



# Case Study: **AVIVA**

**Leadership issue:** Falling customer numbers.

## Background

The Medical Insurance division of Aviva was facing difficulties due to a shrinking customer base. A full review was required to understand how the company needed to transform.

## What we found

Efforts had been made to protect revenue income by raising premiums, but this had inevitably led to a further loss of customers, many of whom were those of a more profitable nature. The lack of flexibility within the legacy product portfolio and the way the organisation worked, added to the difficulties of trying to attract and retain 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 seeking to understand why customers were terminating contracts, as this is a very good barometer for understanding the company's approach to attracting and retaining its customers. We also analysed the customer retention strategy, the customer journey and identified the root causes behind the reduction in the number of customers. This involved a review of the entire product portfolio, the pricing and proposition strategy, and the operational effectiveness of the organisation.

We found that in the short term, a rapid action programme was needed to reverse the negative trend, whilst in parallel there was a need to redefine 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 solve customer issues through a single point of contact. 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. We then selectively targeted the most profitable customers for the improved service. 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. After just three months, the save rate from the retention team increased from 33% to 56%, generating value of around £4.5m. More importantly, the way the organisation worked began to change, as the people within the organisation realised that new approaches could make a substantial impact. A new product strategy was also successfully piloted and rolled out.

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

**Retention Director, Aviva**