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FTC rushing to shut down your ability to communicate with your own customers.

This comes from the "believe it or not" school of government interference. The proposed creation of a national Do Not Call list isn't so proposed. It is going to happen. And it is *in addition to all the State do not call lists*. But the real corker in this proposal is the fact that if your customer's name is on the do not call list—you cannot call the customer! Period! If you do it can cost up to $11,000 per calling violation. Citibank is looking to generate close to one-half billion dollars in telemarketing insurance sales during 2002. If the FTC proposed rule goes into effect—Citibank can kiss that revenue stream goodbye. Especially since confidential sources in the industry speculate that 60% of US Households will end up on the list. The good news in all of this—the revenue streams the 20 DNC States were counting on will dry up in an instant with the revenue transferred to the Feds. Oh yes—you will have to pay for the list. Unless the telemarketing industry and business users come to their senses and begin to oppose this nonsense about 3 million jobs and approximately $360 billion in revenue are going into the Dumpster. A perfect Government strategy during a recession. ■

Does the name "Shailesh J. Mehta" ring a bell?

He was the alleged marketing genius who took Providian Bank to new heights of profitability by offering credit cards to sub prime risks. He did such a good job that he was made CEO of the Old National Liberty Capitol Holding Direct Group. Now the "wunderkind" proclaimed that selling mail order insurance was exactly like selling credit cards, and managed in less than five years to obliterate any profit the group had accumulated, and then sold the operation to AEGON, USA. He moved on as Chairman and CEO of Providian Corp. and kept on selling those credit cards to a high risk market. That was about 10 years ago. Now Mehta is out of a job. He presided over a 71% drop in third quarter 01 net income and a 30% increase in chargeoff ratio. What goes around comes around…it just sometimes takes a long time.■

AAL, Lutheran Brotherhood Merged in January.

3 million customers. 3,300 associates, $6 billion in revenue…Aid Association for Lutherans and Lutheran Brotherhood become a single faith based firm—moving to the middle of the Fortune 500 from also-rans. Objective is to compete with giants like Fidelity, Citigroup, State Farm and American Express. Company temporarily operating as Aid Association for Lutherans/ Lutheran Brotherhood. Both companies have used integrated distribution channels, and will—apparently—continue to do so. ■

New York Life Shuts Out Direct Product Sales on the Internet.

NYLife CIO Judy Campbell touts company line believing life insurance sales are very much a face-to-face experience. Company focuses Web on agent support and tools. Believes direct-to-consumer sales Internet business model has failed. Trouble is Internet investment remains number one issue for this insurer—and most others. How do you calculate payback for the Internet investment? Without revenue streams compared to expense streams you cannot. It really is simple metrics. Perhaps the New York Life folks should pay more attention to their AARP relationship and operation, as well as the association group model the company uses. Recently NYLife sponsors broad market TV effort aimed at military market supporting "second-to-die" life coverage. Round pegs. Square holes. It <u>is</u> all about metrics. At least this is one insurance organization trying—even if their weak Internet effort appears to fall far short of potential. ■

Conseco Direct Abandons Colonial Penn Re-branding Effort.

Some interesting fall out from GLBA. Last June Conseco Direct decided to return to the Colonial Penn brand that they had abandoned in favor of the Conseco branding strategy. They sent a letter to policyholders announcing the change *at the same time* they enclosed a *plain language* explanation of their privacy policy as required by federal regulators. Similar to JCPenney Life Insurance Company's effort this is an outstanding example of turning lemon into lemonade. If you would like a sample please get in touch. Proves that good marketing never sleeps. ■

10 Characteristics of a best-in-class company.

About 14 years ago the creation of the Malcolm Baldrige National Quality Award program generated corporate frenzy (supported by academic obsession with buzz words) focusing on process management, continuous improvement, metrics and values. Not many companies make it through the awards process. Two notables: USAA and the AT&T Universal Card. AT&T Universal Card decayed into a credit card portfolio. But USAA is still riding high. So what are the ten characteristics of a best-in-class company? Here they are:

- A contagious, enterprise wide, belief in what the company is trying to achieve.
- A clear understanding of who the customer is, and what the customer values.
- A clearly defined, comprehensive strategy (or strategy sets) to bring more value to the customer.
- An exceptional commitment to core values, especially from top management.
- An obsession with *measuring performance*.
- A structure aligned with the company's goals and values.
- A commitment *and an agenda* to empower associates.
- *Training in good times <u>and</u> bad.*
- A strong belief that when it comes to recognition there is no such thing as too much.
- A fervor for continuous improvement in everything the company does!

Customers pay the bills. So, it is logical that agents and brokers do not qualify as customers—since they do not pay insurance premiums. People qualify and companies qualify. *Middlemen* do not qualify. Interesting isn't it? ■

Good Marketing.