

4. UNAC – Case Study

Client

UNAC is a national financial services company that specializes in providing solutions to members of professional, trades and health associations.

Over a period of twenty years, the team grew to 10 offices, 180 consultants, with 30 staff, 30 client service managers and a management team of 10 people.

UNAC specialized in marketing, educating and informing its clients being 120,000 members of 43 associations, of the latest solutions in tax planning, retirement planning and risk management. UNAC designed leading edge solutions to their financial challenges.

Consultants were located throughout CBD's and major country towns and were matched by strengths and character traits to specific industries such as medical or construction.

The UNAC marketing system was based on sponsored endorsed relationships and unique solutions.

Requirement

UNAC faced a catastrophic situation when their superannuation fund manager, with over 3000 clients, went into temporary liquidation with only three days notice.

Challenges

These clients represented over 40% of revenue and over \$500,000 of ongoing fees, which were frozen. To continue trading, UNAC needed to downsize and look at new sources of revenue to rebuild this core part of the business. It had taken over 15 years to build this superannuation client base. Some UNAC Board Members stayed in shock for months and were highly pessimistic about recovery.

With the dramatic fall in revenues and danger of costs overrunning revenue, the management team needed to act correctly and quickly.

Solution

Fortunately, some of the UNAC Board Members decided to focus on solutions rather than the problem and realizing they needed expert guidance, brought into the equation one of most successful business consultants in the world to help find a solution.

After two months review, a client source and education program commenced, together with a decision that UNAC must go back to basics and focus on the core profitable areas of the business.

Over the next two years, clients were regularly kept informed of the progress with the funds management company and the options to resolve the situation.

The core business that UNAC focused on to retrieve revenues and re-grow the business was income protection, a growing market at the time. UNAC were determined to employ the best sales people in the business to help the company grow.

Research discovered that the idea of being able to predict which salesmen are most likely to prosper was not an abstraction for Metropolitan Life, which in the mid-'80s was hiring 5,000 salespeople a year and training them at a cost of more than \$30,000 each. Half quit the first year, and four out of five within four years.

The C.E.O. of Met Life approached psychologist Martin Seligman at the University of Pennsylvania and invited him to test some of his theories about the importance of optimism in people's success. When optimists fail, he has found, they attribute the failure to something they can change, not some innate weakness that they are helpless to overcome. And that confidence in their power to effect change is self-reinforcing.

Dr. Seligman suggested that they hire people with high levels of optimism. When scores were matched to actual sales records, it turned out that consultants who scored in the top half for optimism sold 37 per cent more insurance over two years than those in the pessimistic bottom half. Even more interesting, consultants who scored in the top 10 per cent for optimism sold 88 per cent more than those ranked in the most pessimistic 10 per cent.

UNAC introduced this proven system to find optimistic people and to build their optimistic culture,

We profiled the ten key sub-conscious strengths of the top sales people in each of the Association categories such as Professional, Trades and Health. UNAC set up benchmark systems for the resulting scores and this became a major recruitment tool.

Recruitment and training costs fell dramatically and sales results grew measurably much faster. The retention of clients increased and over the next three years, the business grew back to the former levels of sales. Profits were reinstated and growth clearly measured.

UNAC also introduced advanced U.S. models for marketing and telemarketing systems and appointment levels increased together with sales and profits.

Results

After two years, the retirement planning business came out of liquidation and the new owners guaranteed the retirement funds under management. Consequently, this area of the UNAC business began to grow again.

With these new systems in place and by creating an optimistic culture i.e. only employing optimistic sales people based on the proven benchmark profile scores, results could clearly be measured.

It had taken fifteen years to develop the original UNAC business.

Within three years, UNAC improved the results of the income protection business, increased the sales team back to 180 consultants, introduced three new services and restored profits to levels higher than the existing levels prior to the crisis.

Conclusion

Profiling the sub-conscious strengths to accurately find the right people faster, lowered the costs of recruiting and training and allowed UNAC to experience rapid growth in sales and profits. Staff retention and an optimistic culture meant great teamwork with interaction and cooperation throughout all the offices. Consequently, client retention was a great deal higher than the industry average.

Ten years ago, UNAC was approached by AXA and National Mutual in a takeover, with Denis Preston retained for three years to continue and teach the successful strategies.

Since then, Denis Preston has coached and mentored C.E.O.'s and management teams of over 200 companies in this critical area of creating an optimistic culture and recruiting the right people for the right roles using the sub-conscious profiling system that helped Metropolitan Life, C21, Wizard and UNAC become so successful.

"We knew that we were employing the best people in every area of the business, from General Managers to Tele-services Managers. Our client retention rate was over 94% when industry averages were around 70-80% retention". Denis Preston C.E.O. UNAC