

# Case Study

## Improving Customer Retention

**The leadership issue:** How to turnaround declining customer numbers.

### Background

A large medical insurance business was facing difficulties due to a shrinking customer base. A full review was required to understand what and how the company needed to change.

### What we found

Efforts had been made to protect revenue by raising premiums, but this had led to a further loss of customers, many of whom were those of a more profitable nature. A lack of flexibility within the legacy product portfolio, and the way the organisation worked, added to the difficulties in attracting and retaining customers.

### What we did

Curzon & Company were engaged to provide a full situational analysis and identify short-term rapid actions, as well as longer-term changes that would reverse the worrying trend.

- ◆ We began by analysing why customers were terminating contracts, as this is a very good barometer for assessing the company's approach to attracting and retaining its customers. We also analysed the customer retention strategy and the customer journey, and identified the root causes behind the reduction in volume of customers. This involved a review of the entire product portfolio, the pricing and proposition strategy, and the operational effectiveness of the organisation
- ◆ A rapid action programme with the client's organisation was agreed to reverse the negative trend, whilst in parallel we redefined the long term product strategy
- ◆ Short-term changes were made to the way the organisational structure worked; this included giving the retention team the power to selectively solve customer issues. It was necessary to change the existing rules to improve flexibility, create better processes, up-skill the advisors and create rapid action teams across the organisation to improve coordination and information exchange

At the same time, we launched a major programme to fundamentally redesign the product portfolio and the way the business worked, in order to facilitate customer attraction and retention.

### Results

The rapid action programme had a dramatic impact. Three months after the initiatives launched, the save rate from the retention team increased significantly and translated into an additional retained customer value of over £4m. More importantly, the way the organisation worked began to change, as the people within it realised that new approaches could make a substantial impact.

Following these interventions, we helped to design a revised product strategy and then supported the proactive migration of the customer base onto one new, modular policy through a successful, large-scale pilot and launch. This resulted in an £8m profit improvement per year.

*“We didn't expect we could reach that far.”*

**Retention Director**

**FTSE 100 Insurance Provider**