

RESILIENCE THROUGH COMMUNITY STRENGTH

Part three of an economy series
brought to you by Bravo Group.



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INTRODUCTION

What does resilience mean to you? In this four-part whitepaper series, we explore how brokers can build resilience through growth, planning, community strength, and adaptability. Here's what we've learned so far:

In part one, we explored the current state of the UK economy, taking into account government initiatives to help battle the effects of COVID-19, changes in the insurance market, and something we've all but forgotten about – Brexit.

We caught up with Bravo Group's leadership team who explained how and why maintaining a consistent and robust growth strategy was essential at a time when it may otherwise be tempting to merely hold on and "weather the storm."

Aside from ploughing ahead with new business, how else can you prepare for turbulent times as COVID-19 continues its threat of further economic curveballs?

We covered this in part two, with information around financial planning, client retention, and building business resilience. Digging deeper, we touched upon how over-reliance on one member of staff and not identifying business-critical staff are two habits that were important to break in preparing for future challenges.

We also explored the potential in reaching out to new clients as a trusted adviser, at a time when perhaps their own brokers were not doing so.

Finally, we got to the roots of establishing and reinforcing cash flow, and how incremental decreases in revenue would impact the business, and at what point.

What's next?

In part three of this series, we're paying a visit to the communities that are instrumental in helping the UK along the road of economic recovery.

Businesses and individuals have been seen to create a network of support throughout the crisis, mirrored by the government's own initiatives.

Whether it's rewarding businesses who high-quality work placements and apprenticeships by covering wages, or encouraging the public to eat out to revive the hospitality sector, the government has been aligned to the influence of community spirit right from the start.

Here, you'll see examples of this community spirit in action.

THE STRENGTH OF THE SME:

THE CRITICAL ROLE OF THE COMMUNITY BROKER IN THEIR LOCAL AND WIDER ECONOMY

“Shop local” is a catchphrase that has been growing into a rallying cry in recent years, and as the plight of businesses around the country continues during prolonged closure, it has brought the critical role of SME businesses into sharp focus.

Independent businesses that employ fewer than 250 people or have an annual turnover of less than £40 million are viewed as the backbone of the UK economy, and for good reason.

Making up 99.5% of businesses in all main industry sectors, these businesses collectively employ 16.3 million people and contribute to 60% of jobs in the UK – higher in certain local economies in Wales, Northern Ireland, and South West England, where the figure is 70%.

And where there is employment, there is the opportunity for growth and prosperity in local areas.

The treasury was quick to unveil a variety portfolio of financial lifelines for businesses impacted by lockdown measures, a hurdle and perhaps even a final blow for SMEs around the country beyond their control and not accounted for in contingency planning.

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During a CBI webinar in April, Alex Brazier, Executive Director, Financial Stability, Strategy and Risk, Bank of England noted, “This isn't the bursting of a bubble or the turning of a book. So companies that were viable going into this to a very large extent should be viable coming out of it.”

It's the banks, he notes, that are the solution to the problem, rather than the problem as was the case in the financial crash. And the solution needs to be robust because as Chief Economist at the CBI, Rain Newton-Smith said, the results of a prominent regional business folding would have a “blistering impact” on the local economy.

Trading local: The reciprocal relationships which connect a community

While the proven success of companies forced to work remotely may prompt an evaluation of a more permanent shift in the way we work, local businesses will likely still look to hire in their immediate surrounding area.

In the case of an insurance broker taking on apprentices, graduates, or those looking for a role change, they are contributing to a nationwide skilled workforce that can support future innovation and expansion, in with this example, insurance.

Beyond increases in localised consumer spend thanks to employment and training which is the nation's gain, SME businesses create mutually beneficial connections with other businesses close by, as Bravo Group's Chief Financial Officer Simon Drew explains,

"People and therefore businesses especially SME businesses have an affinity to someone who totally understands their needs. This comes from a shared intention of serving the client in the best way possible, especially when in the same community or similar geography. When was the last time you walked into a large department store and felt special?"

Insurance is as essential to a business as cash flow for the simple reason that without mandatory employers' liability insurance in place, which is often formed as part of a commercial combined policy, these businesses will be unable to operate.

On the reverse side, these small to medium enterprises are the lifeblood for most insurance brokers of a similar size, whether they are part of their geographical or sector-specific circle. The insurance broker might then use their clients' services as well as their custom, if, for example, they need an IT-provider and they happen to have one on their books.

A wider support network for brokers

Just as SMEs lean on a custom-curated grid of other products and services close by, as a broker, being part of a network provides an additional structure of support. Broker Network and Compass provide access to services only available on a national scale, such as connections to prominent insurers which brings preferential rates and exclusive access to products.

This allows the local broker to offer the same breadth of service while giving their clients access to the experts themselves, rather than call centre staff or a website chatbot.

Network and membership organisations including Broker Network, Compass and BIBA have a similar helicopter view which allows them to spot shifts or opportunities in the market, without losing the ground-up support element which enables them to best understand their brokers and the challenges they face.

At times of crisis, both this vantage point and gravitas in the industry offer community brokers assistance in areas which they may not have the time to address themselves. The Networks created a series of information packs responding to the latest considerations for the insurance market, while BIBA were able to use their position in the industry to lobby for official clarity throughout the pandemic.

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The organisation has had a critical role in communicating through the COVID-19 crisis on behalf of their members, and Shaune Worrell notes the difference between the broker and insurer within those conversations,

“We have a close relationship with our members that allows us to work with other organisations such as the ABI, and entities including the FCA and the Treasury on their behalf, representing their concerns and addressing the challenges they face. It’s easier for BIBA to have those conversations because of our open structure and network of local volunteer committees which underpin what we do.”

Adapting and communicating through COVID 19

For some, adapting to the new normal has meant the migration from office to home working, and embracing technologies that allow this transition. For others, it has meant overhauling their entire operational model, to allow work to continue or to assist others in times of crisis.

And where businesses have explored their options, their insurance brokers have followed closely behind, ensuring that this change has been accommodated in their policy, or offering assistance in other ways.

There have been examples of change of use, where a gin distillery has started manufacturing hand sanitiser, and where a hotel, vacant during lockdown, has provided shelter for refugees. There have also been countless instances of general support in the communities from local brokers, making their presence and assistance known by delivering hot meals to hospitals in place of support agricultural shows, and even lending their cars to a recruitment company so candidates can get to work.

Behind the bombardment of negative press circulating around the industry, client relationships with brokers have remained robust and transparent.

Insurers have mitigated against a tidal wave of questions from policyholders heading towards their call centres by providing blanket updates on exclusions, extensions, alterations, and allowances. The connections between large insurer, community broker, and the client is what matters most, both now and at renewal.

During Bravo Group’s recent Insurer Summit event, network members were told, in no uncertain terms, that their role was essential in allowing insurers to work with SME clients.

Sonja Bryson, Managing Director of NIG told audience members,

“The pace of consolidation in this market just goes to show time and time again the value and the strength of those personal relationships independents hold, the professionalism that they bring to the market.”

Nick Watson, Director of Commercial distribution and trading, AXA agreed that the relationships brokers formed with their clients were of great worth,

“As members you know your local markets, their intricacies and their nuances. And I know this focus brings with it strong and robust client relationships and therefore a high degree of understanding and quality.”

SMEs are credited for their innovation and adaptability. They have to trade hard in order to succeed, and brokers are no different, whether that’s tapping into lesser-explored options for cover or presenting a case to an insurer to put an apparently unattainable product back on the table for the client. Close communication between all parties allows each to do what’s in the best interest of their client wherever possible.

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And it's within the regions that this close communication can be more easily upheld, something Allianz fully appreciates, as Director of Broker Markets, Nick Hobbs notes,

"We maintain a regional footprint and have sacrificed margin to make sure we stay front and centre relevant and present to you."

SME and mighty

The size of any business is a major factor in being able to build these close connections. While SME brokers may struggle to compete on tenders for multi-national corporations, they have a route into a market which makes a sizeable portion of the UK economy because of the service they're able to provide, as Simon Drew explains,

"The community insurance broker can offer that more bespoke touch - the understanding of the needs of the client, the ability to offer advice, and the risk-managed approach that comes from being close to the community to which the business serves. The own-managed commercial clients that form the bulk of the client base for community brokers want advice that's akin to their business, and to get the safety of having an expert give them advice on what they don't know."

"These clients are often not only insuring their staff, businesses and premises, but also their car, their spouses car, home and other personal insurance requirements – so it goes deeper than just an SME relationship."

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At a time when everyone has been asked to distance, they are finding connections in their local area they may not have known existed. The pull towards local businesses is strengthening as consumers see an alternative to larger entities where the face of the business is obscured, and access to the experts limited.

Not only this, but the strain all businesses have been put under brings a sense of responsibility to "support local" through the pandemic and beyond if we're to see the backbone of the economy survive and thrive.

The insurance community; insurers, brokers, networks, and other supporting organisations will continue to work together in the best interests of the client.

The broker provides cover based on an acute understanding of the client's needs, with products made available thanks to strong insurer connections through a network.

As Nick Watson says, "A network is a collaboration of many components and I have no doubt this network will ensure collaboration will drive the right results over the coming years."

In the meantime, it's in everyone's best interests, not just the business owner, to play a part in supporting businesses in their community. "Shop local" is no longer a plea driven by nostalgia, it's a must to ensure the UK economy re-emerges with the opportunity for these dynamic and valuable businesses to be at the forefront of the recovery model.

CBI – Alex Brazier: <https://www.cbi.org.uk/articles/daily-coronavirus-webinar-bank-of-england-support-for-business-23-04-2020/>

CBI - Rain Newton-Smith: <https://www.cbi.org.uk/articles/daily-coronavirus-webinar-access-to-finance-23-03-2020/>

SME figure source: <https://labs.com/what-are-smes-why-are-they-so-important-for-the-uk-economy/>

THE MANY HATS OF A BROKER NETWORK MEMBER

It has always been a rare occurrence for brokers to stick rigidly to their day job. Whether it's the work itself and the flexibility and adaptability it demands, or the kind of accommodating personality that regularly 'falls into' broking, we at Broker Network have been hearing stories of how our Members have gone the extra mile for their clients for over 30 years.

But the Coronavirus pandemic has brought out this can-do attitude and tenacity in ways even we have never seen before. Throughout the crisis we have heard countless stories of local heroism and community spirit that encapsulate exactly what being a broker is all about, and it's time we took a moment to celebrate just how multifaceted brokers can be.

The community supporter

Brokers sit at the very heart of their community and will naturally do all they can to help their clients, who they also count as friends, to survive; but many are going beyond their clients to deliver support where it's needed most.

Take Acres Insurance as an example: when their agricultural events were cancelled due to the pandemic, they decided to provide the meals they had already prepared and frozen for their events to the staff at Kettering General Hospital.

In fact, the team used the opportunity of working from home to cook further, and ended up donating 150 microwavable meals, all lovingly packaged with recyclable and compostable materials.

The charity fundraiser

The charitable efforts haven't stopped there: Suzanne Davies from The Insurance Centre used children's duvet covers to create sets of scrubs for her local hospital; while Ben Amos from Caleb Roberts ran 100 miles in May to fundraise for Mind – shining an increasingly vital spotlight on mental health and raising over £500 in the process.

The listening ear

Our Members have made the world of difference just by being there. A post from Blue Rock Insurance Brokers put it brilliantly at the beginning of the pandemic when every broker's phone line was ringing off the hook:

"Some customers have been in touch recently and have apologised for troubling us. We know many financial services businesses are telling people not to contact them unless it's an emergency as they're very busy. We're busy too, but we'll never be so busy that we can't speak to our customers... If we can help on the insurance side or in any other way, we're here for you."

The all-round protector

And help "in any other way" brokers have – considerably so. As a network we are led very much by our Members' needs; and when they have asked for help during the pandemic, as always, it has been on behalf of their clients.

In direct response to Member feedback, we produced a series of packs for our Members to share with their customers. At the start of lockdown this included resources on working from home effectively, updates on insurance sectors and details of government schemes. Moving through the crisis as the threats metamorphosised and criminals adapted to our new remote world, we looked at Cyber security; then unoccupied property, business interruption support, and eventually a 'returning to work safely' pack. Each and every one of these resources was requested by Members to help their clients remain protected.

As Martin Claydon from James & Lindsay comments: "Cyber risks have increased as a result of people working remotely, and the Cyber Pack allows us to provide that continuity of care for our customers by highlighting issues to them. If we sell cyber policies off the back of it and help our clients to stay protected, then that is a positive.

"We've not had an issues HR or Compliance issues recently, but we know that if we do, we know we can call someone at the drop of a hat, and they will be there to help. That's what being part of a network is all about."

The facilitator

Businesses have naturally had to adapt during the pandemic, with restaurants becoming takeaways overnight and commercial wholesalers supplying to the general public for the first time. When these businesses have switched gears their risks and exposures have changed too, and many have relied on their trusted broker to offer guidance and protection.

A great example of a local business working closely with their broker to adapt quickly at the start of the pandemic came from our Member, Park Commercial. Their client Dinorwig Distillery, creators of Blue Slate Gin, started making hand sanitiser to supply their local hospital. Broker Network's MGA, BNU, assisted with the change of use in their policy on Park Commercial's behalf.

The friend

Never has a moment of light-hearted fun been more gratefully received than during lockdown, so when our Member, Premier Insurance Centre, hosted a 'Weakest Link' fundraising night their dedicated BDM James McCarthy was there in a shot.

Featuring names from across the industry, the virtual event brought smiles to many faces and raised over £900 for the brokerage's local hospice in the process.

It is this creative thinking and community mindedness that really sums up a broker's role, and how crucial they are to their community: especially in a crisis.

COMPASS MEMBERS GOING ABOVE THE CALL OF DUTY

Brokerages may be perceived as only being there to help find the right level of cover for their clients (which, of course, they do). However, brokers are at the heart of their local areas; they are **trusted advisors who help their customers** come what may. This has been highlighted during the COVID-19 pandemic, as brokers across the UK have been pulling out all the stops to make sure their clients and communities are safe and well.

Among those going beyond the call of duty are Compass members and brokers who use our **Compass London Markets** facility – here are just a few of the stories we've been hearing.

Providing an open floor for support,

For Spencer Hayes it started with putting their clients in touch with the right people that sparked the need for an online forum. During the crisis, the brokerage's team have among many things helped a client source hand sanitiser; lined up people who lost their jobs with work opportunities; volunteered at a charity for carers, becoming a trustee; as well as employees offering their personal vehicles to a local recruitment company for anyone needing transport to get to interviews.

Marc Kirker, Development Director, explains, "I've witnessed some fantastic support and completely selfless acts, which makes me extremely humble and proud to be a part of this true business community. It transpired that a large portion of this has been passing people and companies to other people or companies who can help.

"We've all been working around the clock to help and support as many people as we can, but it proved a difficult and extremely time-consuming task, therefore we decided to see if there was a better solution for all. From this, I had an idea and our forum was 'born' – by creating this it makes it much easier for everyone to navigate between different areas of specialism. People can post in the sections where they need help and others can respond with offers to help accordingly."

Acts of kindness

Dobson & Hodge is celebrating 100 years since it was founded this year and, to mark the anniversary, a centenary team was set up. The group has committed to carrying out 100 acts of kindness during 2020, which during lockdown has been donating items for causes in need, including a gift of craft books for the Doncaster branch of charity Changing Little Lives, which helps people facing challenging times to make positive changes; a package of dog food, equipment and toys for the Mayflower Animal Sanctuary at Bawtry; a parcel of food and essential items for two food banks; and a collection for Wheels of Hope, a small charity which helps children in India.

Helping those in real need

Our Compass London Markets team have helped brokers who have been supporting their clients as they've had to adapt their cover to change to the new landscape. One broker contacted CLM about their client who had closed their hotel due to the lockdown, however the building was needed by the local authority to temporarily house asylum seekers. CLM presented the broker with quotations from two insurers

that they could show to their client, allowing the brokerage to continue to provide their customer with support, as they looked to offer a temporary home for people needing shelter.

Essential information all bundled up

Being part of a network has allowed Compass members to arm their clients with extra resources to assist them as they have found their feet in this 'new world'.

Managing Director of A J Insurance, John Kemp, says that the **Coronavirus Information and Guidance pack** has proved "really useful" as he has shared it with his clients. He adds, "In times like these, this is where I need the support from business partners around me and Compass Networks is vital in this regard. The support Compass has given to its members is what they have needed as a broker."

This is a sentiment that Ray Harris, Operations Director at C&C Insurance Brokers, shares. He says, "The white-label packs that we have received have been a great resource to refer to and have helped with sharing information to both our people and clients. These are the types of things that we would find it difficult to pull together if we weren't part of a network."

SHOWCASING THE SPIRIT OF ETHOS PARTNERS

While the insurance broking industry has adapted to the significant changes that have taken place, brokers have remained fervent in their fight to help their clients stay afloat during this steep and sudden hit to the UK economy.

Amongst the Ethos Partners alone, there have been countless examples of members of their team helping clients not only a professional level, but also on a personal one – here's just a handful of what they've been up to.

Saffron continue their great charity work

Just before lockdown began, Saffron Insurance's own registered charity, the 'Saffron Insurance Community Fund' donated £4,000 to the East Anglian Air Ambulance. They have also sponsored the East Anglia's Children's Hospice's (EACH) 'Saffron Walden Bubble Rush', a sponsored fun run with four bubble stations along the course due to take place 6th September 2020. Saffron look forward to unveiling their plans for their third chosen charity, Alzheimer's Society, later this year.

To keep spirits up during these testing times, Saffron's Head of Commercial Training & Compliance, Martin Little, has also delivered some sweets and treats to his local primary school while it was open for the children of key workers.

Finding good Samaritans in Perry Appleton

Operations Director at Perry Appleton, Claire Russell has continued to volunteer at her local Samaritans branch throughout the pandemic and lockdown, doing at least one shift every week, usually at the weekend and sometimes weeknights. Claire takes calls from people who are struggling and need someone to talk to – something which has become all the more important during these isolating and sometimes lonely times.

Thompson & Richardson lend a helping hand

At T&R, a kind-hearted member of the team assisted a client by helping her to source some much-needed gloves despite there being limited PPE resources available. These were to ensure she could continue to safely care for her husband.

Boyd Insurance raise funds for local charities

Boyd Insurance recently donated a cheque for £2,455.81 to the ELPIS Centre, collected from their team's annual charity fundraising events over the previous year. This year, the selected charity for their Paisley office is Children 1st and they recently ran a virtual fundraising quiz for staff and their families. The event raised £95 and the team are working to increase this figure throughout the year via similar events.

Hugh J Boswell supports key workers

In order to give something back to our front-line workers, the team at Hugh J Boswell sent out hampers to a handful of front-line clients, including a local hospice. These were all incredibly well received as a small respite amid their gruelling schedules.

Finch Group inspired by Captain Tom Moore to raise funds for our wonderful NHS

Record-breaking veteran, Captain Tom Moore, raised over £32 million for the NHS with his '100th Birthday Walk', completing 100 laps of his garden. In order to support this inspirational feat, Finch Group have been doing some of their own fundraising with £900 pledged already. Keep up the good work team!

MCM surpass expectations

As well as helping clients with their business cover, MCM Group has also been trying to help in any other ways they can. They have recent helped the Group Managing Director of a client with a personal travel claim, following the cancellation of a holiday to celebrate a milestone event. The team has also been working closely with some of their clients to help them to better protect themselves against the raised level of cyber risk due to an increased reliance on technology.

Lockyers save the day

When Shaun Malia, Sales Director at Lockyers, was contacted by a client to say that one of their staff members had contracted COVID-19 in Nigeria and had been placed in a detention centre, with no medical care, unsanitary surroundings and racial prejudices, he got to work immediately to tackle this intricate claim.

As commercial flights had stopped and due to complications with quarantining on return, the situation looked bleak and the worker's mental and physical health were deteriorating quickly. After four days, hundreds of conference calls, some very persuasive conversations and a cancelled flight later, the insurer agreed to repatriate the individual to his home in Scotland. Due to Shaun's sheer grit and determination, the individual finally landed home.



UP NEXT:

Resilience Through Adaptability