their insurance premium. That is where our relationships with clients are tested. I guess you need to understand that from a broker's perspective, we do not necessarily get hit by the same sort of rates as Insurers do, when it comes to claims, ratios, loss ratios, we will talk to Insurers on a regular basis about our accounts with them, but we will never make a decision to increase premium, that comes from insurer. And that works generally well in the brokers market.

SN: For your customer satisfaction survey, do you do it more qualitatively, or quantitatively?

RH: We do as much quantitative as we can, so that we can really establish in-depth feedback from our clients. Of course the types of feedback we get are equally important, as the way we give to our client the opportunity to talk to us. In our last customer survey, we had a few multiple option questions, and also we have several free format boxes, so that we can get qualitative information, as well as those quantitative information where you add up those percentage of feedbacks. We try to get a mix of both of that.

SN: Do you use any numeric models, or formulas to calculate the value of your customer?

RH: No, we do not get that scientific in the survey. We do look at each feedback from customer in the survey. We are fortunate that major bulk feedback we get from our customers are through the conversation with one of our account executives. We have never gone down a scientific route to get feedback in the survey. Inevitably you can tell from the feedback you get, among the group of people, if the feedback is generally a negative one, you can sense that from the result you get back in. Because we gave chance to individuals to make comments, we have the opportunity to address issues on one-to-one basis.

SN: Okay.

RH: I remember in the last survey we had an comment from an individual policy holder, who said I would prefer to be contacted by telephone on Wednesday, just an example, we actually passed that information onto the account handler who looks after that client, and this is the when the guy would prefer to speak to you, very specific requirement, but we manager to deal with it.

SN: Ok. Are these survey done anonymously?

RH: We give people to note their name down. To be honest, I would say 90-95% of those people who fill in the survey they give their names.

SN: They did?

RH: Yeah, they did.

SN: Yes, when you have a good relationship, you may want to put everything [your name] down.

RH: Absolutely. Also I think those clients giving comments are specific comments, they want that feedback comes to us, obviously they have to give their names. If an anonymous person come in with a strong comment and we cannot do anything about it because we do not know who that was. So inevitably they leave their contact information so that we knew who was making the comments.

SN: Do you distinguish your clients by their profitability? For example, if somebody brings a good profit for you, do you treat them differently, with priority?

RH: This comes back to one of my previous comments. If a client is paying us a big premium, usually that means they got a quite complex requirement, by default, we will need to speak to that person [business] on a regular basis. We do not consciously, we do not have a set of rules for the service we offer, it is all down to the account executive and the requirement of the individual business. Generally that is the way it works.

SN: So, the account executive is the single face to customer, and they decide [interrupted]

RH: Yeah, pretty much,

SN: They decide what sort of service you need to offer.

RH: For that presumably you do not go into figures for their profitability, low or high.

SN: Yeah. And I think that is wrong. Because somebody who are highly profitable in their own business with a big turn-over, may still pay us only a small premium because their insurance requirement are pretty straight forward, so we may agree with the customer that you only need to come to speak to me for every 6 months. Despite the fact they have a very big company, we have a very simple operation, my insurance risk is quite low. On the other side, you may get an organization with fairly small turnover and low profitability, but their insurance risk is quite high, quite complex, so we need to speak to these guys on regular basis. There is no "one size fits all" approach, it is about to understand each client when they come in, really tailor our service to that client.

RH: Simon, I got to shut off probably in 4 or 5 minutes. It is 11:30 now.

SN: Yeah, we are almost finished. It is a good time to call it a day. We had a very good discussion, and I got a lot of information.

RH: I am interested to see the result when you finish your research.

SN: Yes, definitely I will come back to you with the feedback [from the research findings]

RH: I give you my card. [Pass over his name card]

SN: Thanks for that. Rob, ideally, for this research about relationship, it is a two sides thing, if I can interview 2-3 customers which are identified by you, that will be perfect. Because we are looking at the relationships from two sides, rather than one.

RH: Ums...

SN: I understand there are all kinds of concerns, But.

RH: That is a quite sensitive area. Very rarely would we allow a 3rd party to come to talk to our client base. But there might be a possibility to talk to some of our admirable customers, if they are happy to do that.

SN: You can think about it. Despite of all the concerns. The good thing is that, myself as an independent researcher, play a role like you play as a broker. Being independent I may get different feedback from the one you get and I can feedback that to you.

RH: Ok, I will think about that.

SN: Again, Thank you very much for your time today. I really appreciated your participation.

END OF INTERVIEW

Appendix VI: Interview B Transcript

Time: 15:30-16:30, 19th May 2008
Venue: Board room, Hays Parsons, 11F, St. Lawrence House,
29 Broad Street, Bristol. BS1 2HF
Interviewee: Ms. Sharon Watts(SW), Managing Director
Interviewer: Simon Ning (SN)
Transcribed by: Simon Ning
Voice file name: interview_HayesParsons_SharonWatts_190508
Length: 00:56:00 hrs.

Greeting and exchanging business cards.

SN: Sharon, thank you very much for participating in this research. I would need to record our conversation today, by doing so, I would not need to rush to write down notes all the way (times).

SW: Yes. (nod)

SN: Probably we can start by asking, Sharon, what is your role in your organization?

SW: Ok, I am Managing Director, as seen on my (business) card. I am responsible for everything on the operational side of the business.

SN: Operation side?

SW: That is HR, some of the finance, debt management, compliance, since we are regulated by the Financial Services Authority, we have to comply with what has to be reported, I deal with all that. And Sales and Marketing, is my other cheery. So I bring in referrals to the business, and I help (to) support any other business functions. If someone needs sort of things they need to grab but are not able to grab. On the marketing side, printing of banners, advertising, running seminars or events, or presenting.

SN: Yeah. Thank you.

SN: In this research, I am looking specifically at the relationship between insurance broker and their SME customers. Unfortunately within this industry people seem have different definitions about SME customers. How do you define SME customers?

SW: I think it is all of our customers. We got customers from one-man-band, to bigger companies, we got customer who has 25 million turnover. So that is

the kind of market we are in. I do not know how do you classify SME, probably I would say 10 million turnover? Over that, they would go into larger corporate plan or something.

SN: OK. Within your organization, do you have a special team for corporate clients, i.e. bigger clients with (higher turnover)?

SW: No. it is a whole mixture.

SN: Oh. A whole mixture.

SW: Any client executive may have 1 or 2 very large clients, and the rest will be smaller clients. Depends on which ones they bring in. they tend to look after those ones they picked up.

SN: Ok. The client executive will look after the client they bring in.

SW: Yes, the only exception is that when I bring clients in, I warm them up, and then pass them to the person who is the expert in that area.

SN: In a way, are you trying to maintain "single-face" to the clients, so that they feel they know this/that person in your company in person?

SW: Yeah. What we tend to have is that, we have client executive who deal with client at policy renewal. And then the technical queries they want to sit down and have a chat, typically the client executive will go and see them. And we also have account handler who deal with all the account administrations. Our account handlers are also quite knowledgeable. When the account executives are not around, handlers will answer the calls. Generally 95% of the calls will be dealt with by the handlers. Then we have claim handler who is allocated to each case, generally it is Jeff and Sue in the claim handling team who handle these and ensure the claims are presented properly to the insurer and get paid out.

SN: Ok. So for each client, they will have a client executive who generally look after them, and account handler and claim handler, each of them are good at their specific area.

SW: That's right.

SN: Do you mind if I ask, what is the customer retention rate you are having with SMEs at the moment?

SW: Our aim is 95%. But I would say... our rate is around 92% to 95% depends on which area of the business is. From the education side, it is a 100%. From the marine side, we recently lost a member of staff, and this is attacking our business. Some of our client is leaving with him, and our retention rate is falling below 95%. On the commercial side, it stays stable, I would say it is probably above 95%. I have not done the ratios exactly to see the overall, but I believe the marine side is below and the other two areas are above 95% onto 100%.

SN: This is a good rate actually.

SW: Yes. Particularly on the education side, we retain school and colleges very well, we offer a very good service.

SN: To keep a good relationship with SME customers, what do you normally do? What is your normal practice?

SW: Normal practice, right. I think it is all down to the “touch point” you have with the client. By the time of renewal, we will phone our clients to ask whether there are any changes in their insurance requirement, whether there are any changes to their business. If we are in the area with prospects or existing clients, we tend to call upon visit other clients, because when you visit them, you will see the things which they got to tell you, so we do that. At the renewal, they got contacted by the account handler. In between the time, I arrange different seminars on different topics. We can't get all clients, because they are based all around UK. And some of them are based in somewhere in the world, so it is very difficult to do. But what we do to all our clients is a newsletter, which goes about 3 pages or so, in there we put some key topics. So if there are any new legislation or law about, we make sure we cover them and account handler can pass onto our clients. There is a new corporate money...(07:18) that came out in April, that they all need to know about, we will make sure we cover that in our next newsletter.

SN: For the newsletter, are you doing it by traditional mail, or are you doing it via things like email?

SW: It is a good question. What we find is that 50% of our clients are not happy to get emails more than what they get now. I do not know how many emails you get by yourself, but it is really annoying to get hundreds of newsletters via email. So we are still doing it through standard format. Because we find people take it home with them, and they read it and catch up with it, they know we got new legislation, they know they need to read it. I suspect sometimes it does get thrown into the bin, but they just delete it if it is on email. So we are doing the newsletters via post, we just send them via 1st class mail.

SN: Trying to compare traditional mail and emails, do you think there are some advantages with traditional mail such as, it gives a feeling of being “real”, and being in “personal touch”?, not like email, you just click, and,

SW: And it goes to thousands.

SN: Yeah.

SW: I believe people, it is hard to look at screen all the time, so people are turned away. Because printings are with full colours, it is more interesting to look at. Of course you can't always stimulate their interest to look at (your newsletters). You can make email interesting to look at, but there are problems with managing email addresses. People are constantly moving and changing. Whereas you send out a mail, people often come back to tell you

who the related person is, so that you can keep your database up to date. Because we have frequently contacts with clients, we also make our database up to date.

SN: How about the other 50%?

SW: The other 50%, well, we talked about doing it by email, but we made a business decision not to do it. Our marine client particularly would not like it. Education, they already put up with a lot of emails, they can pass our newsletter from staff to staff, yes, they can also do it by email. Commercial clients, they tend to have more newsletters via email. But we did a kind of pool and talked to some of them about it, they all said they much prefer paper copies, because when they stuck in traffic, they pick it up and catch upon it, or when they get to the end of the day, they catch upon it. I would think so.

SN: It is really depend on each and every customer, isn't it?

SW: Yes, I mean it depends on that customer that how many email they got coming in everyday. If you got a few, it is easier to handle, if you already got a lot, I know how I feel when I see them, I flick through them. whereas I receive a paper copy, I read them properly, might due to my age though. [laugh]

SN: [laugh]. Apart from newsletters, phone calls at renewal "touch point" and face to face visit, do you have any others (practices)?

SW: Em.

SN: Such as ... corporate entertainment?

SW: Sometimes we take clients out to lunch, apart from that, we tend not to have any corporate entertainment. I arranged a charity lunch when I was the President of the Chartered Institute of Insurance of Bristol. As part of that, We called in several of our big clients. We do that, but for things like take them to regular(11:33), we generally do not do that, maybe we should do. But we do offer sponsorship. We got a number of charitable trusts we sponsor. We got things like Cafistar ..., SS Great Britain, we got a number of maritime museums around UK that we provide sponsorships to. We sponsored the lively baby, which is a 40 feet yacht, which sail through Panama and Suez canal, and it help young people turn life around when they do not have the best start ... we probably do a lot that way, than just straightforward corporate entertainment. Is that good or bad? [laugh].

SN: That is very interesting (point). [laugh].

SN: You said you are the president of the CII Bristol?

SW: Yes, we have a President and a vice-President. CII is an organization with headquarter in London, and regional offices in other areas. Bristol is one of the areas with regional office.

SN: My supervisor in the Business School, Dr. Julie Robson is the current President of the CII Bournemouth branch.

SW: [Surprisingly], Oh, right. I do not think I met her actually, although I go to a number of dinners. Because Bournemouth is far away, although is not mileage away, we tend to go to Exeter, Plymouth, Bath, Cardiff, Swansea. That is the sort of areas we cover.

SN: What are the most important factors to enable such a relationship between broker and their SME customers?

SW: I think there are two things which are really important. When a client contacts you for any kind of queries, you got to make sure you respond in a timely manner. By timely, I mean, if a call comes in, we expect to get back to them in half an hour. Unless we are in a meeting, you know, which may takes us longer. If that is the case, whoever takes the call normally will send an email, say he is in a meeting, I let him know and get in touch with you, at a time convenient for you. We try to manage the expectation of our clients. They need help immediately, if the person is not there, someone else must take it on and deal with it.

SN: Okay.

SW: The second area is in claim., When someone got a claim, it must be dealt with immediately. If you got a claim, you are in a stage that, sometimes the claim can be awful, you got be there for them, get the facts quickly and present it to the insurer. Like the "courtesy...(14:44) star" we went up, as soon as they are ready for us to go, we go on board immediately to see the status of the fire, what the damage was, we were up there with loss adjusters.

SN: The timely response is more for new customers or for both (new and old)?

SW: I think any customers' call should have timely response.

SN: Why is the timely response so critical?

SW: The people, if they make that call, they need an answer to something. And if you can not give the answer straight away, you should think like, I got your question, I goanna have to go to XYZ insurer to find out what the information is and come back to you. If the person I need to speak to is not available until later, I am goanna write to him, is it possible if I call you tomorrow afternoon and tell you the answer. Quite fine, you managed their expectations. They are not expecting you will call them that afternoon; you get yourself an extra day and then try to get back to them before [emphasis] the deadline. I would get back to them in the afternoon if I could, do not wait till tomorrow. But if there are any reasons you can't get back to them on time, give them a call earlier in the day, and tell them it may take a bit longer, so that you are reflecting to them, and they do not have to chase you up. In the moment they start to chasing you, you have let them down.

SN: You said keep your promise is very important?

SW: Absolutely. You can always, sometimes you rely on other people. But as I said, you have to manage their expectations.

SN: To keep a good relationship, do you see any other factors apart from keeping promise and dealing with their enquiry with a very quickly/timely manner? Do you see any other factors?

SW: I think when we write to them, we have to make sure we write in an accurate way, the information we gave to them is correct, and we are very professional in our approach. And people knows we are in the area, we as a business must make sure our staff are trained fully, and when they ask a question, they gave response, and they know they give the right response. Because nothing worth if you find the wrong information, or make it up.

SN: Yes. Professionalism in the way you deal with client.

SW: Yes. And there is no harm in someone saying actually I do not know so and so, I will check the policy and I will get back to you by...(a time).

SN: How about "trust"? When you are dealing with a client, do you see "trust" as an important factor?

SW: Yes, Paramount. Client trust you, they have to trust you in the way that, they are giving you all the internal information on their business. They are telling you things like their turnover, their property, if they have problems or issues with their staff that could cause claim to client etc, if they have made mistakes with their contract, they have to have professional indemnity insurance, and they have to make claim against it. So they are giving you the in-and-out of their business, and you have to be in a trust-worthy position with them. And you won't get that information if they don't trust you. So trust is absolutely paramount, that comes with the job really.

SN: Yes.

SW: Again, professionalism.

SN: You said earlier that, you do seminars, newsletters, corporate entertainment, and visit to customers. Do all these contribute or lead to trust (with customer) in one way or the other?

SW: Well, the newsletter gives them information, help them in their business. and I think clients know they can rely on us on that. Because we check all the facts on there before we actually print of that copy, we do put the errors and omissions statement at the bottom because the things may change since you printed it. But at the time of printing, we make sure it is as accurate as possible, so the clients know they can rely on these information we are providing in there.

SN: Yeah.

SW: With seminars, we get knowledgeable people to take part in the seminars. Somebody may take part on the insurance, somebody may take part on the HR, say corporate matters angle, somebody may do training on how to manage your motor fleet, so it is build together. People we use are known, trust-worthy partners of our businesses. We would not use anyone we did not

know. Clients do get a lot of seminar, and we make sure the seminars are free to the clients. Corporate entertainment, well, that is go out and enjoy yourself, isn't it? I do not know how that brings trust. I think it helps to get to know each other better on a social level, because in business, many people just sit back and they just talk about business, when you go to an event like that, you get to know more what your client are doing, hopefully not just getting drunk. [laugh]

SN: [laugh]. To this stage, we come to an interesting point. These practices you have will help to build a relationship between a broker and customer. Meantime, there seems a personal relationship between your employee and customer. What is your view on this personal relationship or personal trust build on the business relationship background?

SW: That [emphasis], that is a difficult one. Because I think when you have people going out to visit client, often they do it on their own, sometimes they will take the Account Handler with them. So the client is used to seeing that individual. We kind of learned from that, because we had a couple of people leave the company who attached the businesses. We learned very valuable mistakes. Lessons, sorry, not mistakes. We learned very valuable lessons from that, so we now try to ensure at least two people are involved in that relationship at all time. Plus you got the claim, if you don't have claim, that may not involve our claim handler. I think you always have that position where, when an individual leaves the company, the relationship between client and that individual always have that (effect), no matter how hard you try. And you have to trust people. So people who play here we trust them until they do something that loses out this trust. I think you have to trust your employee. Because if you don't have trust, you don't have anything. You have to respect all, I don't know, you just can't really work with people you don't trust. I guess when you get to the stage you don't trust somebody, you need to do something about it, before you carry on. But you always have, within insurance industry particularly, or IFA, and financial services, you have reports that find that when people leaves the company, the client often follow. But if you have a very good service mechanism, not only that individual, sometimes that will persuade them to stay.

SN: Apart from keeping at least 2 people involved in a relationship with a client, are you trying to set up any unique competitive advantages, or using unique tools which is specific to Hays and Parsons, so that when someone leaves the company, they would not be able to take client with them?

SW: Ah... That's really hard. I think in some of these situations you are ok. If the account handler leaves, you got the account executive who hold a stronger relationship, aren't you? If the account executive leaves, you are not stuffed anyway, you just try to manage it. The very large client I try to see them as much as I can. But obviously there are quite a lot of them and I don't get around every year, so they don't see me all the time, or speak to me all the time, so they don't really build a relationship with me. But when somebody leaves when try to manage the relationship and make sure account executive is allocated immediately, and account executive go to see that client, and in that way, they start to build the relationship. But when it is due to someone

who retires, it is much easier, because that person will go around with somebody else, maybe at the time of (policy) renewal, you manage that way. If someone is ill, it is easy to manage, the client tends to stay with us, if that is what they know.

SN: For SME customers, this is particularly a problem, isn't it? By nature, due to their size of business, you would not put excessive resources into SME customers to keep that relationship.

SW: That's right. We do talk to clients over the phone, because there are lots of them changes things over the year, so we get different "touch points" with them, or they may have claim. We try to maintain them, to those who don't produce much income for us, we maintain them over the phone, or through email, often they are happy with what we are doing. They pop on to us, we email back and confirm that is done, and they are quite happy with our service. There are a few would like additional phone calls around renewal time, which is automatically marked on our system, we will do that. Apart from that we do them through emails, they don't have time, you know. Particularly pubs and restaurants, catering, takeaways, they are pretty busy, they don't have time for admins, they tend to do it on the weekend. So taking phone calls would mean taking messages, and emails keep it back and white, and they can deal with it. I mean, that is the difficult end of the market, you try to keep people on board.

SN: Do you find face to face communication brings a better result? Or do you think it is the same as other communication like in writing?

SW: Face to face is always the best. Because you can see people's body language, you can hear the language, whereas on the phone, what you got is only voice. Whereas writing, what you got is only writing. I think writing is 7% of the the (total communication), isn't it? I think writing is 7%, and tone is 38%, body language 55%. When you are on phone, people do not see how you are reacting, but they can hear your voice, and your tone, the 2 give them some idea of what's happening. I can tell you are a friendly person over the phone [laughs].

SN: Definitely, thank you.

SN: When you have a good relationship, (often) that brings benefits to the organization? What are the benefits of a durable customer relationship brings to your company?

SW: I think it is cross referral businesses. For instance, with the maritime insurance, we started with one, and then they told all the others about us, and now we manage a scheme for more. When you have a good broker relationship with someone, they become your "diplomat". No, that is the wrong word, I cannot think of a right word, they become like a little "mini sales force" for your company. And you only have to ask people, if they are happy with your service, they will write you a testimonial. Then you can present to your new clients. But also they will think of who they know, who may need your help and services as well. So I think it is paramount to get new businesses.

SN: To that stage where your customer wishes to refer you to their peer group or other clients, they should have reached a quite high level on the customer royalty ladder, aren't they?

SW: Definitely.

SN: On the other hand, if we think from the perspective of a SME customer, what do you think are the benefits of a good relationship for them as customer?

SW: [thinking, for 3 seconds or so]. It is hard there, isn't it? [laughs]. We got our SMEs ask for our help to get more business for them, so that make known to me. I do a lot of networking, if I hit someone who needs services from our SME clients, I refer them to our SME clients. That helps build the loyalty they have to us, because it is a reciprocal arrangement then. Obviously I can't do that with everybody, I will be happy enough to have leads to go around, with a number of clients, whether it is very small ends, or different. I go to a networking event every Tuesday morning. I don't know you heard of BNI, it is Business Networking International, it was founded in the America, but they bought it into the UK. And each group we call it chapter, we meet every Tuesday morning, 6:30 until 8:30. We do a 60 seconds on business, so each week I do a different section of our business. We do marine, we do education, we do also commercial, so depending on what subject is covered during that week, I cover that subject. So when I try to ask for referral for a particular company, I can guarantee [emphasize], nearly always, someone in the room will know the individual whom I am trying to get introduction to, or they know the business, or the business is one of their clients. This is exactly the way I want to address in my particular chapter. That is also how I get cross referrals for businesses. When a client comes in that way, then tend to stay, because I have a relationship obviously with them on the first day, when they move around they are also friend with someone else. When they have enquiries, they tend to come back to me, even though they are told there are the account handler they can talk to. It is another way of getting and maintaining business, this confidence in helping each other.

SN: You mean, within your chapter, because of these networking, people tend to trust each other because of the referrals?

SW: Yes. They do. Because you don't pass referrals unless you know and trust the person you are passing onto (someone else). Because if I give someone to one of our clients, I got to make sure someone will give them the "tip-top" service. And they goanna keep that promise. I like to suck people out before I start calling them referral.

SN: SME customers they are different from corporate customers in terms of their premium volume, in terms of the service they need, what are the major differences between SME customers and bigger corporate customer?

SW: I think the corporate customers have different departments to deal with, whereas the SME customers deal all of it. The MD of a SME must cover finance, HR, compliance, or whatever you know, sales, marketing [the tone used sounds the same as when she described her own role with her

company]. They try to deal with all of it, they try to sell to client, they try to keep their business going, they try to keep people in and out are pleased, as they will find it is difficult to be an authority, or you give up a sector of your businesses. Where in corporate business, you have a Finance Direct, that is what you can rely on, and you have a HR direct, and I don't know, maybe a compliance person as well. So I think it is much easier for them to manager business. Poor SMEs are left struggling with all these balls, trying to keep business going. And I think they are the ones need the most support when new laws and regulations comes out(33:15) they are more likely the candidate reading the newsletter, whilst the large corporate they might already knows about all these.

SN: Okay, that is where the newsletter comes in.

SW: Yes, I think that is really the market we are trying to help. We don't have massive corporate customer though, most of our customers are SME.

SN: Do you evaluate the profitability of your SME customers?

SW: We are very naughty, and we probably don't. [laugh]. What we have done is, we look at the small end of market where the, say, premium is less than 1000 pounds, and we realize the amount of income we are getting and the cost we put that client on our book isn't sufficient, and we have put an administration fee, it is only 25 pound. Most of clients just accepted that part of the cost because we do a full claim service as well, if they have a claim, we deal with that all, all they need to do is give us that information, they feel it is worth to have a broker looking after them. Some of the SMEs like to sit on the internet and see who can give them the cheapest price, and they forgot the value of having a broker is the knowledge we have to deal with client, when they have a claim, it is how you present to the insurer is really important. I have a friend there, there was a man lived in a flat, on the top floor of a 5 stories block of flats. And had a leak that went on for 2 years, caused eighty four thousands damage to the four flats below him. When he put the claim with the insurance company, with the word he put, they refused the claim, which means he had to sold his flat to pay for the damage. He came to us, he forget about us, [laugh], but he did come to us and we talked him through about what happened to the pipe that was leaking, and he actually had a clue a year before, that lied inside of it, a crack called ".....(35:24) eroding", so we talked to the insurer, put that situation to them, and they said they would reconsider the claim, and paid the claim. So he kept his flat, and the owners of other flats are all happy to get their damage repaired. That is the difference a broker can make, that is how to put a claim to insurance company.

SN: This is a very good example demonstrating the value that a knowledgeable broker can add into a relationship in the insurance (broking industry).

SW: That's right, and we got 28 staff, you can see all of them since some of them are down in the corridor, but we got over 500 years of experience in the insurance sector.

SN: Amazing, yeah.

SN: Do you find SME customer, more tend to sit on the internet trying to find cheaper insurance policies at the time of renewal?

SW: I don't know how much they do that, our commercial clients don't seem to shift very much, it is more I call "retail-finder". People with more personal motor, personal household, they do, they use the internet. We only do retail for our commercial client, and the director of the company, they don't have the time to sort out their households or motor, and they probably got more expensive house or more expensive car. So we are competitive at that end, we are not competitive at if it is just a box of standard cars, households with five to ten thousands value. We cannot compete with confused.com, you know, we explain to people it is better to go to confused.com, or if we know there is a specialist broker, in a particular market, when we had that enquiry we send them to that specialist broker. Because that is much better for us to do it that way, than we spend hours and hours trying to deal with that one risk.

SN: Do you use your company website to attract new customer?

SW: To a degree, yes. I don't know whether you have a chance to look at our website, our website has been completely rewritten, because it just wasn't doing what it needs to do and it was very boring the original one. And now it is a lot more interesting, we got photos like this [pointing to a big poster in the room with beautiful maritime pictures on] on there, and also we make sure we got people's contact details in there for different sectors. But that can also be a bad thing that, the recruit agency can look at that and got all people's number and ring into the office. So it is a risk. And we would like to develop our website for the next stage so it becomes more interactive, where you look at your quotation straight off, but we haven't done that yet.

SN: Do you think more and more customers trying to get online, with the belief that, by cutting off the middle-man, I may get it cheaper?

SW: We haven't really seen that too much, we have probably about one or two really small clients who want to do that, overall, premium wise is not too much. So it is pretty much normal at the moment. I think it may increase as time goes on, particularly with the credit crunch, people are goanna look more cautious about their costs, I don't know what's goanna happen, let's remain comfortable on that, and hope that there isn't goanna be a credit crunch, but everyone are talking about it, aren't they? It looks like they retreat themselves that we are goanna have recession, but I told myself that we are not.

SN: Some people think the emergence of new technology enabled the options for customers. As compared to, say 20 years ago, people stay with brokers as the correct way, nowadays many people want to shop around with companies like confused.com using new technologies. In this sense, some companies believe online operation is more competitive, that is why we have companies like Direct line, they always say, let's go direct. What is your view on this business philosophy?

SW: I think as time goes on, it is changing, isn't it? There will be an emerging market, I believe people tend to move more online than the current year. And I think it is goanna to be more difficult for broker to remain in the marketplace. I think we are goanna to see brokers closed up or being bought by the big boys. Equally, there is going to be a huge buying-out of brokers going on, I am just wondering whether client is goanna feel happy about going into a really large company, when they are small client, whether they are get really looked after. Because they (big broker) will look at their profit, whereas if you are a small (broker) company, profit is not the number one. Yes, you got to make profit, but overall you want to provide a really good service. And you want that client to refer you to other businesses. So you can support your business and stay in business. Yes, profit is there, but not the number one item, it is the number two item. Where in a big company, it is the overall seeing the profit. If it is not profitable, don't do it. Yes, to a degree if it is not profitable we don't do it, but it usually means there are ways around that. Someone else may be referred to you, you earn a little bit more. I don't know, I think the whole marketplace is goanna to change in the next four or five years. Money becomes harder to be borrowed by brokers, and you goanna have small broker undergone squeeze and they probably will go out of businesses. So I think it goanna become quite unstable. I don't know what you see that is, since you go around?

SN: What happened in the past 5 years has been tremendous to the broker industry, as compared, maybe to the past 200 years. Personally I believe the structure of the whole broker industry will shift. That is where my research comes in, why the relationship is important, and what role it plays.

SN: Imagine myself being a customer wanting to renew my policy. I have two options: one is I stay with a broker, I trust them, the other option is to shop around. I am not really sure which option can give me the cost advantage? If you shop around, does not necessarily (make it cheaper)

SW: That one can be the cheapest, but you might not be covered. If for example, want to ensure Director's and officer's policy, you can go onto the internet and pay 250 pounds for it, but if you have a member of staff come up to you because you have done something which is not right at the upfront, that probably won't cover it. Or you happened to be investigated by one of the industry authorities, different industries they got regulators somewhere around, they come after you and you are not covered, what is the point to have that policy then? Where if you pay 500 pounds, you will have everything covered, and if there are two things not covered, you will be told these are the two things not covered, that for me is much more valuable, because insurer will try each and every way to avoid paying out claims when you pay 250 pounds. That is where brokers come in, because we know the industry, we know all the insurers, we know all the policy wording, so when we advise client, we can say, look this is the best, and this is the cheapest, and if you pay 50 pounds more, you will get that extra cover. This one is the cheapest but if you have a claim the insurer will try to turn it down. And we can direct you to the right market depending on what you are looking for. Where if you are on the internet, what you got really is only the price, and some people don't know what insurance is anyway. They might not know what all these terms are for. I

think it is quite dangerous to have all on the internet, because people may end up buying the wrong products. And it is all about buying the right product for your business, and internet cannot do that. At least at the moment it cannot anyway because every business is different.

SN: Yes, definitely.

SN: I think we have covered everything today.

SN: Sharon, for this research, I am looking at relationship between broker and SME customers. So the ideal case would be, I can have a chance to interview you as broker, but also have a chance to interview customer, so that I can see from both sides, confirming each other. I understand there are might be many concerns that you might not want 3rd party to interview your customers, but if I can do, I will be doing it very carefully.

SN: If it is convenient for you, it will be very helpful if you can let me interview 2 -3 SME customers of yours. The good thing is, me as an independent research, may have a different view on your relationship and I can feedback my views to you. You don't need to rush to decide on this.

SW: I am just thinking, probably I got a number of customers. One of them, she is the HR director, she might be happy to talk to you.

SN: Oh, yes, if it is convenient for you, that will be of great help.

SW: Do you want them to be in the same area, like all in Bristol?

SN: Yeah, ideally, if they are all based here locally, I can come to interview them at one time.

SW: The HR director, I brought the referral into the business, I have a very good relationship with, I passed them on to account executive, and policy administration, and claims department looks after their claims. That is a good one because that is a quite big business, they pay a good premium, that is a franchising business, that is a growing business. So that will be good for researching.

SN: Yes. Right.

SW: You want a couple of SMEs, don't you?

SN: Yes.

SW: It does not necessarily to be the ones I brought in?

SN: Does not matter.

SW: You want 3?

SN: Yes, if possible.

SN: The interview will be roughly 50 minutes, as we did today. The questions will be similar as our discussion today.

SN: Okay.

SW: If you can drop me an email saying what you need to with the customers so that I got something I can send onto them and ask them, with all of your contact details.

SN: Yes, definitely, I will do that.

SN: Thank you very much for your time and help today. We keep in touch for the customer interviews.

END OF INTERVIEW

Appendix VII: Interview C Transcript

Time: 11:30-12:20, 20th June 2008
Venue: Telephone interview, 07980901148
Interviewee: Ms. Teresa Bramwell (T), Founder & Director of
Interviewer: Simon Ning (SN)
Transcribed by: Simon Ning
Length: 00:40:00 hrs.

Teresa is the founder and director of COACHMENOW, which is a company specializing coaching people to start and run their business successfully. Teresa is the customer of Mrs. Sharon Watts, the Managing Director of Hays Parsons Insurance Broker Ltd. Sharon referred Teresa to be interviewed. For some reasons, Teresa preferred to be called "T", rather than her full name. This transcript is based on the notes taken during telephone interview.

SN: Hello, may I talk to T please?

T: Speaking.

SN: Hello, T. This is Simon calling from Bournemouth University Business School. Thank you very much for your time talking to me this morning. Is it a good time to talk now?

T: Hi, Simon. Yeah, I am expecting your call. I am on my way to a client at the moment, but I am afraid this is the only time I have for 45 minutes talking. So.

SN: Ok, a busy day you have. Do you want me to give you a very short introduction of the research, so that...

T: Maybe we can get straight to the questions to save time. How can I help?

SN: Ok. T. I need your help to tell me your views and your customer relationship experience with Sharon Watts and her company Hays Parsons. This is for the research I am doing, which looks at the relationship between an insurance broker and their SME customers.

T: Ok.

SN: There are two points I want to assure you before we start the questions. One is that this research is undertaken under the code of conduct of Bournemouth University Research Committee, and all your information will be kept confidential hence will not be disclosed to any 3rd party or published without your written consent. The second point is that, myself, as a independent research, take a neutral position in the process of the research.

That means I do not take any side or try to judge anything. What we talk today will be kept confidential, and we will discuss about facts only.

T: That's fine. Thank you Simon for the information.

SN: So, T, What do you do in your business?

T: I am the Director of COACHMENOW, I am also a business growth coach myself. We coach business start-ups and bring them into successful operations. More than 90% of businesses fails at their "start-up", that is where we come in and help people.

SN: Ok. For your business, what risks do you have?

T: You mean...?

SN: Or put it another way, what insurance products do you buy?

T: Oh. We buy PI (professional indemnity) insurance. We coach, train business owners for their business "start-up". If we make mistakes, or sometimes even may not, but customers want to claim against us, we are covered.

SN: Apart from PI insurance, do you buy any other insurance?

T: We have content insurance, not our property, but the content inside, etc. those are not big insurance policies.

SN: Do you mind if I ask, how much premium do you roughly pay per year?

T: That I don't know. You can call back to the office on Monday and speak to our administration guys, they know all the details. I don't know.

SN: That is fine. The reason I ask this question is to confirm you are an SME customer.

T: Yes, definitely we are SME.

SN: Do you have a tailor-made insurance policy to your specific needs, or it is a standard policy as many others?

T: I am not sure. Sharon does all that for me. I only know that she will do whatever is good me.

SN: How do you buy your insurance? Through broker?

T: Yes, of course. I buy all my insurance through Sharon (did not mention Hays Parsons, the company Sharon works for).

SN: How long have you been dealing with Sharon and her company?

T: 3 years.

SN: How did you get to know each other?

T: From the Business Networking event, which is called the Business Networking International. We met there for the first time, we get on with each other quite well. We do team building stuff, and I liked Sharon, you know, people get on with each other not only as a business being, but also as human being. It can be how people dress, how people speak, their age, whether they are friendly or not, the way they handle people etc. we just got on with each other when we first met, you know. Since then we meet every week through the networking event actually. From there we developed trust towards each other.

SN: The Business Networking International organization provided the platform for you to meet. What do you think of the BNI?

T: It is a fantastic organization. I joined the organization years ago, once I am there, I just loved it can't stop going there. It brings many personal friends as well as business prospects. People in the organization help each other by referring new prospects to each other's business, and the referee you got from the organization is trustworthy.

SN: Why are the people in the organization are trustworthy?

T: Apparently they (BNI) do filtering to applicants who want to join the organization. You know, it is not that anyone can join. People normally join with reference from somebody who is already in the organization. You know, if I don't know somebody, I would not take the risk to refer that guy into the organization. I assume other people will do the same, and therefore I trust the people from the organization. I trust them as a person, also I trust their capability to bring contribution to the group. That is why the BNI need to do their homework to screen the background of the applicants before they are allowed to join in.

SN: How do you communicate with Sharon? And how often?

T: We meet every week in the networking event. That is the opportunity to meet not only Sharon, but many other people in the group. Apart from that, there are 5 of us in the organization had set up a meeting monthly, we meet every month to have dinner, or afternoon coffee, etc., this meeting is on top of the weekly meeting we have in the BNI. We don't do the networking for the sake of networking. It is a process to build the trust with each other. Within the process we understand each other more and more. Sharon knows me, she knows my business, what I am doing. And therefore when she gets across anybody who may need my help, she refers them to me. Because of the trust, the chance these people being referred has a better chance becoming my clients after that. In this way, we help each other with our business. And this process goes on and on, that is how I develop my business, while, one of the ways I develop my business.

SN: Do you mean that this way of referral from networking, is a better way for business development than other traditional marketing?

T: Yes, absolutely. Through this way, the relationship is founded on a solid basis, because of the trust and engagement from both sides. Today I cannot look into Sharon's eye and say, I am having my insurance done with someone else. How embarrassed would that be!

SN: Before you know Sharon, how did you arrange your insurance?

T: Before I met Sharon, I bought my insurance through broker. That was somebody who looks at price only. We hardly had any communication during that time. So, I don't have loyalty to them. When I met Sharon, we build the trust and relationship, I moved my business to Sharon.

SN: You just brought up an very interesting point here. You mentioned many times your personal relationship with Sharon, do you think your relationship with Sharon is more business or personal?

T: While, it is both, I would say. Certainly we started our relationship from a business context, and then along the way it developed also into personal relationship. Sharon is a business partner, also a friend of mine. Having said that, as I said, I trust her not only as a friend, I also trust her competence. I know she is good in her area. It would not make any sense if I am not sure she is no good in the area she works. I trust her, means that when she told me that I am covered, I know I will be covered.

SN: Do you mean her competence is a "must" for gaining your trust, yet competence alone is insufficient to gain your trust?

T: Exactly. There are many people are good at what they are doing. I have my business with Sharon because of the relationship we developed.

SN: If Sharon wants to sell you something, what would be your feeling and response?

T: I trust her, I believe when she said, T, this is good for you, you may need this, I would not question that, will ask how much, you know, if that is something within budget, I will put it through the (purchasing) process.

SN: If, I am saying if, Sharon leaves Hays Parsons (her company), would you follow her to bring your business to her new company.

T: Oh Yes, definitely I will.

SN: It is great to see you are having a good relationship. If something can happen to damage your trust and relationship with each other, what would that be?

T: I don't think that will happen. [laugh...]. If everybody keep their promise, that will be fine. It is ok if you can't do something but you let me know. I can't stand with people who says they will do something, but they don't.

SN: Do you have other ways of communication with Sharon?

T: We talk on phone, obviously. From time to time.

SN: Is that all about business, or?

T: Can be business, but not always. We developed a kind of intimacy if you like. We talk about business, also we talk about personal life. You know, in business sometimes you feel alone, you need to talk to somebody. Sharon and I got so many similarities and we like to share with each other.

SN: Is there any other ways of communication? For example, written communication like newsletters?

T: Oh. Yes. I get newsletters from them (not her, but them, referring to the company).

SN: How often do you get newsletters from them? and how, by post?

T: I get newsletters from them, once or twice, I don't remember really. To be honest with you, I just throw them into the bin. [laugh...]

SN: [laugh...]. Do you get any email newsletters from them?

T: Not really. As I said, I don't remember. they may go directly into spam, I probably don't see those emails at all.

SN: According to Hays Parsons, their newsletter covers some information about the industry which their clients may want to know about their business. Their newsletters also cover some changes in the insurance industry. Don't you think reading those information can be helpful?

T: No. I don't think so. For my business I am pretty sure that I know my area better than many others, that is what I am here for. For the changes in the insurance industry, I don't really care much, you know. If I have any question, I will ring up Sharon. She is there to help me. I trust her knowledge and I trust she will think about all these things for me if there are anything happening may affecting me. I don't see a point to read those newsletters.

SN: Ok. Thank you for being frank on this point, T.

SN: Which way of communication is the best, among the current communication channels you have?

T: Face to face is the best for sure. I think 80% of effective communication is done by face to face. You got the emotional side of it, you know. With written communication, you don't really catch the emotional part, do you?

SN: Yes. I agree.

SN: Nowadays with the development of information technology, many people get onto internet and shop around, looking for better deals. Do you do that?

T: No, I don't.

SN: Why not?

T: You need time for doing that, don't you? I advise people who start up their businesses. I always say to them that, you must focus on those things you are good at. If you have that 3-4 hours to spend online shopping around, you may use that time to do something you are good at, and earning more money. Plus, insurance is something not that straight forward, it would cost you more money if you buy the wrong products. You think you are covered, but in fact you are not. What is the point to have that policy then. I know I have Sharon, she will be thinking about all this for me. If she finds something cheaper, she will let me know.

SN: OK. I see.

SN: What are the benefits you have from this relationship with Sharon?

T: Obviously, we help each other. Whilst having my business, she also refer prospect to me since she knows what I am doing. She knows I am capable to help my clients. This is really a "win-win" situation.

SN: Any other benefits?

T: The trust I have on her. That means I know she is good in her area. Whenever I have something about insurance I want to know, I just ring her up. It is so convenient. And more importantly, I know I am talking to someone who can help me. It gives me the "peace of mind".

SN: Ok. Any other benefits?

T: [thinking for 3 seconds]. Other benefits, eh... I also have a personal relationship, a friend you can trust. In business sometimes you have a lot of pressure, you feel very lonely. It is good if you have someone who shares the same pressures to talk about.

SN: Ok. T. I think we have covered most of things we need to discuss today. Do you have any questions you want to ask about this research?

T: Yes. What is the purpose of your research? How long does it take?

SN: This is a doctoral level research, which normally takes 2-3 years in total. I am in the data collection stage at the moment, I would not be able to come up with any conclusion till February next year. Once I can have any conclusion, I will definitely keep you posted. As promised, I will give you a copy of my findings.

T: That will be great. Thanks. That is also why I am particularly interested in your research. I coach people to do business in the right way. I always believe that building the proper relationship is the correct way forward.

SN: Yes, I agree with you.

T: Where are you originally from, Simon?

SN: I am from China. I was working in the insurance industry for quite some years. That is why I chose to do my research in the insurance industry.

T: All right, what is your plan after you finish then? Will you stay here, or?

SN: It really depends. Let's see how the economy will go in the next 2-3 years. That may create very different opportunities, you know.

T: I understand. While, very nice talking to you today. I wish you all the best with your research. If there are anything I can help, let me know.

SN: Thank you so much for your offer, and your help today. Definitely will keep in touch with you.

T: Bye.

SN: Bye-bye.

END OF INTERVIEW

Appendix VIII: Interview D Transcript

Time: 13:30-14:30, 19th May 2008
Venue: Meeting room, Lockton, Lockton Companies Int. Ltd.,
North Quay Temple Back, Bristol. BS1 6FL
Interviewee: Mr. James Burgoyne, Executive Director (JB)
Interviewer: Simon Ning (SN)
Transcribed by: Simon Ning
Voice file name: interview_Lockton_JamesBurgoyne_190508
Length: 00:56:42 hrs.

The original interview was planned with Mr. Mark Bracher, Managing Director, However, Mark was unable to be interviewed due to last minutes changes, and James Burgoyne, Executive Director, was interviewed instead.

Greeting and exchanging business cards.

JB: I think there is a bit messing up, with Mark Bracher, who you originally going to see, and hopefully I am able to help.

SN: Definitely. Thank you very much, James.

JB: No problem.

SN: The appointment I had with Mark, which is about 50 minutes, is to talk about the research I am doing. I am doing a PhD level research with Bournemouth University Business School, looking at the relationship between insurance broker and their SME customers.

JB: Sure.

SN: The background of this research is that, in the past 5 years or so, there is an ongoing trend that, customers especially SMEs are looking for more options to buy their insurance products, as compared to the way they used to stay with insurance brokers for their insurance products. In this background, I am looking at the relationship of insurance broker and their SME customers, a good relationship could help insurance broker to keep SME customers with them for a longer time.

JB: Sure.

SN: James, what is your role in your company?

JB: My official title is Executive Director, as shown on the card. What that means in practice is that, I am responsible for two sections of the business here. In fact it is two broker teams. One is for major accounts, the second one

is actually for general volume business, that is the SME businesses you are concerned with.

SN: Yeah.

JB: To give you some idea, the Bristol office actually got 3 teams. I am responsible for 2 of them. the other one is actually a specialist team who deals entirely with the Association of Chartered Certified Accountants, ACCA. If any clients apart from this (area), they go to one of the other 2 teams which I am responsible for.

SN: Ok.

JB: Again, you are aware of what types of insurance we deal with here?

SN: Yes, I do.

JB: Yes, because primarily we are Professional Indemnity (PI) insurance office.

SN: In terms of customer relationships, how do you manage your customer relationships, or how do you set up your organization to manage customer relationships?

JB: Sure. [thought for 2 seconds]. We don't have. ...eh..... I am trying to think how to put it. Effectively each broker is assigned a bank of clients, that is the primary focus that how we deal with client relationships. So rather than simply work coming in and pull out on a daily or weekly basis to the people, it actually goes to the same people, hence, what we are hoping through that is, familiarity with clients is being developed. With obviously an issue, I mean this prospect grow out to be without major client side, where obviously there are fewer numbers, consequently the same person will be dealing with the same client, that kind of relationship will be build up. But more obviously there will be problems with volume and transactional business, where that particular individual will be dealing with larger number (of clients), so what tend to happen is that that end don't have so many issues, ring up once a week, or might literally be ring up once a year only when the contacts being made again. Simply because from insurance point of view, no news is good news, they haven't had any problems, they haven't had any claims, it simply that they just need the renewal again. But even so, what we are trying to do, is even on that level, they are talking to the same person again, but in that situation, depends on individuals, how long have they been in the organization. A lot of people don't remember the conversation they had a year before. Equally, a broker may see a number of clients and cannot remember everything, again, client are assured that they know a name, rather than everything is only the Lockton's name, Lockton's number, who they end up talking to, they know X was dealing with their specific accounts, how much (premium) they were talking about before, as I say, in the ideal world, it will be the same on both sides, remembering what happened, even if that does not happen, the client still have the assurance that they know the person they are dealing with their insurances. Obviously you may have slightly long term

problems, something takes several weeks to solve, with communications back and forth, obviously you don't got always the same individual involved throughout, obviously there are must a team to back them up. Obviously, if they are not around for any reasons, there is the staffing process. Nevertheless, the same individual is dealing (with a client). That is the kind of core how we manager our client relationships. Literally it is that points of contacts, it is that kind of assurance. Behind that, it is the systems that, again, it tends to gear up for larger client, rather than SME client. Time is obviously a factor with SME business, simply because you have large number of transactions, large number of clients and load of works, change of names, change of addresses, people want higher limits, people have questions, people have claims etc. Hence you would not be able to spend quite same time on them as you would spend on a large client.

SN: Ok. This research is in fact looking at SME customers only. What do you think are the major difference(s) between SME clients and major corporate clients in terms of managing the client relationships?

JB: [Thought for 3 seconds], There isn't a main one. In one sense, I don't think there is a difference. The same basic needs of the clients are the same, and our approach is the same. In one sense, there is the commercial awareness of how large client is, and therefore, that have a kind of hierarchy if you like, if one client is paying X or the other one paying Y. The absolute basic of it is that each client is equally important. There isn't sort of different rules applies to one client than onto the other. At the end of the day, what you looked at in terms of the regulation applies, it is the same for SME business and for larger business. Internally, this is a professional goal we set ourselves, we try to do the same for all. Same sort of client satisfaction we do for small client as we do for large client. Where it does tend to have different practices, is simply the practicality, it tends to be a time and resource issue. If you got a small legal entity, say you pay 250 pounds premium, commercially we cannot spend the same amount of time and resources on that as we do on larger ones. Equally, as I say, the insurance on the client part is the same, they probably simply pick up the phone, say I got this question, I got this issue, this need to be solved will be a lot less that those larger corporate client, who has many offices, many employees, a lot of problems. In that kind of sense, the amount of time you have to put in is not the same anyway. Really, as I say, because of the amount of time you spend talking to that client, you cannot build the same level of relationship as larger clients. I appreciate your focus is SMEs, you are not interested in larger businesses, the reason I keep on referring back to larger businesses is that, it might be true for insurance industry in general, it might not, it is the larger relationships dictate how it grows organically, it is almost that you are trying to kind of treating SMEs in the same kind of way, but how can you do sounds clearly questionable.

SN: When you said less contact with SME client could lead to a less (weaker) relationship, do you mean keeping regular contacts is important for keeping a good relationship?

JB: No, not at all, what I meant by that is that, the client may not need us quite often, hence there isn't the contact. In terms of keeping a regular contact with

client, client don't want to pick up the phone just say hello, because everybody is working for living and time is money, they don't want to be bothered by us on that kind of basis. To some extents, let's say SME business, ...[thinking 2 seconds]... we might be deviating a slightly different way actually. Everybody have different definitions of SME. Are you looking at the (SME) in a pure economic sense, the size of the firm, the number of employees, turnover, that sort of things, or you are?

SN: Definitely, you are 100% right in saying that everyone may define SME in different terms. In this research I do respect the way your company defines SME. How do you define SME?

JB: There is a cross-over obviously. Just along the way I was talking, I suddenly realized there might be a difference here in the way we are looking at SME business, not necessarily SME firms, as we look at purely the kind of insurance account we have, as you may expect, the two terms tend to go hand-in-hand. There are of course exceptions. I can think, for example, what is a relatively small firm of engineers, probably would have counted as SME because of amount of employees they got, the amount of revenue they generate. Because it is highly specialized, every employee knows exactly what they got to do, they have experiences for years, they go all over the world, basically because of the specialist in that particular field they have, consequently, because of those are high exposure projects, their P&I is quite large. Effectively this is a SME with a large insurance spend, hence, from our point of view, that goes to our large client category. We got the opposite of the scale, IT business for example, I am just looking at a case at the moment where it is about 5 million turnover, I am guessing that probably does fit into our SME category. You tell me. [laugh]. From our point of view, due to the type of business they deal with, hence their P&I risk is quite small, so that goes to SME section if you like. Now again, in terms of what the client is doing on a daily basis, that engineer firm still doesn't have many problems or questions, they don't contact us on a regular basis. They might go for an entire year and talk to us on the renewal even though they are in the large category. Similarly, that kind of SME business, that large 5 million IT business for example, it maybe has a lot of daily questions to deal with each individual contracts it working on, so even it is a SME contract, it might be talking to us every week. Going back to that model, still got that particular broker, therefore they still talk to us on a regular basis.

SN: Do you have a very rough figure, or up to what level of premium, will you categorize them as SME customer?

JB: Sure. About five thousand pounds.

SN: Five thousand pounds?

JB: Yes.

SN: What do you do to keep your relationship with SME customers? What is your normal practices?

JB: Sure, it is a very simple answer. Actually again this doesn't really differ from SME or larger client, but it is actually identifying what client wants, it is literally that simple. As I say, it applies to larger client as well. I would agree with you that their criteria, what they really wants tend to be different from larger accounts, not necessarily that drastically. Really it comes down to different classes of customers if you like, rather than segmenting it by size. Some people are price-focused, they are not that worry about their insurance needs, they just want the cheapest. Some people are very risk-conscious, which is a nice way of saying "worry a lot", and consequently what they want to make sure is that they got the best cover, and if any kind problems happen they get paid for it. Criteria is obviously get peace of mind if you like, make sure it is covered. Within those extreme, you then got sort of variations. Some simply want consultancy, they want to know what kind of risks they are facing, so that they can make sensible decisions of what kind of strategy they implement trying to deal with that, some of that can involve insurance. It might not mean that they buy the cheapest policy, it might be the most expensive ones. But they want to make informed decisions, we are trying to advise them what are the options out there, what are you (they) thinking about, that again tends to be heading towards larger client because that tends to be a board room decision rather than somebody is trying to make sure that there is a partner (who) is in charge of insurance, he or she just want to advise the board properly, covering themselves effectively. But again you got that for smaller accounts as well.

SN: Do you keep a regular contact with your SME customers, apart from your day-to-day broking business? Such as your newsletters?

JB: We try to. In practice we tend to do it by segments rather than right across the board, again it is, what we are trying to do is basically having something to say. Consequently, what we do, obviously one thing as you explored is the newsletters. We have it on certain sectors, the immediate one is for accountants, because this particular office is strongly accountant focused. Consequently we got much better awareness of articles to write, things to say, hence we got accountancy articles going out, and goes out to SME business. Certainly construction, etc. etc. If you are absolutely talking about every single client, obviously you know, some of them might be doing anything, somebody could has the capacity for some special consultancy if you like, trying to get to those business with newsletters which are meaning, in Lockton it is difficult, we don't think that is, you know, if somebody is sitting down reading our newsletters just because we want something to say. So it is not completely uniformed.

SN: When you send newsletters out, do you use information technologies such as email, or do you think the traditional mail is better?

JB: In principle yes. Although again it is by no means across the board. Principle communication is still mail, old fashion post. Hence newsletters or leaflet etc.. We are trying to move towards email, particularly for those clients who prefer email as opposed from other methods. It is funny, by segment of business, some professions are more reluctant to mail than others, it is a not a generalization, for instance, solicitors prefer mails than emails. IT business

as you can expect may prefer email than posts. Again you got the kind of variations between those extremes.

SN: How do you know your customers' preference?

JB: We ask.

SN: You ask. Okay.

JB: Yes. Sometime as I say, we got a particular communication, and again it tend to be by post, it will just go to the client's bank, what we do try to do though, again, it breaks down into certain segment, that system we are having at the moment wouldn't let us to do it right across the board, the trouble is that, capturing all the data and obviously utilizing that all. Obviously, we got a kind of legacy issues if you like, because we haven't just started a couple of years ago with a fresh system so that you can put all that information from scratch. This particular business has been here since 1990, so hence it is trying to get those old data, rather than trying to get into the new systems if you like. From that point of view, as I say, obviously what we have for everyone is the name and addresses. Hence again, a mail shot for everybody, leaflet etc. that is the easiest thing we could do. But within that, it tends to be by segments, by ethnic group, by profession, we also got another way, we can email etc. As I say, the core way we trying to find out is to ask.

SN: Okay. Apart from newsletters, mails or emails, do you have any other practice trying to build the relationships with clients?

JB: [silent for 5 seconds].

SN: Like corporate entertainment, for example?

JB: I am just trying to think actually, because. Corporate entertainment, No. simply because SME business doesn't generate sufficient profit to, you would basically just blow the entire budget for SME by doing that way. In terms of other forms of communication, I don't want to say no because there are small things are happening, in the individual segments. But gene rally if you are talking about major themes, something applies to all SME businesses, no, not really. As I say, it is individually specifics. If there was a specific group, solicitors, practitioners, somebody involved in financial services, which obviously could be across the borders of categories, these might have individual sort of approaches, as I say, it is for a particular need, some specific messages we trying to get across at a time.

SN: Okay. James, do you mind if I ask, what is roughly your customer retention rate for SMEs?

JB: Sure. It is approximately 90%.

SN: Oh. It is a good rate.

JB: Yes, it is high, it is something we are quite proud of, which is why I don't mind to tell you.

SN: Okay, thank you for that.

SN: We have discussed quite a bit about what you do to keep the relationship with SME customers, to achieve this customer retention rate. If we dig deeper into it, what are the key factors to keep this good customer relationship, and hence a high retention rate?

JB: Sure. It is something we generally paying a lot of attention to, and it is simply because you don't have the daily or weekly contacts with as you did with larger clients. It is a funny issue, I just want something what we do just count as this, it happens to SME business, but to explain, eh. [the last 2 sentences are very fast and unclear]. We actually have a customer satisfaction questionnaire after they renew the policy. It is something we are trying to encourage people to send back, but obviously somebody could just throw it away if they don't want to, we give money to charity of every questionnaire returned, trying to encourage clients to give us feedback. Particularly the different ones that would been throw away it was. Because, obviously everybody has got a few grand[?] they trying to fill in, to tell us anything they are not happy about, or simply because of something people are pleased about and they want to tell us, that kind of difference, or we are in the middle, we try to capture them all. Our basic kind of feeling is that what we should have been doing has more or less been confirmed by the questionnaires. What we felt was, again it comes down to what we really want from insurance broker, and therefore if we give them that, people would be happy, and therefore we retain our business. Essentially, what people want, this is not rocket science you know, people want is to make sure their insurance is done properly. Hence it is professionalism of staff, how do we deal with people's queries, at the end of the day, price is very important, you know, nobody want to spend money on insurance, despite of what we give to them. A lot of people, either, or, bear in mind a lot of this kind of sole traders they find insurance a bit intimating, they don't understand, they don't know what kind of questions they should be asking, so, it is a how approachable our staff are, so people would feel they can just pick up the phone and ask questions without feeling being stupid. Again we are trying very hard to make sure people feel re-assured, put them at ease, it helps us as well. You get somebody to talk what they are actually doing, we get an idea what they actually need, what situation is, what context is, and therefore we can sort them out what solutions is (are), and give them our advice. So those are the three main things. But also, the practicalities, how easy are our proposal forms, how intelligible they are to read those documents, do we take ages to do anything, do we respond pretty quickly, all those factors as well. But essentially it is three things: trust, professionalism, and approachability, that is (are) the three factors we thought that giving us our edge. As I say.

SN: You said, the trust, from the professionalism, and?

JB: Yeah, does the client trust we understood what they want, because we actually have done more than what we said we would to, or do we know what we are talking about. At the end of the day, you can have a salesman promise to them, saying "yes, you are covered", you actually trust the person you are

talking to actually knows what they are talking about, they say “you are covered”, you will be covered.

SN: Okay. James, you covered a very interesting point here 26:00

... (Telephone rings). JB apologized and answered a very important call for about 10 minutes.

JB: Simon, I am awfully sorry about this but I have to rush to a teleconference right now. My colleagues are waiting for me on the line. Again I apologize for this, we have to arrange for another day to continue our conversation.

SN: Ok. I understand. I will ring you later for another appointment.

END OF INTERVIEW

Appendix IX: Interview E Transcript

Time: 14:00-15:00, 24th June 2008
Venue: Profile Insurance Brokers Ltd. London Office,
Interviewee: Ms. Melanie Burns (MB), Director
Interviewer: Simon Ning (SN)
Transcribed by: Simon Ning
Voice file name: interview_Profile_MelanieBurns_240608
Length: 1:00:02 hrs.

SN: Thank you for allowing me to have this interview with you today. Here is my name card.

SN: Ok, that is why I am interested you know in this area, I am trying to really to find out if there is something, broker industry as a whole got to add value within the process of insurance. Why some people tend to stick to broker, why some people try to go direct, some people try to stay with the same broker, that is where my research comes in. And this research probably takes me another 2 years to finish.

MB: Gosh

SN: I will be interviewing probably 50 companies or so. I will do case study, go deeper into the relationship side of the SME customer, and insurance broker, see how this relationship works, and hopefully can come up with something which can be useful for the industry.

MB: Wow, it will be very interesting to hear your finding

SN: So, Melani, from your company website, I checked that you are doing a lot of general insurance, travel, motor car all these, so are these the major areas you are working in?

MB: yes, we only do general insurances. But we are, we are a little bit different, we are very high network, we don't advertise, the website is very old and very out of date, and in great need updating, please don't put off by that. We don't advertise, all our customers are recommended and referred. My split is probably 60/40, in favour of personal line. And the balance is commercial, all commercial.

SN: ok, that 40% commercial, (02:50)

MB: Yes. From commercial combined, one bound public liability, all source, we look after a lot of sports people, footballers, actors. But no life, no pension, only general.

SN: that is particular area which I am interested in. In the general insurance you deal, do you deal with SME customers?

MB: yes.

SN: How do you define SME customers?

MB: uh, that is interesting, I don't think I conscientiously define them. I don't have a yard rule says that this particular customer is SME because their turnover is less than 10 million or. They are not PLCs, I think anyone who are not PLCs, in my estimates, are SMEs. The clients come to us, and I look after them, I don't care what kind of customers they are, one man who is artist, or huge conglomerate requires marine cover and a whole commercial combined portfolio.

SN: let's say, if you have a client, a huge client, do you see a difference between the way you deal with big client and a three four people company?

MB: yes, only because you are dealing with a small company such as mine. I have four five employees, if I were presented with insurance premium, I'll make my decision, I would say yes or no, and deal with it. But if I deal with a big company, you end up to talk to a financial director, the chairman, the managing director, probably human resources to collect information, and you have to present to whole board of people, so you have to adjust your presentation. To whom you are talking to, BSD or HR, you have to wear a slightly different hat depending who you are talking to, so yes, so much more you have to thought about. You do behave differently because it will be so much more complex.

SN: If you deal with SME customer, I mean relatively smaller company, do you tend to communicate directly with decision maker?

MB: definitely, yes. The decision maker may consult with accountant, may consult with his bank manager, or with his wife, generally speaking, they goanna make decisions, based on whether the premium is good, or they like you or not, whether they trust you. When you dealing with large companies, everybody has to make a decision, and has to be agreed by the shareholders and board whatever. And when you are dealing with SME, simply a couple of phone, you can chat. When you dealing with big companies, sometimes it is not so easy to pick up the phone, sometimes the protocol suggests everything has to be email, a little bit more formal and a little bit differ than working with SME. SME is more relax and it more pleasant, you deal with people which make you feel different from the, for instance, internet.

SN: yes, that is something interesting, you said, whether they trust you.

MB: yes, that is vital, vital.

SN: what is kind of trust that you are trying to describe?

MB: well, I think you don't get a second chance ever in business. So you have to be honest and open as you can. For example, I am saying to a client who own a pub, I have been around marketplace, and I have rebooked this renewal, I can't say that until I have done it. Because the client, everybody has got a friend, who got a better broker than you. If you say to your friend, oh my godness, I pay 10,000 pounds this year for my pub, don't worry, I got a

friend will do for less, the friend will then do a good job, they say how can we didn't go to him at the first? how comes? Then I will leave the business. And words spread.

MB: And also if I put a fee, obviously I am suppose to declare my fee, but if I choose not to, or to massage the wording, to declare there are less admin fee, but I actually say it is, if I lied, I put huge admin fee, the client seem to get the whole schedule and see that, they are goanna feel what is going on here, you know, you have to be, you have to be mindful of you are running the business, you have to pay the bills, you can't cheat your clients, I mean you just can't. Well some people do.

SN: Yes. Are your targeting customers mainly in the local area?

MB: No, we got clients all over the UK, Scotland we got clients, in Europe, in Iceland, I got Italy, Norway, Hongkong, we got expatriate who living in Hongkong, who has property here, and I insure their property here, and I will liaise with them in Hongkong. Either with them directly, with their bank, with their management agency, globally.

SN: You said earlier, most of them they come in with referral?

MB: all of them.

SN: That is something very interesting to me, this shows you do emphasize the relationship you have with your existing customers?

MB: It is absolutely the key, because we know our clients, you know if a baby is born, they got flowers, if they move, they get cards, if somebody died, they get card, you know, who you can phone up the client, say about the operation care they had, how is your feeling, and you care about them, you interested to them, and they stay with us.

SN: Roughly, what is your client retention rate?

MB: it is really high, about 97%, which we are very proud of, and we got very upset, we take it very personally if our client moves.

SN: uh, well done. You really get to know your clients in person, you even send greeting cards to them for whatever (personal events they have).

MB: Yes. One of our clients, their daughter got married last month, the card was sent, we have a client who was very seriously ill, we have gone to visit them. One of our clients who has got funny, she has got puppies, you have to come and see my dogs. [laughs].

SN: [laughs]

MB: You do it, because they want to share with you, we are the extension of extension of their family and business.

SN: So they don't really see you as a purely business relationship, they see you as a friend, don't they?

MB: Some do, yes, some are very nice. None of our client is referred to by their surname, every single one is referred to by the first name, and that is by their instruction, that is very nice.

SN: That is very nice really. Will you think you would stay with you even if somebody else offer them a better deal?

MB: No, they are not blind, and we have had instants client moved on price alone, maybe somebody have access to a scheme we haven't had access to, and be able to undercut us by a considerable amount. In this environment, price is everything and we are conscious of that, we do what we can, we take off admin fees as long as we can, but we can't do it for nothing. If a client moved on price alone, we apart as friendly as we can, we just say, look, we understand. If you have any problems, just give us a call, don't think you are not a client you can't come back to us, they appreciate that, they remember it and they come back. If you think about it, the first thing when someone is goanna get renewed, they goanna go on the internet, and they goanna check it out, and they goanna see how much cheaper they can get, and who can blame them?

SN: nobody.

MB: nobody.

SN: Is it true that people try to get online for the best deal, whilst a broker, by definition, is offering a service?

MB: this is very true. I have the situation last night, because a client of ours, a solicitor, a lady, she had a renewal. I don't think she is earning a huge amount of money, she has just phoned up, I think our renewal is 585, she phoned up and said I got it for 400, I don't make 185 pound commission, I said ok, did you tell them about your speeding conviction? did you tell them about you need a car for work? NO. She came back and she renewed with us, because she realized half of the time they don't put the right information into the computer, so they getting the quote cheaper based on false information, so I said to her, have you told them this, have you told them that, if you have, okay, fine. Half of the time they haven't.

SN: yes, they will apparently have some potential hazard. In case of an accident, you are not covered.

MB: exactly.

SN: Which means the policy worth nothing to you.

MB: absolutely, and they are going to, they have been talking if they do have a claim, and they are going to talk to call centre in outer-Mongolia, they don't know what you are talking about. We do everything, the claim, renew, everything.

SN: and apparently, trying to keep good relationship with client you take care of them, get to know them in person, you send them gift card, all these will cost you money apparently. At the same time, we are looking at typically SME, they don't normally come with big premium, how do you manage?

MB: I think good will. It is important. You have to, you have to think whether it will organically get further business from SME. And that is what we are conscious of. We got a couple, two guys who own half a dozen pubs, the premium is quite decent, we got to do a lot of work, and then we look after the house, cars, and that is much less work involved, so that gentleman recommended us, that is the organic growth there, that is something you have to weight up. I am never goanna be a millionaire, Simon, unfortunately. [laughs]

SN: [laughs] Who knows, you might well be. For those clients, if you have helped them for a while, if you try to cross-sell, do you find they are happy to take your advice?

MB: Yes. Sometimes they turn out to say that I didn't realize that. You did most of insurance, but how about this and that? Obviously it will be my fault if I don't make them aware. It does work, it really does work.

SN: ok, that is really good, that is organic growth which you were talking about?

MB: yes.

SN: When you said you rely on existing customer to refer new customers coming in, how do you evaluate the value of this relationship?

MB: eh, how do I evaluate it?

SN: yes, they bring in prospect to you.

MB: yes, they do. If a client recommends another client, then we will always phone up them and thank them, we may, depending on whether it is one client who spends 400 pounds or whether it is a very large client, they may receive maybe another very nice temper, maybe we will give them free legal expense or breakdown cover. We show our appreciation somehow. Whether it is by hacking money off their policy, or whatever, but they are shown with our appreciation. But I couldn't quantify that, cause it is done on individual basis. But again we appreciate that they have been acknowledged, they gain your good will.

SN: that is interesting bit. People say you can't quantify everything sometime.

MB: no, [laughs]. I am afraid I am not a good analyst, I don't really have time to stay here number crunching. Unfortunately I am not. I cannot imagine myself in that situation, numbers are not my favourite. But how can you evaluate? What are you goanna do? What do you do with information you have got?

SN: When you are talking about relationship, it is difficult to (evaluate).

MB: If something goes wrong, then, we have to put it right. If we made a mistake, if we misquoted, if we let the client down, which doesn't happen very often, I am pleased to say, when it does happen, we will do everything we can to put it right. It is important to us, we are just about to say the client is dispensable, let them go, we don't care, we don't behave like that, you know, I sent flowers before and with apology, I go around, I had a particular friend is a bit of a dragon, he didn't think that I was looking after him well enough. My goodness, I went down there and said to him, look, I am really sorry, I am upset you feel this way, and it is important to me that you are happy, and what can I do to make you feel better? And he said I want more out of you, I want more services. Okay, you want, that is fine, that is what you get. And we jump, he gave us more business, he just wants, you know, he is old fashioned man, he is old gentleman, he wants to feel his money is very very important, he is valued, he is valued, he wants more, you know, he is old fashioned gentleman, he believes old fashioned value, okay, that is fine with me, when he phones, I jump, that makes him feel he is important. That is fine, I am happy to do that, I respect him for that, we keep this small business.

SN: we keep this, maintain this sort of relationship from time to time, there are two things apparently is very important, one is keep communication, as you said when they called you, what's so ever.

MB: yes, you can't just have a client, and you said renew allowed to, you know, two weeks before you renew next year, you know, how they are goanna renew with you, you know, that is crazy, that is not respectful, you know, we contact our client regularly, do we need to change? are you found insurance ok? You bought a new restaurant, have you thought about taking ??? we really think you should take out terrorism car park.

SN: oh, yes

MB: you know, I really think you should consider safety and health policy whatever, they say no, that is fine, unless you got a note, it goes wrong, you can see what happened, I did tell you to have a terrorism car park, or made the 13th, you decide not to, so

SN: in case something happens they will come back, they will appreciate.

MB: yes

SN: whatever you have affect to them, isn't it?

MB: yes, I think you have to maintain a continuous relationship with SMEs with your clients, especially the commercial clients, especially

SN: yes

MB: you know, every couple of months, you go and see them, when you can, just these people like to do business face to face, and I think that is important

SN: ok, and with this SME business, do you think that face to face is a sort of efficient or

MB: yes definitely, 100%, I tell you why, you know why, because you are a broker, no 1, when you can see the risk, you can describe to underwriter, if housekeeping is good, you know, if you are asking a client, how does it work, why I got ?? floor, I got this, I got that, yes I stop on palace?? Yes I got ?? if you are there you can see for yourself , you can see the construction and the housekeeping, you can say to underwriter I have been there, I am telling you this is the class of risk. It is far better, if you have got relationship, you can read this guy's body language, you can't read somebody's body language over the phone, you can get a voice or a tone, some people sound angry when they are not.

SN: hahaha

MB: I am sure you come across that, to read a client's body language is a key

SN: where,

MB: ??? you might think I should get out of here

SN: when is a post come in, you don't really feel

MB: how can you possibly present to a underwriter if you have seen the risk yourself. You are goanna get a better rate if you pick up the phone to say I have been there, this is what has been going on, yes, they haven't got it long, but they got 24hrs security, I have seen it you can't get in the place, I just think it is vital, sometimes you can, sometimes it is not possible to see a client, when you can,

SN: within this process trying to understand this relationship with client, do you sometimes find people may prefer, because everybody seems busy, they prefer not meeting with you, or getting your call

MB: yes, yes, yes, absolutely, that is , you have to respect that, that makes it very difficult because they client may not want to make it through the phone, they may not answer, you end up with email through a list of the question, which you know, If I was faced with this question, I try to make client understand you need this information to get them the right cover, (phone rings) excuse me.

SN: ok. (....answer phone a bit) so we, what I was saying is it depends on the clients they may prefer

MB: you can't push, if you push, the client is obviously gonna say, you know what, leave me alone, you cannot push, you have to listen to the signal that goes with that, (waiter coming,)

SN: so this is ?? dynamic,

MB: yes, absolutely, if you can't read signals, you are gonna loose the renewal, or you won't get new business thing, (phone rings) excuse me

SN: this is something cannot be done through the internet, isn't it?

MB: no

SN: it is not dynamic, you know, if you are looking at

MB: no, absolutely, you can't dimensional?? You know, I have done a tiny tiny psychology, I have done it A-level, but I am certainly not expert, I like to think I can interpret client, anyone, their patience, their anger, or their warm, their interest, you just have to be sort of, you can't be all thing, can you? You know,

SN: yes, definitely

MB: yes, that is the difference between us and their thing???

SN: and when you have this relationship with clients, you are quite happy with it, they are quite happy with it, what do you think is the driving force behind this good relationship, you said earlier, it is a trust, they trust you, and anything else?

MB: what is the driving force?

SN: yes, what is driving this relationship to keep its theirs, you know, it is nice,

MB: well, because they are my client, I have a business, and also you want your client to be happy, to recommend you to other people, you are, if you are happy with my service ("thank you darling", to waiter), if you are happy with me, you think I have done a good job for you, next time your friend, or a member of your family(31:38) oh, "you speak to Maleni, she is great", I have got another client.

SN: That is the motivation driving you to do it this way, to do it properly.

MB: definitely, yes, then we can grow, the only way we grow. It is cheaper than spending money on advertising to people who have no experience of my service, if you recommended me, so yes

SN: for this relationship to keep on being good, people apparently as you said earlier, people got to trust you, people go to, do you think there is any other factors which can keep you to, you know

MB: yes, offering good service, deliver the thing I am gonna deliver,

SN: yes, that is very important

MB: that is key, that is key, you know, If a client has phoned up with query, and I will say I am not sure I will get back to you, you have to get back to them within the reasonable amount of time,

SN: yes, exactly

MB: or otherwise you have to keep this communication open, if somebody give you a very complicated task to do, for example, I have somebody

yesterday drove me crazy, our goodness mate, it is very very difficult because he has got very very little amount of stock, he wants to insure his garage, it is random, he doesn't want any liability, he just wants the stock cover, the health policy can't cover it, the commercial policy is too big, so special like a little tiny risk, and he doesn't understand you can take me a week to place something like that, to earn 250 pound I am gonna earn nothing out of it really

SN: hehe

MB: the thing is to keep, send a email today, don't worry, I haven't forgot about you, to improve a little bit more difficult, I will be back to you, so he knows I am working on him, I am trying my very best for him, that is important, because you don't, I don't come back to him, I am rubbish, am I?

SN: yes, you also said deliver a good service, how do you define a good service?

MB: how do I define a good service?

SN: what is a good service?

MB: okay, uh, being efficient, uh, doing what you say you are going to do, getting out your documents, doing everything your client need you to, you know, sending them document out, collecting the money, endorsement, dealing with the claim, you can't, it is difficult to define, do a good service, doing what you expect me to do, a little bit more

SN: out of expectation

MB: exceeding your expectation

SN: exceeding your expectation

MB: whatever you do, whether you phone me up with travel quote, for example, what will do with travel quote is , we will always say have a lovely time, have a lovely holiday (phone rings) excuse me (hello

SN: yes that is fine

MB: you have holiday insurance, ???? have a wonderful time, it is a bit touch, you know, it is not a pre-printed letter, it is personal life, everything we????? We never ?? letters in the system, everything written to you as we were talking to you, hopefully they appreciate that,

SN: and we discussed what you do with this relationship, you don't really try to evaluate how much does this relationship worth, which is absolutely fine,

MB: well, you can't evaluate until they go,

SN: yes

MB: let me think what we have got do wrong,

SN: this is another point which I want to ask, if somebody, the client leave you, what would be the normally reason, I mean if I am a client, I am trying to think in the place of a client, you care about me, you interested in me, if you have personal relationship, why do I leave you?

MB: well, if you were not happy with the service, you would leave, or if we were unable to insurance something, they physically don't want to place the risk if someone could, or price

SN: okay,

MB: I can't think of any other reason, why you would want to leave me?

SN: yes, I mean as SME as I can see, you have done absolutely ultimate thing for me

MB: yes

SN: why should I leave you? It can only be price

MB: yes, exactly

SN: you know

MB: the bit will go fast????? Yes,

SN: and we will be, there is a subtle point here, you see, on the one hand, to keep this relationship will cost you a lot of money, on the other hand, you try to run your business for profit, nobody wants run business for nothing

MB: of course

SN: there is a subtle bit of balance, when you face the client, how do you make this thing balanced, you know

MB: that is a very interesting question,

SN: 250 quid, can you do this for me?

MB: that is a very interesting question, because when our business first up, 11 years ago, I was threaten to sign out, I was frightened, felt embarrassed to charge on, if somebody make me around, or paying, I will get very very upset ??? I am stressed out, but now I am older and I am wiser, now I would turn around and say, okay, thank you very much, hope you can find out the broker,

SN: okay

MB: now with this particular guy, this crazy guy would have a stoke, he has come to me via a man who has gave me a quarter to 1 million pound worth of business,

SN: okay,

MB: so I have to take you, I have to say, do you know what, it is worth pleasing him, and pleasing the guy

SN: yes, behind him,

MB: the other guy gave me huge amount of business, if he comes to business on his own, I would say, I am very sorry, I can't help you, go somewhere else,

SN: yes

MB: you know, you have to be mindful of where it is come from, and he might do it, if I lose money, so what, we are not greedy

SN: okay, uh, when you do this, obviously you consider a lot of things

MB: yes, definitely, you have to consider because everything is recommended on its own, where it come from, if you have an argument with client, you have to consider ??? we are mindful of that.

SN: I know, this is a stupid question, you don't try to quantify something like this, you don't quantify

MB: I am quantifying, in a subconscious way, I haven't I haven't worked out a formula, my confection is, this guy is not gonna won me any money, however, the friend of his, I am gonna do him a favour, and I would be extremely disrespectful to him to tell this fellow stuff, so I am quantifying, I am taking a view, uh, so I just not use where my formula is, how do I upset the guy I am lying

SN: within the action of clients, how do you get to know if client is satisfied or not satisfied, how do you get their feedback?

MB: well, you just take that, uh, uh, if they are not satisfied, they will tell you immediately,

SN: ok, do you find this is most kind of behaviour, do they tell you? They may say, yes I am ok, I am happy, but when the time come, you know, they will

MB: they will gone,

SN: when the time comes, they will go

MB: yes, that is, that is, that happened to us, and I am sure it could happen to us, you just have to listen and observe, if you have listened, if you talk to a friend over a phone, if you listen and pick up any hints whether they are happy or not, if you are with the client, you would see, you can see from body language, from manner,

SN: yes

MB: we sometimes get letter of thanks, which is fabulous, really fabulous, people bothered to write us a note, which is lovely, the fact is they renewed, that is big volume, they must be happy with us, they renew it, and more people with more money.

SN: do you do anything like customer satisfaction survey, things like that?

MB: no, I think that will be interesting thing to do, and we don't have a separate marketing team, even I like that, because we have this ridiculous nonsense to do, we have to say, it prevents me to do things I prefer to do like mail shop, marketing, campaign these stuff, we have certain amount of people who introduce business to us, from different walk of life, accountants, football agents, and it will be nice to spend more time, really concentrating on marketing to different groups of people, all these stuff are not???

SN: I can understand

MB: it takes so much of time, so fortunately, I haven't done customer satisfaction

SN: that is something interesting, because day to day investigation is sometimes very different from the sort of anonymous survey in terms of customer satisfaction, because sometimes when they talk to you, they always feel embarrassed to say I am not happy to you,

MB: yes, you are absolutely right if I send out anonymous survey, it might be interesting to hear the feedback that comes back, but the actual process involved in compiling a satisfaction questionnaire, may shock you out, they may go claim the clients back because you got commercial clients with certain lines, policies you don't wanna send out, because that is gonna be stupid, and quantifying the data, you just think that is such a big task, and am I going to get anything out of it? Other than few clients write in to abuse, hehe

SN: hehehe

MB: you know, is it worth it? Maybe it is, I think we are supposed to do that, we are supposed to do that, I like to come down to spend a day here, to do my job and find out whether I am gonna to do it

SN: ok, when you have a client, do you try to, I am talking about SME client, do you find desire to customization of products, i.e., do they want something particular tailor made for themselves? Or

MB: some do

SN: they are happy with general standard qualities.

MB: it depends on the needs of clients. We haven't passed, tailor made, we have a group of travel, on PI policy, we literally have tailor made, and it is quite a while, it was very satisfactory, satisfying rather, when we finished, it doesn't happen that often. You normally find a policy out that will fit,

SN: ok

MB: we haven't have to do this focus policy, you know this PI, ?? will focus anyway, so we won't be a group here, no, it is normally ?? to somewhere,

SN: ok, uh, do you think that if you tailor made somebody, that will be somehow helpful retaining this customer,

MB: oh, yes, absolutely, fantastic, definitely, we are actually trying to do that now, some people who require little office policies, we were working on that, it is not something we have done before, so I am sort of relying some people to assist me,

SN: how do you come to this stage, I got something tailor made for this people,

MB: because you look other's website, you look competitors, you think, wow, that is good,

SN: yes

MB: that is for 10,000 clients, it is bagged?? and I only want for 200 clients, maybe 5, just changed a little bit,

SN: yes

MB: so yes, you have to keep reading Insurance Times, you have to look at competitors' websites, but not leisure eyes, just you can't dig your head in the sands, you can't adapt to die, isn't it?

SN: uh, comparing to, if you sell standard policy to somebody, comparing to tailor made policy for somebody, apparently, they will be having a different effect on client, you know, when is so easy to swap another supplier, when a tailor made policy, not so easy to swap, isn't it?

MB: no, as long as you ascertain this tailor made policy can grow with the client, and client grow, it is suitable, it will be mindful PI is exposure

SN: okay

MB: which I have to be (somebody talk to) would you excuse me?

SN: yes, that is fine, we were talking about customization of product,

MB: yes, yes, I think you have to think there are a lot of things you have to consider about the product, and you are sure you are gonna customize the product for one off, unless the premium misses substantial, if you have got small little studio with the premium of 6/700 pounds, you are not going to get exposed product, unless you have got many of them, or in a ?? little thing, so you know there is a lot of things to consider whether you go down the ?? road or package road,

SN: yes, when we are looking at good client relationship you are having, apparently there must be some benefit to both sides, that is why people tend to carry on this way, because they have seen the benefit, what do you think are these benefits to you as a broker, and clients?

MB: uh, benefit of

SN: of having a good relationship

MB: well, the benefit of having a good relationship with a client, uh, okay, you understand their needs, you are selling them the right policy for them. If they don't need good ?? cover, and you don't have it, so rather than sending them something not suitable, you understand them, obviously the financial gain, the commission, the repeat business, the thorough business, not only on the commercial side, but you have got half a dozen directors, they have houses and cars, if you ?? suitable,

SN: cross siding

MB: organic, urging?? Interesting, you know, it is interesting learning how other people run their business, see what they do, you know, you learn a lot, you may be appreciate how things are difficult for other people, and maybe they appreciate how things are difficult for us, you do have relationship with another person, it is important, and it is nice

SN: so that is the benefit for you as a broker

MB: and also, you have the chance to build up the relationship with the underwriting side, so you get your business in June?? You are gonna get better rate, you are gonna get dedicate underwriting, you are gonna get better understanding what they can do, what they can't do, you can push them, because we like to push,

SN: yes

MB: we like to push the boundary, yes, we like to push, we are quite aggressive in that way,

SN: but if I were the client, to keep good relationship with you, what is the benefit for me as a client,

MB: okay the benefit for you as a client is you won't have to worry about your insurance,

SN: peace of mind,

MB: peace of mind ,I come to see you, I discovered exactly what you do what you need, and I sold you a product that you need, personally, you trust me, and you know if anything goes wrong, anytime day or night, you can get me on that, and I will sort it out, uh, you know you are paying a fare price, and you got the right cover, uh, and I am not gonna leave you alone until next renewal,

I am gonna keep an eye on you, I am gonna grow with you, peace of mind, don't worry about other things,

SN: interesting point you said, you said within this process, within your relationship with somebody their way of life, their business, do you find some kind of this relationship personal rather than pure business,

MB: yes, It can do, if you wanted to, it depends on how you want, it can do, yes, we have the kind of clients who send you jokes on email, you know, you go out dinner with them, you go to football match, uh, yes, and that is nice

SN: do you think, do you think when you build up this personal relationship the client in fact tend up to stay longer with you,

MB: yes, you have to be careful, you have to remain professional, and you have to not rely on the friendship aspect to cover the state, you still have to do a good job.

SN: yes,

MB: yes, I think it is important, if you haven't in contact with Robert... they must went anyone else,

SN: do you have this concern if you as a company meantime a broker, as a person, you have a business relationship, and you have personal relationship, let's say if somebody in the company has very good relationship with clients, there is a potential if these does leave the company, the company loose the clients because this personal relationship going on,

MB: yes that is certainly something I might fall off, but it hasn't happened,

SN: ok, but this happens

MB: it does happen, I know, I know, but you have to do what you can to make sure it doesn't happen

SN: what, what, if it doesn't happened to you what are the sort of techniques, experience

MB: I, I know as a broker, the greatest assets is my staff, not my clients, without my staff, without my team, it is rubbish, you can stay as the same ?? I do. And they are extension of me, so that is key keeping them satisfied, trained, stimulated, uh, everything, and if they are stimulated, satisfied, loyal and happy, they respect to their work, they respect their relationship with the clients, you can't have somebody depressed, upset and angry talking to a client, because it is, it is not gonna work, and we know about that, so, because we are a small office, you can hear what is going on, you can hear if somebody get upset, talking, you can hear it , you jump on it, so

SN: that is the advantage of having a relatively smaller..

MB: you can't have passengers here, everybody has to pull around work here, and they do, and they are appreciated, and they think if they are appreciated these people spend more time here with me, we are one family, we have to enjoy it, we have to overcome,

SN: ok, I think we have covered quite a range of topic today,

MB: will it be helpful at all,

SN: definitely,

MB: really,

SN: definitely, very helpful. I appreciated very much your help. And your viewpoint does count, we have good discussion. Thank you very much for your time.

END OF INTERVIEW

Appendix X: Interview F Transcript

Time: 13:30-14:56, 24th July 2008
Venue: Costa Café, Birmingham Railway Station
Interviewee: Mr. John Wood (JW), Director, BIBA West Midlands
Interviewer: Simon Ning (SN)
Transcribed by: Simon Ning
Voice file name: interview_BIBA_JohnWood_240708
Length: 01:26:00 hrs.

Greeting and exchanging business cards.

SN: So, this research which I am doing is in the background that in the past 5/10 years, there has been a trend that more and more people want to use more technology, so they either say I try to buy my insurance on line, or they say probably I go directly insurer.

JW: yep

SN: with the hope that I can get it cheaper, or price driven, however, I am interested to look at broker industry as a whole, how insurance broker will add value within chain, or within the whole chain, so many people suggest that relationship is the key in the industry,

JW: essential

SN: yes, essential, I am looking at the relationship between the brokers and their SME customers, the reason I choose to look at SME market is because SME, by nature is something different from corporate client, to which brokers will try a lot of effort, try to keep the relationship anyway, so SME is probably more up to the test you look at the relationship, so that is where my research comes in, I try to dig down how the relationship works, and why it works, and within this relationship how broker add value to their SME customers,

JW: okay, well, I think probably if I give you the background I start my insurance career in 1956, would you believe?

SN: that is long long time ago.

JW: with the experience Duma///// in London, so the time I started, as far as commercially insurance is concerned, price didn't really enter into it, because they had a thing called terrors, and there was a laid down terror for a risk, /////// that is the rate you paid the respective, so you didn't have the same amount of panic, so the advice of broker is much much more important then, it wasn't how much you were paying, but is what you are getting from it, It doesn't matter, uh, after PV///// I moved up to travel////, as the assistant

manager of /// because in London I was very specialist, I was just fine with mass property insurance, and I was the policy drafter, the technical guy, I went to shaftfield the assistant manager have a /// with every pie, from mote insurance to life insurance, Including, and again working with a long established family broker in shalfield, who has been there for many years, and have its///, you know the client is important, they knew they have////, I did it for short for 5 years, did inspector, I like inspector, and going outside for the first time, I never sold out anything in my life, 5 years of that, then I was back into insurance broking industry, again in a smaller broker, then I move to a large broker but again specialized in /// insurance, 5years with CIA who are probably one of the largest credit broker in Europe, so I did 5 years with them and then, since that gone back to general broking, being with /// at the moment since 1986, but over this last 10years, I gradually, more and more specialized in health and safety and risk management, because of this we decide it is very important adult as a broker, because there are not so many brokers, about the size who has not got so size ?//anyway, so that give those advantage, we since gone and ribs?? over broker network, sold out broker network, so you may or may not know, a few months ago sold out to terigate?, so now my position I am myself employed, on a rolling contract with broker network, based on don//and ribs?, so that gives you a background, so you know where I am coming from. Now one of the things that I have found is this week the three of the clients I have dealt with, for health and safety who are all clients of all my clients who are not necessarily clients of don// rib?/, could be anybody of I gain industries to, you see from that, I am chairman of the five projection association, in the west midland here, I am also on the committee of waiver in the west midland, I am also on a council Birmingham Health and Safety Association. So I get work// from there, the people who become clients or clients of other brokers, so there is no question more so ever, and quoting on their insurance arrangements, but the are not all come to me via other brokers, this week I have been introduced to 3 clients this week to my colleagues on the insurance side, who are delighted with what I have done for them, in the way of health and safety so that is why importantly there is a relationship, it works the other way in as much as, one of clients that I have dealt with when I handle insurance side the client does nothing insurer, I did all the health and safety for them, now their colleagues was dealing with their health insurances has left, so they haven't got the point of contact, now I am taking a new guy to meet him you know there will be a continuous today, so again because as this relationship business as you say I remember when I first went out the world of selling side, with the capital company ??/ I was at early 20th, I remember my agency said to me, look john, what you must get to know the brokers you are doing business with, and he said, I can tell you with you need to know their wife's name their kid's name what their hobbies are , you should guarantee the amount of business you get from that broker will be directly proportion it , how much you know them personally, one broker used to produce half of my quotes per year, and he become great friend, we went out together on weekends, we used to go rallying together, we go fishing together, horse racing, one day in a week of my time is his, again personal relationship, now when I joined white house partner that was in 86??, they again have this very strong escorts?? personally relationship with clients, they lost very few clients, and again on the basis it is a lot cheaper, hanging

on the business you have got, spend money going out, looking for new clients, so the first and foremost thing is you didn't lose clients, there will be occasion when you lose client whatever you do go out with business, they move away, so there is reason why you can lose business, by and large you won't lose much business if you are going on the right way sort of thing, now recently I was reading yesterday, which magazine about people getting insurance on the internet and so on, one of the points they were making was you go, I mean now you used to go on the internet they will tell you which to invest into, now there are dozens of site doing comparison, so first of all you have got to know which one of them you will trust anyway, they would come up with all different answers . At the end of the day, there is one advertising currently on the bobs saying they are people commercially as well as their house and car, and they are saying, you know, cut off middle man and all rest of it , and what you need to do is pop in our site what you want policy to do , we will tell you all the people who do that at the most economic price. But the point is the client does not know you need to talk to a broker what does it mean on the policies, and more importantly what exclusion he doesn't want, so I think, as you gathered I am biased , very much in the bias of broker, but quite clearly there is no way anybody can you go directly insurer or website and get information that they need because they don't know without the advice of a broker they don't know whether that information you should go or not, or the only thing you can get off there is the bottom line, it is not much good about having bottom line, if it is not giving you the cover you need, strange enough, jeramy?who used to speak verse// jeramy who came into the meeting ///last week with the complaint, he is the insurer come up renewal and move his insurances, they said, we get a better quote for you, when you ///renewal, hang on a minute, what about my existing insurance they waited until 2 days before renewal, they got a better quote from somebody else, at the end of the day, he found it was cheaper at current insurer quoting but he was not giving the right cover, when this went into the same cover it would be more expensive, they were putting him to the particular direction they got more commission from that particular deal. They are not supposed to do this,

SN: it is not very fair to the customer

JW: no, jeramy complains to the financial services authority, and they were all hand of it , they are not many we can do about that, that's not rob, you know that is///// what are they there therefore? so it is not just question what they got, it is the question how they are advised, and the other very much a plus point with a broker, one of the things I do you see from there, I do radio source occasion I do// show on insurance everytime people got problem with the insurance, the first question I ask them is where did you arrange your insurance, did you go to insurance broker? 99% answer is no, they didn't. That is why they are in trouble, when we were at white house moment, we have claim manager there, and he had a saying you only discover how good or bad your broker or your insurer is when you have a claim. Well, if you haven't got a broker, and you have a claim, and your insurance company is hopeless, what can you do about it, I do have //hat on, I do get queries that come in, which we were able to solve, even they are broker, that arrange something direct, but because our connect with British insurance broker

friendship, we were able to talk to somebody have note with insurance company, get something sorted for them, so the queen's angle is most important, so something really, summarizing it is how they get the right cover, which they don't know they must go to a broker, what is gonna happen if they got a claim, are they gonna get settled, are they gonna get economical,,,, that is why they need a broker to find their corner. They maybe the only policy holder with that insurer, broker make hundreds of business without insurer, so they got relationship with broker a little bit, especially if you got a beebor// behind it (15.00)

SN: so when the time come, the client want to make a claim, that is really a sort of critical moment,

JW: it is.

SN: the test whether the policy works, or whether the policy worth it, whether it is the correct way of, it is also a test of client themselves if they really understand what they //

JW: exactly, I think the worse thing is well, when you come to making a claim as we say if they got short of cloud, if they have no understanding of what insurance is they got, they may not understand why the insurer is trying to sell is not covered, I mean in bearness on some occasion the insurers may be right, and there may be good reason there/// is not eligible as claim, this is where a broker comes in, they can explain this, very often again even if it is not covered to the letter of policy, the insurer may well decide to be // about it, it value to be trying , it pay premium price for a few year, well pay it, they are not gonna do that if someone could just explain for me, one time the tendency on insurance particularly on commercial insurance, they did say to clients, tell us first about claim, now they/// the broker want to know initially, what will happen then is if broker say there is no problem with it, they will pass straight it on to the insurance to deal directly with clients then, because otherwise they put a link on the chain dragging things out, so they will do that, leave the insurer directly to the clients unless there is a problem, and then clients pick the phone to the brokers, look, we got this point, and they are saying this, what can I do about it, the broker will come back to the pictures then. (18.00)

SN: So for customers, for any customer, having any relationship, maintaining good relationship with broker, what do you think are the main sort of drivers to having..what are the motivation having relationship with broker, I mean there is relationship or good relationship must from, have the motivation from both sides,

JW: it is

SN: from the broker, from the customer, so what are the motivation for customer to have this good relationship?

JW: because again, if the customer stop the drive of relationship with broker, again he is more likely to get broker to jump into down on his behalf, well they said it is not really covered, it is not enough, you know, they got good

relationship with broker, the broker is..... for you. So there is the motivation for client to have the right relationship with broker. Most clients, they just make it a line lot simpler, a lot pleasanter, I can't think you all, you do have personality coming into it, I can think there are two clients, one of my colleagues could never, they just didn't match, they did not get on with, but I can get on with them fine, you know, I just get the advantage of colour hair now, you know, I think the client do tend to think rightly or wrongly that somebody since 1900 to today is more likely to know what he is doing, the young fellow who is fresh out of college, or a young lady, I must stress that out, because there are awful a lot female employees, in very senior position as well, they are very good, they are, so you know, but again, also in the commercial world there are a lot ladies, in the very important commercial position

SN: Sure

JW: Again, very often Ironically, very often, prefer to deal with male rather than the female, I don't know why, they tend to be unwell, you know, unless the show.... make with this big guy who, you know, why is these back girl, one of these clients, my colleagues could not get on with, two ladies run this business, very forceful ladies, I frequently found myself acting referee two of them while one one to do one thing, and one one to do another thing, what would you do John, you know, it is not easy, but again, they will talk to me, they will listen to me, whatever everybody else tells them for the firm, they would not accept, they ring and said, by the way John, what about keeping..... is that right? can we not ? you know, so they came here to me before the ...did. It is all the relation things again, all the clients don't get on with all brokers, you know, but I think the motivation, each got the motivation they want the best out of, they broker wants the client to be loyal, stay with them, then they will not lose them, by the same, the client had the broker, they want to be looked after, they ...could check, make sure they... I mean we got clients every 3 years, 5 years or whatever, we automatically go to the market, because they don't trust law anything, because things change, they feel, they need reassurance, they may be approached by somebody, you got market we know that, it is not very often that happens, but you know it can, I mean more often the guy... he get another quotation he comes back and say, look, by the way, so and so, they can do whatever, with our insurance, but we say look, you got another alternative, then very often, the insurance, it is a good business, they want keep it. We will say, ok we will match that then, so again you see, the client is not really in the position to do that, dealing direct, it is not the same thing, you just need the broker to do that negotiation for.

SN: especially wthey you have SME business, they don't have that bargain power, even ring up, they don't even know

JW: The major global brokers now who handle SME business, do it virtually a call sectors, you know, they don't act the brokers in my interpretation what the broker is, they just virtually a call centre. They got desk top, you know, they got automatic brochures with email in it, that is what all they get, if they lose one, so what, they spend fortune on advertising to get more to replace it when they go away, it is not a good client industry as I thought

SN: I mean, if you look at industry if somebody spend a fortune on advertising, that cost is somewhere isn't it?

JW: Yes, it is on the premium, I mean, we got the current one from directly line who advertised, cut off the middle man, but if you look at the cost they brought, their acquisition is higher than the insurer goes through brokers,

SN: they don't feel that,

JW: No, they don't take that, no, to be honest, one of the things you probably know at the moment, the debate going on about, commission is closure, I don't think I have ever been asked by my client the commission, they don't give a general...commission is, what they are interested to know is what is costing them, why am I doing this? It is like somebody who don't go to supermarket, the do they? It is irrelevant, it is how much they are paying for is the factors, not how much they....making on the deal, this why I can't see the argue, you know, I think British /////broker association have made the point, you know, we can't see any advantage of clients because by and large they don't want to know, they don't care how much how much commission they got, all they want to know is they get reasonable deal. I think the only time the commission is going into it, is somebody is feeling business to the particular insurer, because they got overwrite a dealer/// they don't think that is right, they are not necessarily giving the client, but again this should to be covered by the treating the customer fairly rules, from they say, If they are saying that, they are not treating customer fairly, so I don't see there is any problem, as I say, I have never been asked by client how much commission I get. In fact, in some instance, we find it is necessary to point it out to the client because, for example, I am not/// what the current commissions are. But when I was mainly on the insurance side, people dealing need // insurance, we can get it lower 7.5% commission, most of insurance produces on hell a lot of works, very often, you got to say to the client, hang on a second, you do appreciate, we only make 7.5% on this, we are getting about 1 quid a year, or whatever it maybe, but it only cost you 40 pound a week just service for you, so the clients really don't want to know about that, all they concerns is what it cost, and what you do for me.

SN: when you say Fsa// treated customer fairly, the brokers may have situation as you said, when I have SME, in extreme case it pay me very very little premium, I have my own running cost, how do, what is the motivation to treat everybody fairly?

JW: In fairness, I think, we all look in//// some degree// roundabouts, on the one hand, you got // insurance, // insurance, that is expensive you did pay high commission, on the other hand, professional general insurance carry very lucrative level of commission provided very little work, because we, as far as profession indemnity policy is concerned, from a broker point of view, you arrange the policy, you renew it ///, the only time you can involve is the renew negotiation. Beyond that there is no things involved because you don't have things happening through the year, like you do mostly, even with the general fire property insurance policy while they have changes through the year, you have to deal with, so you have to look at //// roundabout, so you know we are

ok, we// we do alright on the profession indemnity policy. As you say, with small to medium sized clients, we may not be balanced in this, we may be balanced from somebody else. And you may go on this on the basis of // I would not say you go lowly //supermarket, there is a thing, ok, this guy we look at through, but he likes what he do, hopefully tell his friends, I mean, I can't think any client we god would not be prepared to give us a recommendation to somebody else. Again that is important, you are not finding a fortune on advertising, by the way, your next door, the little further next door to you, or friends of you, whatever maybe, well there will be loads of them, it has always been so and so, can we, that is a lot easier than walking around knocking on doors.

SN: That is through business opportunity, it is not something you can quantify, can you?

JW: No

SN: That is why, can we put this another way, if you have this business opportunity getting business can't be quantify, which wouldn't be fair to say they are not profitable for me, because there is a hidden part which you can't quantify,

JW: that is right, another thing is true as well, now, I am not on the insurance side, and I find this week for example, I just introduced one of my clients, ///client, I just introduce him to another free business, got another client a // system in store, so we got some money on the bottle// that, by the way, come on, there you go, then they get the business, so I mean in fact, two instance in this in the last couple of weeks, the first one, the guy literally said to me, when I quote this, would you like me to put something to renew, no, not at all, I lose my credibility if you do that, as far as I was concern, no I am happy to do that for you, this guy on the other hand, he went to the//// the insurance as far as the session is gone, so they immediately put on the phone, so John, can you go in, so I go in there? So I go in there, you know, it is better to do that way, in the sort of arrangement with these people, I have got a guy, you got advantage to the clients, because you know put them onto somebody who is not going to recommend

SN: And they trust them

JW: That is right, I mean, the first time you betrayed // , you may got go home, because you know, when I first came into business, the first thing I would draw/// that is the whole basis to get insurance done, now I am sorry to say that thing has gone out of the window, nobody trust anyone anymore now, if you want to get the quotation from insurance company, you raise the phone and give them information, when I first came into business, you as a broker, has taken as an underwriter, this is a piece of business, I have seen it, ///I recognise for that, would you do it for that, and they would be agree on that basis,

SN: The trust is not only between broker and customer, is also between the insurer and broker,

JW: and in fact, that time we got broker, we going up to Lloyds by placing millions pound of business by word of mouth, you know they are little card board ///, and that was it, that broker had to be 100% honest, because first time he did dirty on that underwriter, he will never trust him again, so he would not place the business then, so that is the way it was done, the same token, the client trust the same way as broker, if the broker let him down, and again he lost face,

SN: so today, more when you say, these ultimate good things has gone out of the window

JW: yes, I am sorry to say, but I think it has, Simon, I mean It is not just me think so, for most people who think // of me, I had lunch with colleague yesterday from white house, a friend I have known for many years, you know, we were talking about there things we were remembering, the good old days, you know, it is the ways they did things, and I don't know one thing last year, the royals and// came up with this bright idea,/// they are going to have underwriter in the local office, broker can actual talk to, they can actually make the decision, I thought, hang on a minute, re-innovation, that is the way we used to do it, when I first join the white house// in 86, ///I used to come in every week, I used to go on ///general accident, commercial union,// talk to their underwriter, and I got all the agreement with him, repeat the business on the spark, that was only 56, you know, 22 years ago, and suddenly then,// have this bright idea they were going to have an underwriter in the local office, (37.19) who can make decision, I mean otherwise you have to send in a presentation to get a quotation, and it will come by, you say you can ring them, what was wrong with this, the computer says, you know we don't normally turn the business down because computer says, because we don't do this, you know, I mean you got to have somebody with the,,, but you see they will get into violent with having anybody with the technical knowhow expertises and even more important experience, they will rely on youngsters who got technical qualifications, but no experience what is sever, and they can only to this according to a book instruction really, that is not underwriting, sorry, I ////

SN: the experience, the importance of experience of broker, do you think it is like, the instructions is like the guideline is there, you can automatic systemize make the guideline automatic by putting on the computer, but the experience..

JW: you can't do, you can't teach computer that, you can't teach computer a program that will add on experience,

SN: in that sense, do you think the stride into broker industry by the technology development is to the part of business which can be systemized, can be automatic, but not the one which you need experience,

JW: yes, I think, in fairness, in our time, we have written// by ourselves for business, be done that kind of business, I remember one time we did s// to the landlord, buy to let, to insure the properties for these people, you know, we have negotiated the terms with insurer, we actually did the underwriter, we did the book, you know, we did the underwriting, we set the all the claim for them as well, that was dealt automatic all on the systematic basis, it was specialist,

it wasn't cross the board, basically these people were all doing the exactly the same thing, the thing were insuring, the property was been let somebody, so the risk was compactable all the way through, it was something you got to look at, not this one was that, that one was that, you won't compare apples with pairs,

SN: sure, in this argument, in this debate, that this debate make the commission transparent, do you think this is something will carry on or?

JW: I don't know, I think basically I am not sure how far the FSA wanna push this one, you know, they have done jump up and down and rest of it, but I think they are beginning to see there will get//// them into client at the moment, waiting at the moment, if they take the trouble to do the survey find what they actually think, find out what we have already discovered, the client by and large don't want to know they don't care, it is irrelevant really, if you got the right deal for the client, you know, when you are treating them fairly, not pushing them in particular way because you got higher commission from them, provided you not doing that, what level the commission is, it is irrelevant, you got the right deal for the client, you look after the client, that is all what he wants to know, he didn't care about commission, supposing on one hand, he hopes it is you are doing alright, you are still with them next year, you can get through next year,

SN: yes, when the client is a typically SME client, when they say with the broker for many years, do you think with this relationship there is element of innersher///?

JW: yes, I think in some cases that is true, I am guilty of myself, I mean now remember, my first //// with // insurance, so // make my arrangement, I just can't be bothered to go through all the // as long as I am happy to be looked after, my insurances both my house insurance and my motor insurance with///, since I have been with //, I have never had a claim with///, most insurances I have been// they have been wonderful, I have no problem, they have ever been dealt with very satisfactory, to me that is all what matters, I am quite sure if I went into internet I shout ///, I can get 50quid or 100quid something, on my moter insurance, a, I can't be bothered, b, I am not sure I would be happy if that is, because as long as, if on the other hand they accept me, they say different, I think that is different , that is where this /// works due something goes wrong, and when it goes wrong, and suddenly this // I am not dealing that anymore, they go out and look somebody else,

SN: So that is critical point, isn't it? Within this relationship, to keep this relationship going on

JW: yes

SN: there are critical points, if you upset your customer,

JW: yes, you do, there are well know saying, the customer is always right, when you wrong, you always wrong, this is true, we have clients have claims have not been covered, you got //// there are ways and means doing this, and

explain you to the client, this is important thing it is not just the fact to get claim paid, it is the fact that nobody gives doubt about it, we always say sorry, because this this or this, you can't claim for that, but we can do this for you, that is how you explain to client something, let's back to broker again, get back into business, you are not gonna get this from any insurer, because you got to know they don't have the same ex-ground as broker does, one of the other thing is, on the green side, more and more insurers are far many count to law suggesters, so the insurer just really didn't contact the client they pass it strictly on to the law suggestion, and the law suggestion deals with it, (46.16) Now I talk to clients who said the problem is with the law suggesters, they are paid by the insurer, you know they are claim down as low as they can, they are absolutely rubbish, if you have explained to the client, think about this logically, that law suggestion is supposed to be impartial, he is supposed to make sure you are satisfied, and the insurer satisfied, so he is gonna make sure you are // insurer, and the insurer are gonna make sure the insurer /// either. Now if you think about it logically when the insurer appointed the law suggestion to deal with something, every case the law deal with upset the client, the client get brassed/// up, and they lose business, they are gonna start using the law suggested, they does not really have incentive to upset the client, and I can think of two occasions in my career when I find myself odds with law suggested, in their rib// I found they have been on my side, on client side, you know, as long as I know, they are gonna be ri//ed up, I had a couple of occasions, I can think both the occasions, I was able to prove that we were saying was right, and in fact on one of the occasions I was in a meeting with the we can then along with the meeting with the law suggested, and he actually sack that law suggested on the spot, and said you know, we got staff from stretch law suggested, because he knew the guy was not doing the right thing about the clients, so you know, but again you see, if the guy has been dealing with the broker, it was highly motive thing, it was a claim to storm damage to a roof, and it was what they call it a Belfast roof, and it was a very // framework side of roof, this broker quite clearly have never seen one of these before, they are unusual, in these day, they are used to have a lot of these about, but these law suggested quite clearly never see one of these before, so again that bring that guy dealing directly with the insurer, it is about claim chopped off from the story, so, sorry

SN: it is okay, it is ok, back to the survey side, one of the area, which broker can add value, is what any other broker wouldn't be able to get, is giving advice on risk management

JW: oh, yes, indeed, very much, I mean one of the things we role is maintenance, if you are going to the risk, first time, you are taking on a new client, you have done with their risk before, the first thing do you is go ease, and do the management survey, and you find out what is wrong, what is anything unlikely to give insurer adverse decision on it, and you put that right before you go to the insurer with it, so you don't go to the insurer, many insurer send the // we can't do it, because of this this this, if you going first, tell them yes, that risk management is vital, the particular aspect of risk management today is more like on the liability side that/// the side, so the health and safety is becoming a prime concern to insurer now, and they are

more and more asking the question, having got the health and safety what you do about this, what you do about that, fortunately, we are able to say// because we wrote it,

SN: do you think this industry, the advise side of the broking industry will be separated, run like a consultancy sort of service

JW: it is, it is happening more and more, certainly the big global insurers have always done this, I mean, the insurers got this as well, if you got people like // Zurich, Alliance, // Norwich Union services, they all got their own service department to go in and give advises on this, at price, at very expensive price, I mean I can tell you for example I charge 350pound a day for // which is pretty reasonable, and the insurer is gonna be charging 3 or 4 times of that for the same service, furthermore, by and large, when the insurance done, they got to justify that, charge of that making, so they would produce 3 times of paper, which means the insurer is not gonna to understand it, they follow it, so it is better to go in it, and do things a lot more concise, make sure this are dealt with, but yes, we now, when I first started doing this, we did it // to the broking service, in order to keep the client and get the client, we throw it into management service, we know it take things so much more, you can't afford to do that, you know, they can no longer afford to pay my salary, so I have to do that without charging client for it, I mean, quite frequently, they got large client, they were sick of it, you know, we got /// with John, we won' t charge for it, and they pay me, because I am self employment, I am on a rolling contract with broker network, you know, they can do that, they can either charge my services or not as they wish, I charge for them whether they do it or not, but it did becoming very prevalent now with brokers, I mean all the brokers, even when I first came into business, when the /// have their own surveyors, and in fact vary of those, // large risk, the surveys wouldn't be done by insurer, it would be done by broker, they broker did it, they produce, in fact what they did do, the surveyor will go out and risk, he would do a survey report, he would collect a plant thing, he would have a plant of a building, so he would bring that in,/// the plant registered, the plant of the building, he survey report and from that we would have done right policy, we would design policy around that, so even in those days, bigger broker were doing it, but now more and more, but the smaller brokers was dealing with SMEs, can't afford this service in house, I mean quite frankly // couldn't afford me to do this, but because I am available now, I am on contract with them, any of the network brokers can pick the phone and say John I need this done, and I charge for it, and they know they can get it done a lot cheaper than put it on to the insurers.

SN: do you think there is worries that specially for SME market, because of constraint in the profit, typically if SME pay low premier, and broker give them risk management service with cost bearded in mind, do you think there is worries they would not do it properly?

JW: Yes, I think there is, if the brokers, one of the brokers said to me was if we were doing this really cheap, it wouldn't value, because people will make that assumption you are not doing the job properly, you can't afford to, so we pick up our rate, for what we feel it covers my cost, that is all it does, then we make a profit out of it, it covers the cost I come in and doing the jobs, but it is

not going to set so low, I am going to // I mean if you are talking about a firm with up to 10million turnover, which is a SME, isn't it? Up to a 10million turnover, and half of them employees, I can go in that /// write health and safety policy, to carry out risk assessment, find the risk assessment comply with the fire regulative order, I can do the whole shooting match, and charge them one day for that, so when I cost 350quids, look I am expensive I got /// but that is what I cost, even the small company with limited health and safety should be capable renewing that on the annual basis, when it // put to it, and I have done the risk assessment, it is not rocket science, then I have to look after this, it has to be changed for //years, we just updated with it, so it is really one off cost in that, I know them well, once I have done it for them, they got the option to pick the phone, as the guy did this morning, pick the phone up, by the way John, he is in security, he is going in a new qualification of whatever from security industry, so he said I need your help, so I made they go and see him on Monday morning, just to go through with him, he knows I have done work for him, so he just calls up, he is charged by the hour or whatever he needs to do with it,

SN: And from industry point of view, do you think the industry is gonna go this way, to advise traditional broking service, will it be more and more separate?

JW: I think the health and safety // all the risk assessment// is going to become more and more important now, you know the insurer are not prepared to trust ///, they want to see the evidence, somebody is doing something properly, so more and more is gonna be a call for that, whether there is gonna be a lot more guys like me, I would just suspect eventually there will be more I can't understand there are more now, when you see what major insurers charge, now after record broker record as a company (01.00.00)

package for the client, all the element in this, the things, different things are // for different insurers, by and large, it is not going to be deal for smaller SME, because they can't afford it, they can't afford pay price as Zurich and //whoever charge, it won't go in and get into compete program, because that doesn't do it for them, they still got to do it, but they don't know how, they still want somebody come and do it for them, somebody can pick the phone ///when there is a query, and say what about this, so I think that is going to be that is going to grow, and I think there is another reason why the broker who will keep the SME business instead of going direct with the want who can offer reasonable price the risk management services, because if they can't offer that, the man might go and get the quote offer the internet whatever, they might pay company separately to do that, when there is broker can say that oh we can do that for you, and we only charge // quid a day, wow, we can afford then, not to use that broker, I mean we got clients, I am sure stay with us, because they know they got our risk management service, they know theoretically it is not true because I was// with them, because on the basis I will try to get this business back again, but as far as they concern, my services at that price is on dependence as them staying with brokers, if I move on, they lose that services, they might save 500quid on the insurances,

SN: and how about this merger, acquisition, consolidation thing in the industry, how does these consolidation in the industry will influence the service broker offer?

JW: I think it again is gonna be a question the reason for small brokers joining in the network is because they know they can't as individual small broker afford to have this in their background, if they all get back together as member of the network, then the network can provide this service for them, when you spread the cost, the broker network has about 170 brokers, so if you spread the cost over 170 brokers, it is not a lot of money, for them to do individually they can't afford to, so in my view, the network will increase, I mean they are still brokers, no, no way, I want remain to be independent, good look to them to be managing, but unless they got services from somebody like me, they are not able to do it, // yes, I think the consolidation will continue, I think some pointing time somebody are going to ask some good questions about complex interest when you get brokers involved by insurers, I am not sure the good things, and again it is my first view, but I think there are drawbacks obviously, I mean quite clearly if the insurer owns the broker, they are not going to leave the broker to //business, aren't they? So again, that means the client will look a little bit cautiously on that broker, hang on a minute, they won't buy that insurer,

SN: I have already heard quite a few complaint, one insurer owns broker, all this information goes, although they declare although we own the broker we are separate business, however people can still figure out all this information going

JW: Correct, I am sure you are right, you know, this is things is being abandoned around //, I think this will happen you know, at some point in time the F// are going to take saying // the brokers are my insurers, there are going to be more downside than upside, I can't really see the big advantages, I mean, the insurers are doing it to buy market share, doing it buy market share, and I mean it will be, in some cases, the fact that they // broker, they may sort of offering advantage terms, they may offer another broker, so maybe the client may get advantage from that broker, but I am a little bit sort of sceptical about that, you know, if there are going to be any advantages, it is going to be cheque on the insurer side rather than, if you say a lot of money on that broker, the advantage is going to be on his side, not on this,

SN: And also do you think the insurer by the broker is actually deviating from the original concept of broker, I mean, the broker is supposed to be independent,

JW: Exactly,

SN: They roles as a middle man rather than you have three

JW: I mean they are all denying this, and say no, there are no pressure on them, the fact that we own them they don't have to appraise business because,

SN: How come?

JW: You know, I mean if they own them, they are going to tell them what to do, I don't care what anybody says, they are going to tell them what to do, so I think the broker says all that to insurer, as well be independent, I mean we have certain amount of comment in our organization about take over about target//, I mean the t// is not as speaking to insurers, they are brokers but they do have underwriting arms, but again sold the broker network, and the broker network formed that underwriting, after upon the network, they are gonna say, you know we got one hundred sixty or seventy brokers now, we have a lot claws, we got a lot of business, we will satisfy our underwriting, which they did, very successfully, that is slightly differently thing, it is not question about particular, because that underwriting arms is no way they are still brokers, they are only underwriting arms not the way about, so they are not going to disadvantage the brokers by saying you are not going to put it through here, if the other insurer is not manage the deal, they got to use it , so yes, one of the things the target make absolutely the claim, when they took over the broker network, it was // the broker network now has this opportunity of using this additional markets, the //gate head, there was no coercion you got to use it, you got somebody does it better, ok, tell us, it may will be, we wanna change us what we do, we wanna do it better, so I don't think there is disadvantage there at all, that is working very well, the judgewood//

SN: ok, we had long discussion today, I have asked all of my questions I believe,

JW: If you think something Simon, please feel free, you know,

SN: Thank you

JW: If you need any further help, you know, please don't hesitate, give me a shout, I am more than happy to help, because I am trying to get the message out anyway, the reason Jimmy// passed it on to me because I am questioned are spoke to them for people in west middle land, my message is you know, the brokers are alive and well, I mean this is what I push this, whenever I get on to that // this is the number for the British Insurance Brokers Association, ring them, they will give you the name of broker in your area, or deal with it for you, so, when I first went to work for Scottish ///, they sent me to see life expectancy school, to the insurer college//, I think that was about a month, one of the things there was because I was // for the insurance company, I was very much broker oriented, they got stages there, while I was // brokers name, one guy said, he said, if I can ask you, if you got any questions, just keep them down a bit, I am trying even at the end of this lecture to show there could be any questions // broker, or any questions direct John wood from the floor, so you know, that is true, firmly believe brokers got things, and we know brokers are brokers, when I first came into it, any irepi// of broker was incorporative if you remember it was cooperative insurance, and them what happened was then all the people who didn't have the qualification to get into the cooperation, set off the association of insurance or whatever it was, and eventually they got swallow// and one //got qualification form that to get institution to insurers broker or whatever, the cooperation just disappeared,

then it means something to be cooperative insurance broker, now when they started the thing, what was it, before we had the sa// regulation, we had the.. at the moment recall it now, but again, the idea was this was replacement of cooperation of insurance brokers, and what I was trying to say, what they wanted to do is what they want to make illegal requirement then, because obviously what happened was, it meant you got to be a member of that in order to call yourself insurance broker, but if you transgress, it chopped you off, and produce you call yourself insurance consultant, and you settle again be somewhere else. So they didn't really do anything, so they wanted to bring in law to make this compulsory, and it was institution insurance broker, you can't do that, I would think that would claim up industry, we wouldn't be settled on this, when the insurance broker regulator cooperative, IBRC, that was the body of consultant, that would //// opposed the regulation, so there we are, I am sorry I am aggressive a bit, I have been useful Simon,

SN: Yes, definitely, very usefully, hopefully, I will interview more people, and after that I will do data analysis, hopefully I will come up with preliminary finding by February or March next year, one year after that, hopefully I will get the chance to publish record research which in total 3years, hopefully again it will bring PHD, but,

JW: Yes, Then you will be Dr. Ning, yes?

SN: Could be, possible, not sure yet, but personally I found this research very interesting, and this is a good time to look at the whole industry and relationship,

JW: oh, it is, very much in the melting point at the moment, it is a good time to do this, but I mean one of the thing you .. I have gone through this by accident, I came out the RAM, I have no idea what to do when I came out RAM, and a guy there would be taking into Chant and Insurance exam, and it was for insurance broker, I didn't even know what the insurance brokers was then, at that time, then I came out and the guy, if I don't see this guy at /// the job centre, and they got somebody there specialize with service man, and I went to see him, and said I see this job advertised on the //in the local van for insurance broker, and he said right yes, and he said // the manager there is a guy called// he said ring him, // you say to them I said you got to ring, and I rang this guy the manager /// and he said I should have interview with you, and he said can you come tomorrow morning? Yes, I will come tomorrow morning, I went in the next morning, had the interview with this guy, one of the question he asked me he said where did you go to school, I said Queen Elizabeth Grammar School, and I was fine, I mean I got no school in school// in those days, you know you have to get English map five on the subject, I mean I got no chance, he didn't ask me that, he just asked me where did you go to school then, and I said Queen Elizabeth Grammar School, he said yes I think you could be working for what we are looking for john, you got the advantage you start right away, and I got the job, and it was many month later I discovered there was a well know public school called Queen Elizabeth Grammar School, so they send maybe the assumption quite wrongly, I mean mine was Queen Elizabeth Grammar School Mansfield//, think about it, I found think about insurance then, the reason was interesting then, because

everytime the business need insurance, in my time I dealt with everything from claim /// you name it, you know, it is gonna help and interest, you can be dealing with anything, you know it is not like, if again, if you are dealing with accountant, you are accountant, but it doesn't matter if you are dealing with the manufacture, or //club, you are just doing the account, insurance you got just seeing what involve, what they do,

SN: Okay, would you like anything more to drink?

JW: No, I am fine, thanks

END OF INTERVIEW