

Entrant's Name:	Lisa Lewis
Title of Entry:	Demonstrating the Value of External Communications Tools
Division/Category:	Division 1 – Communication Management; Category 11 – Strategic Communication Processes
Entrant's Organization:	PartnerRe Ltd.
Outside Agency:	Sinickas Communications, Inc.
Time period of project:	June 2008 – December 2008
Brief Description:	Between June and December 2008, PartnerRe worked closely with Sinickas Communications to conduct a quantitative and qualitative review of their client communications efforts. The effort was two-pronged – capturing feedback from both our underwriters (sales force) and clients (insurance companies) with the aim of using the results to demonstrate the value that external communications can bring to the business process (135% ROI), and make research-based recommendations for improvement to senior management.

Need / Opportunity:

PartnerRe spends \$3.4 million on external communications materials and events in an average year. In addition, every communications tool requires substantial employee effort, often by underwriters. At the end of 2007, Corporate Communications received ad hoc feedback from the underwriters challenging the value of our client newsletter – PartnerReviews. With the creation of every edition we experienced constant push back from underwriters to generate article ideas, write and/or approve its content. We were ill-equipped to respond to their challenges as we didn't know whether clients read the newsletter, what they read and if the clients found it valuable or not.

After conducting our own benchmarking exercise at the end of 2007, looking at all of our client communications channels compared to our peers, we initiated 4 projects to help address our findings:

- Review the strategy and process for our client publications (inc. PartnerReviews)
- Further develop our ad campaign to better use all media options
- Enhance and refine the current marketing system
- Upgrade the website and enhance its content

We identified that all projects would greatly benefit from a deeper understanding of the value these communications tools bring to the sales process before moving forward.

Finally, at the beginning of 2008, the reinsurance industry was facing a declining market, and the Corporate Communications team anticipated that the development, enhancement or elimination of any current tools needed to be heavily supported by research-based recommendations from both the underwriters as well as our clients in this cost sensitive environment.

Intended Audience

The target audience for the online underwriter survey was our 185-strong underwriting team, who are predominantly based in Zurich, Paris and the US, and who participate in and who should benefit from the support that the external communications efforts provide the sales process. They have, on average 27 years of experience in the industry.

The target audience for the client survey, conducted by phone, was key decision makers of worldwide insurance companies (1500) who were our existing clients, and who could influence reinsurance buying. 103 clients in 42 countries on 5 continents were identified by underwriters for interviews, though 80 ultimately participated in the survey. The selection and distribution of respondents per geographic region was defined by the company's premiums over the past 6 years. 35% were top

executives of their companies, 54% were senior management at the SVP level, and the other 10% were VPs or below. Each client company represents, on average, USD\$500,000 of revenue per year.

The **primary** audience for the results of this survey was our Business Unit Managers. These 8 individuals manage teams of underwriters, and on average a USD\$400 million book of business. All male, they have on average 31 years of experience in the industry. 50% of them are actuaries and all of them, because of the technical nature of their business prefer to work with quantifiable data. In order to achieve our goals – to show that the client communications tools do provide value to the sales process, and get a seat at the table during strategic discussions about their objectives - it was important to provide research-backed data, and recommendations.

The **secondary** audience would be the 185-strong underwriting team who participated in the underwriting survey. As stakeholders who should drive demand for these communications efforts, it was particularly important that we could demonstrate their value, and highlight (if any) where the perception gaps existed.

Goals and Objectives

- 1) ROI: The primary goal of the study was to measure if the cost and effort made to produce our client communications matched the value they provided to PartnerRe – to achieve an ROI of at least 100% for 2008. While we researched six different aspects of value on the survey that were primarily related to knowledge about and opinions of the company, for the ROI calculation we defined “value” as having a communication lead a client to contact us – a concrete behavior that can be quantified monetarily.
- 2) Obtain quantitative data to help recommend to management which communications activities the company should continue, develop or eliminate in order to effectively support our underwriters’ marketing activities.
- 3) Gain management’s buy-in to our recommended changes in terms of budget and our schedule of new or changed communication for 2009. We wanted the Corporate Communications team to become a valued discussion partner with senior management by using research-based recommendations about client communication efforts to help PartnerRe effectively deliver on key business objectives.

Solution Overview

Members of our Corporate Communications team from Group (HQ), Global (Non-U.S.), and U.S. offices, located in four countries partnered with Sinickas Communications to develop and implement two surveys – one for clients and one for our own underwriters. I was project leader and representative for the U.S. office as well as the creator / designer of the underwriter survey.

Issues considered and tactics adopted included:

SURVEY APPROVAL (June – July 2008):

We needed the underwriters’ buy-in in order to move forward. A series of cascading presentations and meetings (from our executive down to the underwriting teams) were conducted to highlight how PartnerRe and its underwriters would benefit from this measurement exercise. These were followed up by supporting communications (standardized emails) to help “sell” the idea of the survey to the selected clients. This was critical as our clients had just completed an annual industry survey two months before.

SURVEY DESIGN:

To ensure that any perception gaps could be easily identified, we created many parallel questions in the client and underwriter surveys. For example, we asked clients how much influence each type of communication had on various elements of the sales process, and we asked underwriters how much influence they *thought* the same communication had.

To ensure we had relevant feedback to help us move forward with our project list, we segmented the survey into 5 sections, which mirrored the project task list set we for ourselves late in 2007. While this

made it a potentially very long survey, we offset this by having branching questions at the beginning of each section. If they weren't aware of the communication, they moved to the next section.

To ensure that comments collected by our respondents reflected the right communication materials, a PDF file showing samples of all the communication materials being discussed was distributed ahead of time, and referred to throughout the survey interviews. (This also had the added benefit of increasing awareness of PartnerRe on a very direct level, with many clients who were not aware of some of the materials!)

A recent industry-wide survey by clients had identified key decision-making factors for selecting reinsurance. We measured how well our communications supported these factors to help further demonstrate the value that our client communications efforts brought to the sales process.

Implementation and Challenges

The overall budget for the research project was \$154,200. This also included additional analysis comparing our client research with an annual industry study.

While we were careful of the reinsurance workload and renewal periods with our initial scheduling, there were other mitigating factors that could have impacted our response rate including – summer vacations in Europe, and the closing of the renewal period for our US clients. As a result, we extended the survey response period by two weeks, which allowed us to include more US responses.

The complexity of the client market (several geographies, different lines of business, Non-Life and Life clients) proved to be a great challenge for us. It meant that we had to be very selective with the demographic breakdown of the target audience, and based on cost and timing we omitted our Life market segment from the survey sample. This was a tough decision, considering it is one of our growth areas, but meant that we could concentrate on the larger segment of our client base.

It also meant we had to be very organized and flexible with our interview techniques. Bi-lingual interviewers located in four different time zones (West and East coast US, and Western and Central Europe) conducted telephone interviews with our clients over the course of four weeks. All questions were translated, and responses were then translated back into English in order to compile the results. This all took considerable resource.

Another challenge is that we recognized that our underwriting team had just completed a tough renewal period, and were probably already suffering a little bit from survey fatigue (they were involved initially in getting the client survey off the ground). To ensure we had maximum response rate for the underwriter survey, we offered a selection of desirable incentive gifts (PartnerRe-branded iPods, fleeces and laser pointers) to those underwriters who completed the survey. This technique worked, with a 62% response rate for an online survey – something we've never achieved before.

So while we experienced one course correction and two key challenges, we completed on budget, with very valid results.

Measurement / Evaluation of Outcomes

1) Goal: To measure if the cost and effort made to produce our client communications matched the value they provided to PartnerRe, where value is defined as – effectively supporting underwriter's marketing activities and business objectives; building awareness and knowledge about PartnerRe; and positively influence client behavior (defined as "a communication lead a client to contact us").

Results / Outcome:

- As a true measure of the value of client communications we calculated that the **Return on Investment on all our client communication tools in 2008 was 135%**. This was calculated using the metric that 16 out of 80 surveyed clients said that our communication tools "led them to contact PartnerRe":
 - The investment in client communication tools in 2008 was USD 3.4 million.
 - Average premium per client = USD 500,000
 - Multiplied by number of clients (16) = USD 8 million of revenue
 - (8 million - 3.4 million) / 3.4 million = 135% ROI*

* Note that ROI would be even greater if we applied the formula to 20% of all our clients (300 out of 1500), not just the 20% of surveyed clients.

- **When we looked at events in particular, the ROI is 900%:**
 - Investments on events in 2008 was USD 1.8 million
 - 36 out of 80 clients said that “events encouraged choosing PartnerRe over others”
 - Average premium per client (USD 500,000) x 36 clients = USD 18 million revenue
 - (18 million - 1.8 million) / 1.8 million = 900% ROI
- Research showed that PartnerRe’s communications do support the key decision-making factors when selecting reinsurance with over 85% saying that PartnerRe’s communications demonstrate the company’s expertise and financial security; more than half also find they are somewhat effective in strengthening their relationship with their underwriter, building understanding of our pricing approach and promoting value-added services.

2) Goal: Obtain quantitative data to help recommend to management which communications activities the company should continue, develop or eliminate in order to effectively support our underwriters’ marketing activities.

Results / Outcome:

- We were able to show some key perception gaps. For example underwriters were underestimating the value of some of the materials that clients found particularly valuable – PartnerReviews newsletter, 7 Questions to Ask Your Reinsurer, our Research Reports, our Risk Essays. As a consequence, distribution of these materials was poor. A powerful outcome was that the Chief Underwriting Officer in the Catastrophe business unit recognized that a simple step could be taken to better target the team’s marketing efforts. He took the initiative to set up a yearly process to review and update their client mailing list (for publications distribution) and insisted that his team (in Bermuda and Zurich) start the initiative immediately.
- It was identified that events made the most impact, where 39% of clients responded that events led to them choose PartnerRe over other reinsurers; research reports and PartnerReViews impact client knowledge and perceptions of PartnerRe.
- We also measured openness to new media tools such blogs, podcasts and Webinars

3) Goal: For the Corporate Communications team to become a valued discussion partner with senior management by using research-based recommendations about client communication efforts to help PartnerRe effectively deliver on key business objectives.

Results / Outcomes:

Due to the challenges we were facing in the business units, we knew we’d only achieve this goal through a series of steps. The first step, taken in September and October 2007, before the busy renewal season, was to give them enough proof of value to get them to agree to further discussions when they tackled their marketing plans in the New Year. So far in late 2008 and early 2009, following the presentation of results to both the US underwriting team and our Global (Non-US) management team, Corporate Communications team members have been actively included in strategic discussions about marketing plans and client communications (see planning memo in Work sample). Our strategy has been to be start with discussions about their marketing objectives, and any challenges they face in achieving their goals. Once we can articulate exactly what communications steps they need to take to achieve their goals, we will then be able to identify the best communications tools for success.

Conclusions and Next Steps:

- The goal for 2009: to continue to carry out our discussions with the underwriting teams and eventually help them align their business objectives with high-value communications tools. We will use the data we now have to support or influence decisions about those communications tools and budget allocation.
- We are currently tackling the four projects – publications, ad campaign, website, and marketing system, within the context of the survey’s findings.