

Serving customers by listening and putting feedback into practice



EDITORS' NOTE: David M. Putz is the Head of Alternative Markets for Zurich North America. A 22-year veteran of the organization, Putz previously served as the Head of Zurich's Direct Markets & Programs (DM&P) unit. Prior to that role, he served as Vice President of Sales and Distribution for Zurich Direct Markets, which provides insurance to automobile dealers. A graduate of Ball State University, Putz's career began selling cars in his family's Chrysler dealership. In his new role, effective January 1, 2018, Putz succeeds Kathleen Savio as Head of Alternative Markets, as Savio becomes the new CEO of Zurich North America.

How did you transition from selling cars to running a multibillion-dollar division larger than many standalone insurance organizations?

My father owned a Chrysler dealership, so as a teenager I was already selling cars and learning firsthand the importance of personal connection and understanding customer needs. After selling cars in the family business, my first role out of college was working for Pat Ryan & Associates, the company that went on to become Aon Risk Solutions. For Ryan I was providing insurance services to car dealers in the Midwest. So, my transition into insurance was tied to my wanting to stay close to the retail automobile business. I worked for Pat Ryan & Associates for three years before joining Universal Underwriters Group, a Zurich-owned unit insuring auto dealerships.

What are some of the lessons you learned from selling cars that have served you well in your insurance career?

When I look back on my career, I believe what really set me on the path to success has been keeping a sharp focus on the needs and concerns of both customers and employees. I try to start every meeting with what I call the three "Ls" – listen, laugh and learn. I believe you need to connect with people on a personal level to win their trust and show them you really care about what's important to them. If you can embed that idea in your culture, the objectives you want to achieve will follow.

What businesses does Zurich North America's Alternative Markets unit serve?

Zurich Alternative Markets is a collection of different businesses that, if viewed as a single entity, would be among the largest insurance organizations in North America today.

Our **Programs** unit serves Program Administrators providing insurance products to industries ranging from construction and auto dealerships to veterinarians. Our **Direct Markets** group encompasses Zurich's entire book of automobile dealer business in North America. It is one of the largest insurers of auto dealers and is a market leader in the Finance and Insurance (F&I) arena, which includes service contracts and other products sold to car buyers.

Alternative Markets also includes our **Group Captives** business, a market space in which Zurich has been a leading player for a very long time. And we are one of the largest underwriters of crop insurance in the United States.

With such a diverse customer base, how do you make sure you are providing consistent levels of service to all segments?

Without question, responsiveness, understanding the customer's needs and really listening. We also work very hard at getting the basics right every time.

We also collaborate with top distributors and Program Administrators as well as our own employees to make sure that we are all demonstrating the same commitment to excellence. We provide customized solutions, products and services with the help of cutting-edge customer service tools and processes.

We also make a dedicated and committed effort to listen to our customers. Zurich conducts a number of customer and broker councils to directly engage our key audiences in sharing their opinions about factors affecting their businesses and the tenor of their Zurich relationships. For instance, we have a Direct Markets Customer Council of roughly 15 auto dealers from around the country. We bring them together every year to hear what's going on in their industry and to share information about products, services and tools we are thinking about offering. We don't just tell them that we want to incorporate their feedback in making decisions. We actually do it.

A good example was the introduction of a tool we developed for auto dealers called "*illuminate*." It's an interactive digital presentation that has become a critical part of our selling system while helping to enhance the customer experience. The *illuminate* concept came directly from the Direct Markets Customer Council. We presented the concept to the council for review and then piloted it with them. We launched *illuminate* nationally a couple of years ago as our go-to-market F&I approach. That approach was crafted in its final form by the customer council.

Our customers have told us that what makes our approach so unique is that we take their feedback and actually put it into practice. We use it. That truly is, I believe, quite rare in this industry.

“ We don't just tell them that we want to incorporate their feedback in making decisions. We actually do it.”

What other factors do you believe help to differentiate Zurich in the marketplace?

Without question, our global scope and stability are important differentiators for customers and brokers. We have a team of highly dedicated, customer-focused employees who distinguish themselves every day in how they respond to the needs of our customers and brokers. Also, there is our history and consistency as a major insurance carrier in business over 140 years globally and more than 100 years in North America.

We are also proud of having cultivated some of the strongest customer relationships in our business. We pioneered a customer relationship model that recently won an award of excellence from the global Strategic Account Management Association.

Our customer focus is also enabled by a suite of award-winning online customer tools. And, of course, we offer broad, wide-ranging capabilities via a vast global network and a broad portfolio of customer solutions.

The insurance business is undergoing significant change as new business models and competitors, including digital upstarts, are disrupting traditional distribution channels. How will Zurich respond?

It's not just insurance that's feeling the pace of change. For example, this year it was reported that Amazon was on track to beat Macy's and other major clothing retailers as the leading clothing marketer in the United States.¹

We must acknowledge that we are no longer competing only against traditional insurance carriers and business models. As an industry, we really have to think differently, including making greater use of software robotics, artificial intelligence, cognitive computing and other approaches that Zurich is already pursuing.

Our customers are experiencing change in their markets too. In the retail auto space, customers shopping for new cars traditionally visited a dealership and talked to a salesperson. However, in the online environment, customers are beginning to utilize tools that will allow them to perform the entire transaction electronically. That's something very new to the automotive industry. For us the challenge is that we have to find ways to educate customers about F&I products they can purchase to protect their vehicle and add value, all while they're performing a transaction completely online. That's something we are working on with our auto dealer customers and a direction in which the entire industry is moving.

With three historic hurricanes and other natural disasters, 2017 was one of the costliest years ever in terms of property damage. How does Zurich help customers prepare for and respond to catastrophic events?

From Hurricane Katrina and Superstorm Sandy to the 2017 hurricanes, Zurich has strived to learn from each event so that we get better every single time. That's not only helping customers mitigate against risk but also helping them understand the importance of building resilience.

Within Zurich Alternative Markets' customer base, auto dealers can be particularly vulnerable to flooding damage. I'm pleased to report that Zurich's customers, especially those in the Houston area, actually fared pretty well during the storms of 2017. We have consistently worked with our customers to develop good inventory evacuation strategies and plans. Our dealers were able to put their flood plans in place very early in order to move cars to higher ground, parking garages and other places outside flood zones.

One of our key lessons from Sandy was that when dealers are located in highly populated areas the timing of pre-event plan implementation is critical. If you wait too long you may not have time to execute your plan. During Sandy, some dealers couldn't get their inventories over key bridges due to emergency measures aimed at saving lives, which will always take precedence over property. Hence, activating a mitigation plan at the right time can be the most critical component of any plan.

For our own clients, building resilience is also about being there to serve local customers who need them after an event. Many Houston-area dealers who implemented evacuation plans in advance of Hurricane Harvey have had some of the best sales results in their history. Some estimates were that up to one million vehicles needed to be replaced in the Houston area.² Dealers able to implement pre-event plans effectively were then in positions to serve customers just as they were receiving their insurance checks. So you can see that good preparation on the front end and having a resilient culture actually helps build your business.

In addition to your focus on Zurich's customers, brokers and employees, we understand that you exercise your own personal commitment to the community. Tell us about that.

Currently I am the Vice Chair for Make-A-Wish® of Missouri. As the father of three healthy teenage sons, seeing the challenges that some other families and children are going through has made involvement in Make-A-Wish very personal to me. Make-A-Wish of Missouri granted the wishes of about 315 families last year, with the potential of up to 500 families annually who could be touched by the program.

I am proud to work for a company like Zurich that gives us the opportunity and encourages us to support a number of core charities, including Make-A-Wish. As a Zurich leader, I am also very proud of the many employees who commit their time, talent and resources to make a difference in the community, which is one of our most important corporate values.

“ I try to start every meeting with what I call the three “L’s” – listen, laugh and learn. I believe you need to connect with people on a personal level to win their trust and show them you really care about what’s important to them.”

1. “Amid Brick-and-Mortar Travails, a Tipping Point for Amazon in Apparel,” The New York Times, April 30, 2017.
2. “Harvey Wrecks Up to a Million Cars in Car-Dependent Houston,” WIRED Magazine, September 3, 2017.

©2017 Zurich American Insurance Company. All rights reserved.