



# THE CELL NEWS



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## Are insurers going to benefit from regionalisation?

**R**egional integration is a topic that has of late taken center stage in discussions of most policy makers on all continents. The issue has been prompted mainly by the looming globalisation and world integration of economies which seem to pose more of a threat than gain to developing countries especially in Africa. The issue which has been on the table for decades now has finally been given top priority and propositions made long time ago are being dusted from the archives and negotiations in process.

The Secretary general of United Nations Conference on Trade and Development (UNCTAD), Reuben Ricupero characterized regionalisation as “an implicit ‘Insurance policy’ for the developing countries” in case globalisation and liberalisation produce undesirable consequences. (*Spore, CTA*). It is with no doubt that sooner or later African countries are going to be forced to open up their borders within the existing regional groupings and relax trade regulations in a bid to protect their weak economies from being overwhelmed by open markets and developed countries.

Regionalisation is mostly likely to bring two faced effects when implemented in Southern Africa. This is mainly because of the differences in economies the various countries have. To begin with, countries that have minimal manufacturing levels like Botswana, Swaziland, Lesotho and Mozambique in Southern Africa are going to be turned into shopping baskets. It is a given fact that some industries will be forced to fold while others will be booming given a wider market base created by the opening up of borders and relaxation of trade conditions.

The great question is “How are insurance companies going to benefit from regionalisation” and if there is any benefit that will be derived, are the companies positioning themselves for the looming changes in trade and economies? The first

challenge that comes into mind is the differences in product structures and extents of cover. For instance the insurance products in South Africa are advanced to such an extent that some add-ons offered on policies, for example car hire options on motor policies in case of an accident will obviously attract customers from other markets that do not offer such fancy benefits. This means that insurance companies now need to adopt products and pricing structures that are compatible in other countries.

It does not mean that regionalisation will bring catastrophic effects only to the insurance companies and other industries; there are also great benefits that are most likely to be reaped from the exercise. To begin with there will be a bigger market created by opening up of borders thus enabling innovative and aggressive companies to grow. Issues of capacity have been very thorny especially in inflation raked countries like Zimbabwe. Regionalisation will increase capacity as risks can be placed without flouting regulations of externalisation of risks.

Better and more attractive products will obviously spread through out the region, thus creating a sort of a revolution or rejuvenation of the industry, especially in countries where insurance is not treated as a prime need for economic success. This will be facilitated by a common currency in use that will ease challenges of pricing and rate conversions. Companies will now be able to have mutual business relationships across boarders that will aid better service delivery.

The major regional groupings in the ACP countries include Economic community of West African countries (ECOWAS) Economic Community of Central African States (ECCAS), Southern Africa Development Community (SADC), Common Market for Eastern and Southern Africa (COMESA) and other groupings. However regionalisation in most ACP countries has not become the powerful force predicted and it is not clear if it is going to come true or simply remain an illusion.



### Did you know?

**Democritus (460-370 BC, a Greek philosopher and physician, chose a diet rich in honey and he lived until he was 109 years old. (Golden Blossom Honey)**

### Market Buzz

**ZIMBABWEANS** were ranked the top spenders in S.African economy in 2006, spending up to R2.2bn mainly on groceries and electronic goods. Americans spent R1.4bn and Australians and Asians 1.1bn. This saw a growth in S.Africa’s retail business by 8.7% in June to 12.3% in November in 2006. *Business Herald 9 Feb. 06*

**CBZ HOLDINGS** could be the biggest banking and financial group listed on ZSE following the take-over of Beverley Building Society for over £3.5mn. The take-over deal follows a more aggressive market expansion following a shareholder approval for the group to acquire complementary business. *Zim. Ind. Business Digest 19-25 Jan 07*

**STOCK** on Zimbabwe Stock Exchange is expected to rise in the year 2007. Market analysts predict that an investor can randomly pick a stock at the ZSE stock chart and expect that stock to rise by over 1000%. This is on the backdrop of depressed returns in the money market and other investment vehicles available. *Fingaz 11-17 Jan 07*

**MONETARY POLICY** for 2007 came with some surprises to most Zimbabweans when RBZ did not devalue the local currency against major outside currencies. Most people especially in the business circles expected a significant devaluation level mainly against the US dollar citing business viability problems. *RBZ Monetary policy 31 Jan 07*

**THE** Zimbabwe Association of Reinsurance Offices (ZARO), a governing board for re-insurers announced a list of minimum rates for Assets All Risk policies for over 87 of the country’s major risks. The move was mainly prompted by major claims which were incurred in 2006 that nearly whipped out the reserves in the local market.

# Superior service - How SMEs can get a competitive edge

You can use customer service as a powerful way to set yourself apart from your competition. Its one of the strengths a small business has, and by emphasizing customer service, you can compete with larger companies who may offer more variety, lower prices, and other perks you can't afford. But many small businesses fall short in the customer service category. Why? Ignorance is one reason. There simply are not a lot of examples of good customer service on which to model your company.

To make sure your business' customer service is top notch, find out what your competition is doing and then copy and exceed it. Read books or listen to audiotapes by people who have studied customer service-driven companies such as Neiman Marcus and see what lessons you can learn from these giants. Successful entrepreneurs are always looking for ways to improve all aspects of their business.

In the meantime, here are five maxims to help make sure you leverage your small business status to provide the best customer service possible.

## 1) Apologize, Don't Debate

If a customer has a problem, apologize and fix the problem. Make sure to let customers vent their grievances, even if you are tempted to interrupt and correct them. Then give them a refund, new item, or whatever will fix the problem. Debating or haggling over a refund creates ill will. Repair mistakes immediately. Keep in mind that a complaint about your company is an opportunity to turn the situation around and create a loyal customer. Obviously, there will be some customer requests that are too outrageous to comply with. If that's the case, do your best to offer a moderate, appealing alternative.

## 2) Feedback Keeps You Focused

Ask your customers to rate your service on a regular basis. This can be done via a short questionnaire included with every product sold or mailed to key clients. Keep the questionnaire short so that it is

not a burden for customers to complete, and make sure they know they can decline to participate. Always let customers know the purpose of the survey is to serve them better. If they fill out the survey and have no problems, it is a reminder of what good service you offer. If issues do arise, they can be addressed.

## 3) Stay Flexible

You must be flexible when it comes to your customers and clients. This means doing a project for a client in a pinch, having an early morning meeting even if you like to sleep in, and meeting on Saturday even if you usually reserve your weekends for yourself.

Flexibility can also mean getting information for your client, even though it may not be in your area of expertise. Say, for example, you're catering a wedding and your client needs information on Irish wedding customs. It's just as easy to make a call to your local library and fax the information to your client as it is to say "I don't know anything about that." And making that extra effort will ultimately pay off with a very satisfied customer.

## 4) Always Say "Yes"

This doesn't mean giving up your personal will to your customers but it does mean finding a way to help customers with their requests. If you run a gift business you might wrap a present for an important client, even if you don't usually provide gift wrapping. You might stay up late to finish a project if a client suddenly has a deadline moved up, or travel in a snow storm to meet a client even if it means an unpleasant trip for you. Always saying yes, means the words "that isn't possible" should be forbidden from use in your business. You cannot afford to use them. If this sounds expensive and inconvenient, it is, but it is less expensive than losing a customer and having to spend money and time landing a new one.

## 5) Under Promise, Over Deliver

Make your customers believe they are important to you by always appearing to go the extra mile. Build a little cushion

into a deadline and deliver early. Estimate that a job will cost more than you think, and bring it in lower.

Many small businesses make the mistake of reversing this maxim - over promising and under delivering. This is a true recipe for disaster. You may get the business, but your level of service will make it difficult to compete. If 24-hour turnaround is excellent service in your industry, don't promise it in 12 just because the customer requests it.

(Source: Excerpted from the American Express Open Small Business Network: [www.sme-solutions-center.com](http://www.sme-solutions-center.com))

## **SERVICE**

*Are you not satisfied by the service that we are giving you? Or do you have a complaint or suggestion you want to give us to improve our service? If your answer is yes please*

*E-mail us at*

[customercare@cellinsurance.co.zw](mailto:customercare@cellinsurance.co.zw)



## **Buzz Corner!**

**The Honeybees have turned three! On 1 March 2007, Cell Insurance celebrated its third anniversary and the ever growing success of the Rent-a-cell self insurance product. We could not have gone this far without our customers' support. Visit our website [www.cellinsurance.co.zw](http://www.cellinsurance.co.zw) for more information.**

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