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STRATEGIC ACCOUNT MANAGEMENT ASSOCIATION

ZURICH INSURANCE GROUP'S MARKET-LEADING STRATEGIC ACCOUNT MANAGEMENT IN ACTION

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Staying true to its core principles of customer centricity, simplification, and innovation, the Commercial Insurance unit of Zurich Insurance Group (Zurich) has built a strong framework for strategic account management that helps to deliver market-leading service to many of the world's largest companies. It's an approach that the Switzerland-based insurer has relied on for more than two decades, and one that has earned it the 2024 Excellence Award for Outstanding Mature Program of the Year from the Strategic Account Management Association (SAMA).

"The SAMA Excellence Award is wonderful recognition that further supports what we see in our customer satisfaction scores," said Sierra Signorelli, CEO of Commercial Insurance at Zurich. "We are grateful for this recognition, and we will continue to build on this strength to meet the evolving needs of risk managers and their organizations."

Zurich pioneered an approach to strategic account management in the early 2000s that appoints global relationship leaders to large commercial customers. The global relationship leaders are responsible for supporting customers that manage some of the most complex risks in the world and are challenged with navigating the intricacies of local and cross-border insurance markets.

Altogether, the insurance group does business in more than 200 countries and territories and has around 60,000 employees. Zurich provides coverage to over 80% of Fortune's Global 500 companies and to more than 90% of Fortune 500 companies in the United States (based on Zurich's analysis). In 2023, it achieved USD 62 billion in insurance revenue and fee income.

Vinicio Cellerini, Global Head of Customer and Distribution Management for Zurich Commercial Insurance, said the insurer's strategic account management philosophy mirrors its overall strategy of customer focus, striving for simplicity in a complex industry and placing a high priority on innovation.

"We have been able to validate this approach over the years by closely monitoring key metrics such as customer retention, product density, profitability and relationship net promoter score to measure customer satisfaction," Cellerini said.

Real world results

Working closely with customers that face the demands of managing risks across the globe has led to groundbreaking solutions, bearing out Cellerini's emphasis on innovation as a key part of the account management approach.

In one case, a European-based customer voiced concerns with the amount of data required for their insurance program. The dedicated global relationship leader

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and other team members brought together Zurich resources that included IT and others to find a solution. The result was the creation of an application programming interface (API) that automated data sharing between the customer's risk management information system and Zurich's platforms.

The [Zurich Connector API Solution] turned a frustration into a solution that won a 2023 Business Insurance Innovation Award from Business Insurance magazine and the European Risk Management Association's Technology Innovation of the Year award.

In another case, an account review for a large manufacturer that was seeing rising roof-mounted solar panel property losses led the Zurich team to develop installation and maintenance guidance and insights that are now widely used to help other customers avoid similar situations.

Rigorous, yet flexible management

SAMA judges said in announcing Zurich's win that it was based on the insurer's ability to "build sustainable programs, measure and maintain profitability of strategic customers, drive meaningful decisions through data and insights, and expand the strategic account management philosophy beyond strategic customers."

Zurich has put into play several strategic account management elements in serving their customers, the judges said. They include team engagement, performance metrics, a customer-centered culture, actionable feedback, and executive involvement.

Ron Davis is EVP, Global Head of Customer Management at Zurich. He describes the insurer's methodology and framework of strategic account management as rigorous yet flexible enough to tailor for each customer without reinventing the process each time.

In a Q&A session, Davis discussed the development of the award-winning program, its unique place in the insurance marketplace, how Zurich's strategic account management philosophy has spread within the company, and other topics related to the approach that has helped set it apart from other global providers of products and services.

Why is this an important award for Zurich?

Ron Davis: We are proud that SAMA has recognized the work Zurich is doing through its strategic relationship customer model. This competition is open to all industries, so this win makes a powerful statement that our value-added approach is not only a differentiator in the insurance industry, it is what makes Zurich a standout performer among global firms representing a wide range of industries.

Your strategic account management (SAM)

program built a solid foundation from its inception in 2000. What did you consider as you have worked to advance the program over the years?

Ron Davis: Everything we do links back to our core principles that drive the entire organization: a customer focus, simplification, and innovation. We are regularly re-evaluating our process to ensure that we are meeting our goals to deepen customer relationships, providing thought leadership internally and externally, and achieving the desired results for our customers and for Zurich. Being part of the SAMA community has enabled me and my colleagues to learn how other global organizations manage their strategic customers, and we've gained many insights which we've integrated into our approach.

Who from Zurich is involved in this work?

Ron Davis: A successful strategic account management program requires involvement from a variety of key stakeholders within an organization. We collaborate with our executive leadership team and business leaders from underwriting, claims, data and analytics, operations, risk engineering, and other areas. We rely on product and industry experts from across the company to create a complete understanding of the customer and its business, and we often engage these experts directly with our customers. Our global relationship leaders head up teams that jointly develop a customer strategy specifically tailored to each customer's situation and their needs. Things change, so the customer strategies and supporting efforts are updated as often as necessary.

How do you measure the program's success?

Ron Davis: We have a number of KPIs that assess how well our program is working. Some are quantitative and others are qualitative. Through customer satisfaction surveys and other customer feedback we develop a good understanding of the strength of our program and how we can enhance it. Most importantly, we interact frequently with our customers and their intermediaries to determine how the program is performing for them, and their feedback helps us refine our approach. In addition to frequent one-on-one contact with our relationship customers, many of them come to Zurich-hosted events, some of them are part of our Customer Advisory Boards, and we also interact with them at industry events.

What validation do you have that the program is contributing positively for your customers?

Ron Davis: Any strategic account management program must keep a pulse on how their approach is impacting the customer. Customer satisfaction surveys, relationship net promoter scores, for instance, are ways we evaluate our impact, and we use industry benchmarking statistics to challenge ourselves to always improve our performance.

We've been gratified to see that a very high percentage of our customers who participated in our latest customer satisfaction survey have a positive or very positive perception of Zurich and our product offering. And, we have meaningful interaction with our customers throughout the year in many different ways, including at the Global Risk Management Summit (Zurich's flagship event for large corporate customers), which we've been hosting for over 15 years and is recognized as an industry-leading thought leadership event. The interest of our strategic customers to attend this event represents the value they derive from it.

A good number of our strategic customers have Zurich Executive Sponsors assigned to them. The engagement of our top executives from across the world in supporting our strategic customer management program enables us to get direct feedback from multiple levels of customer contacts about their needs and priorities and how we're performing. Creating a strong and direct feedback loop with our customers is an important way for us to validate the strengths of our program.

How has your business benefited from the strategic management approach?

Ron Davis: We monitor the performance of our strategic-account-managed portfolio and know that it performs very well across all key performance indicators. Like most businesses, we have a lot of competitors, which means our customers have options with whom they wish to do business. A measure of the scope of our relationship with a customer is the breadth of our engagement across a wide variety of their business needs. We've achieved a high level of product density for these customers and our retention averages above 90%, which shows our customers value what we're able to deliver. They appreciate our responsiveness and that we are solution-oriented. We also know this is working as we believe we see competitors trying to emulate our business model.

What are the risks of not closely monitoring a strategic account management program?

Ron Davis: One critical element of our program is the importance of refreshing and reinforcing the core account management principles with our global team of account managers and throughout our organization, including with new hires. This includes the need to stay current with the evolution of our products and services. We want to avoid complacency or taking our position for granted, so challenging our strategic account managers to stay fresh, current, and agile in an ever-changing marketplace of customers with evolving needs is critical.

What makes for a good relationship leader who can bring a thorough understanding of the customer's business and needs?

Ron Davis: The role of our global relationship leaders is the cornerstone of our relationship management strategy. These leaders have strong business acumen and bring a range of industry expertise and insurance knowledge. They understand our business culture and learn how to navigate the Zurich organization to access whatever expertise is needed, all in support of delivering the best possible responses from Zurich for customer challenges and needs.

The global relationship leader creates a customer strategy in collaboration with internal stakeholders, leads the execution of the strategy, monitors customer satisfaction, and provides other services. The relationship leader also helps identify new growth opportunities. And for events, such as the World Economic Forum, where our executives will have meetings with customer contacts, we count on our relationship leader to provide an executive briefing well ahead of time. They help colleagues from across our company with context of how their area of involvement supports our overall relationship, and they provide a total customer understanding for each of their assigned customers.

How do you maintain customer engagement in your strategic management relationships?

Ron Davis: Proactive engagement with our strategic customers is best practice for our global relationship leaders. In addition to meetings that take place throughout the year, we emphasize the importance of an annual stewardship meeting. This enables us and the customer to formally review how the past year has gone, if we've met each other's expectations, and the priorities for the year ahead. The relationship leader coordinates the meeting agenda, which often includes a discussion on opportunities to co-create solutions through thought leadership, risk engineering services, data insights, or in other ways. Important meetings are followed by an internal team discussion on takeaways, any updates to our strategy, and next steps with associated timelines.

How much attention do you give to innovation as part of your SAM approach?

Ron Davis: The economy, world events, and our customers' needs are constantly changing. Buyer sophistication increases, market dynamics shift, economic uncertainties arise, and unique business pressures appear. This demands innovation in strategic account management. The underlying foundation of our strategic management philosophy is to create meaningful relationships with our customers and be their insurer of choice. That makes it imperative for us to constantly challenge what we're doing and find ways to innovate, elevate, and drive value for our customers. The same applies for our own company; we need to be attentive to creating value for Zurich.

Insurance market conditions have been particularly unsettled in recent years. How do these conditions factor into your SAM approach?

Ron Davis: As an example of what we and our customers are contending with, the 2024 Global Risks Report, the World Economic Forum's annual publication that Zurich supports and contributes to, based on input from 1,400 risk experts, found that extreme weather events pose the most likely long-term risk to create a material crisis on a global scale. That's not surprising, considering the increase in frequency and severity of weather events across the globe. The impact on the insurance industry is considerable in terms of coverage capacity for property risks, supply chain implications, business interruption, and other issues. Also ranking in the top ten of long-term risks are AI-generated misinformation and cyberattacks.

This challenging insurance environment is a major concern for our customers. Thanks to our strategic account management program, we can help them navigate this turbulence using our principles of customer planning and execution, early communication, and, perhaps more importantly, co-creation of solutions led by our global relationship leaders.

The leadership and alignment of our strategic account managers with their internal teams is a critical factor in successfully navigating these challenges.

Are there data-driven tools available to customers?

Ron Davis: We've been involved in numerous market-leading technological innovations. I'll hone in on one example. In order to streamline the flow of data between our organization and customers, we co-created with a strategic customer the API referred to earlier. To our knowledge it is the first of its kind offered in the commercial insurance market, facilitating ease of customer access to accurate data. Zurich received the Technology Innovation of the Year award in 2023 from the European Risk Management Association for our API solution and its bi-directional data exchange capability. And, since creating this tool, we've now implemented it with an increasing number of our strategic customers across the world.

Have you expanded your SAM philosophy beyond strategic customers?

Ron Davis: Zurich has consistently been told by our customers and their brokers that they appreciate having someone help them navigate the Zurich organization to access expertise and facilitate responsiveness. These insights encouraged us to consider expanding our philosophy to a subset of customers who have the potential to move into strategic relationships. To that end, we created the Top Market Customer program by leveraging our strategic account management principles. Having done so, every year we see a number of these Top Market Customers being re-segmented into strategic relationships.

We are well aware that our commitment to relationship development, regardless of the business segment, is a key differentiator for Zurich.

Sharing the SAM experience

Zurich has taken to heart the lessons learned in implementing a SAM program and believes it can help others considering such an approach.

"A critical lesson that we would share with other organizations is the necessity of having alignment," Cellerini said. "We define it in terms of internal coordination, leadership, and the influence of our global relationship leaders within the Zurich organization."

Seamless communication and execution on a customer strategy does not happen by chance, especially within a global operation the size of Zurich, Cellerini said. "We believe that having a global relationship leader build more meaningful customer relationships, coordinate multiple products, and demonstrate strategic thinking internally and externally sets our strategic account management program apart from most others."

Zurich's experience is a lesson to others on the importance of having strong account management principles, according to Signorelli.

"Change is consistent and expected," Signorelli said. "But if a strategic management program has fundamentals ingrained throughout the organization, it will not only weather the challenges that arise from change but will thrive in the face of them." ■

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