The Loss Control Experience

Building a more holistic approach to risk management.

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Good managers understand that continuous improvement isn't just a catch-phrase anymore. To remain competitive, top performing businesses in *any* industry work to understand their customers and then find faster ways to get them what they want. This truth applies to your loss-control department as well as it does to the commercial customers they serve.

As the loss prevention professional commits to her initial survey she understands fully the tactical information she needs to check off on her list. But she also understands that there is more information about the risk that will impact her entire evaluation of it. The question about the current state of the risk is one thing. The *future* state of the same risk, however, can be quite another.

Where's the ROI?

Experienced risk managers tell us that control programs are much more likely to be adapted when the there's support from the corner office. What to do then when that support doesn't seem to be present? This is where investments in a safety representative's business finance acumen comes in to play. When developing a risk management return on investment, there are a few basic rules that we need to keep in mind:

Rules for Loss Control Program ROI

Rule#1

Know your business.

Traditional loss prevention knowledge is what you need to meet a client's expectations. Think 'meet' first *then* 'exceed'.

> *"….a good risk management program is an extension of the business owner's expressed correlation between safety, employee satisfaction, insurance expenses and ultimately the price customers are willing to pay for the business' product or service."*

Aside from the checklist questions, the following should also come to mind: Does this owner care about safety? Do the employees feel respected? Is the business thriving? Barely surviving?

Adding value is all about spotting gaps that a prospect or existing customer may not see. And the biggest gaps most businesses face are the ones created when there's a lack of an expressed correlation between customer and everything the business does. The knowledgeable loss prevention professional understands that a good safety program is an extension of the business owner's expressed correlation between hazard/safety control, expenses, and ultimately what the company asks its customers to pay for its products or services.

Given this fact, it is important for the carrier to understand that loss prevention is really in the business of making the commercial business owner more competitive.

Once that is understood, the risk manager will begin to understand where profitable differentiators can be found and realized.

Rule#2

Know their business.

Understand what they do, how they do it, and what their challenges are holistically – not just from a traditional loss control standpoint. Your recommendations will have to compete with other things the client needs to do. Remember their customers and make a connection between your recommendation and them.

Rule #3

Measure 'Return on Recommendations'

Get granular with your recommendations. What will they cost, what will they save the insured in the long-run.

Rule #4:

Partner for Profit

Think about it… the result of everything you do has to be a win-win. If there's no value to what your doing – if either the insurer or the customer doesn't win, there's no use in going through the motions and calling it 'service'. That's an expense no one can afford.