

Sales & Marketing

11th Edition **October 2004**

Update



TOWER – growing TOWER'S risk business

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[Find out more](#)



Another tale from the Naked City – the Dead Cat Bounce

By Mark Sheldon – Head of Marketing & Communication, TOWER

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TOWER Critical Illness Roadshow

TOWER Australia is pleased to announce a Critical Illness Roadshow that will visit all capital cities in October and feature keynote presentations from international and local industry speakers including Dr. Marius Barnard.

[Find out more](#)



TOWER Protection Policy Update – 1 Sept 2004

In a competitive environment, companies can differentiate themselves in several ways. At TOWER we have picked two areas where we know we can be different and help you to be more successful.

[Find out more](#)



The Importance of the Marketing Audit

The end of the calendar year is almost upon us and this is an opportune time to assess and review your results, achievements and activities – in particular, in respect to your business, did you achieve the goals you set for yourself and the practice for 2004?

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TOWER – growing TOWER’s risk business

Hello again everyone

I hope all is going well for you and your business.

You have probably seen the recent news reports of the TOWER Group proposing to spin-off our Bridges and TOWER Trust assets in Australia.

This is a ‘win-win’ situation for all.

For those at Bridges and TOWER Trust it will give them a new foundation on which to grow. For the TOWER Group, it will sharpen the focus of the company in Australia to TOWER Australia Limited, with the core businesses of risk and complementary investment.

And for us at TOWER Australia Limited, it presents new, strong opportunities for growth. With this clear focus, the Australian operations of TOWER have the potential to be the ‘powerhouse’ of the group. That is my objective. We want to see strong growth in our business based around partnerships with you and our other business partners.

As I mentioned in a recent Newsflash to all advisers, in the past 18 months we have focused on driving and growing TOWER Australia’s risk business. We have done exceedingly well in partnership with you – many thanks for this. Sales are up strongly, we have rebuilt our relationship with you, we have developed new products, and we continue to seek new opportunities.

Risk has always been our core strength and will continue to underpin our future.

But now is the time for us to focus a lot of energy on our investment offerings. We still have some legacy issues to clean up in our older products. But having made the decision that we will be a respected player in the investment space, we have taken serious steps to lift our Investment Management performance across all our existing investment portfolios. Our new Multi Manager structure has delivered good benefits for clients over the last year and we believe this structure is very competitive.

We will now be looking for new opportunities in this Investment area and you will be hearing more from us in the near future.

Our twin objectives of being a ‘leading risk and related investment product’ supplier will enable us to deliver a more balanced solution to you for your clients.

With the Group’s decision to spin-off the Bridges and TOWER Trust assets, we at TOWER Australia have moved quickly to enhance our own investment capability. We will continue to use the Multi Manager structure and approach and have enhanced our manager monitoring and selection process.

While we will use external experts to help us with this, we have made sure that we retain high quality internal skills to deliver the best outcomes for our products and clients.

We have asked Guy Hutchings to remain in the role of Chief Investment Officer for us and I am pleased to say he has accepted. His knowledge of us, our investments and the market, will be invaluable in driving our investment strategy and returns to investors.

The other key part of our Investment Product strategy is Kevin Wylde and the Beacon business. We moved in recent months to increase our shareholding and take 100% of this business.

Beacon is a quality company using two quality third party platforms. It offers Super and non-Super investment Mastertrust options plus a wrap product.

We see the Beacon offers as part of the core TOWER investment strategy in future.

We will be communicating more about our investment offerings over the next month or two.

Starting this month (October) we will be holding a national roadshow on critical illness. We have been extremely lucky to have on the roadshow, Dr Marius Barnard from South Africa. Marius was really the pioneer of this product in the marketplace and his energy has driven its development.

Dr Marius Barnard has witnessed critical illness first-hand as a medical practitioner and become one of the first doctors to speak of the problems with recovery in broader terms than just hospital treatment.

Recovery is greatly assisted if a patient is surrounded by support mechanisms, particularly family, and this, in turn, is enhanced by a general environment of social and financial well-being.

He cannot speak more strongly on the need for sufferer of a critical illness to go through recovery and rehabilitation free from financial worries. For those who do not attend these roadshows, we will attempt to have Dr Marius speak more widely.

Several month’s ago I wrote about an incident involving one of my senior executives which highlighted the fact that a simple event can have far-reaching impact and could be quite financially devastating in the wrong situation.

I have asked Mark Sheldon our Head of Marketing to pen his experience and include it in this newsletter. You have probably dealt with similar experiences on a day-to-day basis but case studies always provide a lesson to us all.

My best wishes to you all

Jim Minto
Chief Executive Officer,
TOWER Australia Limited



Jim Minto
TOWER Australia
Chief Executive Officer

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Another tale from the Naked City – the Dead Cat Bounce

By Mark Sheldon – Head of Marketing & Communication, TOWER Australia Limited

We all have a feeling on invincibility about us - the belief that “it can’t happen to me”. Well, it has happened to me after 20 years in the risk insurance industry and even though on a relatively small scale, it brought home the simple message. It can happen - and when you least expect it!

It was just another weekend morning – quick tidy-up of the house, do the groceries and then think about doing nothing. Noise in the kitchen - the neighbour’s moggy is invading our family cat’s territory. It does this often. I pick it up and drop it out of the door. It turns and nips me on a knuckle. I clean the bite, do the shopping, get an anti-tet shot just in case mine’s out of date and watch the rugby. Within 24 hours I have the first of three general anaesthetics.

So begins three weeks in hospital – numerous operations, blood tests, drips drugs and morphine, doctor consultations, nurse visits, flower deliveries and lots and lots of ‘cat’ cards. Its not that I was allergic to anything. This was simply an infection with an extreme attitude problem and a total disregard for the wonders of modern medicine.

I leave, minus some bone and muscle and having done a fair amount of thinking.

It is easy to make light of it now but nearly four months after the cat bite: my left arm is still encased in a device that looks as though it was invented by Leonardo da Vinci; a large part of my diet still consists of antibiotics; I still regularly go back to hospital, and I still have months of rehabilitation and physiotherapy ahead of me.

All told, a simple cat bite on my left hand (thankfully I’m right handed) is likely to not only have prevented me from working at 100 % capacity for at least six months, but actually stopped me from doing any work at all for over a month. It will probably be well into

2005 before my left hand gets its full strength back.

Throughout this experience I have considered myself lucky on several counts. TOWER has been fully supportive when it really counted; my family has tolerated my crankiness; I now know every cat joke ever told, and one of our industry colleagues told me that he recently settled a death claim for a similar situation. And because the bite was on the left hand, I have been able to resume work in some capacity.

But imagine this. What if I was like many of your clients, a person with a small to medium sized business – and the bite had been on my more dextrous hand? What support systems would I have? What if I actually used my hands for manufacture, a craft or a trade? Over a month completely away from work, and six months with less than optimal performance – what would this do to me financially?

I think the point is this. There are many “cats” out there – they come in all shapes and sizes. Somewhere this weekend someone else - who thinks that it’s just another normal day - is going to meet one. And that’s what our job is about – helping people manage the unexpected; helping people to get back on their feet, be it physically, financially or emotionally.

I hold nothing against the cat – it’s taught me some good lessons.

It can happen to you. It can happen to anyone. And the consequences can grow from the smallest beginnings. It is a lesson for us all.

Mark Sheldon
Head of Marketing
& Communication,
TOWER Australia
Limited

Client Based Direct Mail & Marketing

Client based marketing aims to regularly reach the customer or client with the right message at the right time.

That is why direct mail can be so successful.

However, if your message does not reach the right people, you have wasted your money. Conversely, if you do not tailor your message to each audience, you are also wasting your money.

Before developing a lead letter ask yourself the following questions:

- What do you want to achieve with the communication?
- What are you promoting? Is it product, service or are you positioning your business brand or image?
- What are the benefits of this communication, product or service to the prospects you are targeting?
- Who are you trying to reach? (Are they self employed, married with children, professional,

businesses etc.)

- Do you have any specific information (testimonials) about how your clients have benefited from purchasing this product or service from you? (Information like this is useful in personalising the letter by providing a real life example that similar sorts of people may relate to).
- How do you describe your business? (This information is useful in building a paragraph about the credibility and experience of the company).
- How have you successfully sold this product or concept previously and gotten their attention? (This often provides good headline ideas).
- Should you take the time, energy and creative responsibility to do this yourself or call in and brief a professional to do the job for you?

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TOWER Critical Illness Roadshow

If you have been thinking about Critical Illness protection and how it can be of benefit to your clients, then you should attend the TOWER Australia Critical Illness Roadshow this month.

Today, Australians are living longer lives – however, for many they will face a long-term illness as a result of living longer.

Survival rates after serious illness have increased dramatically over recent years. However, the incidence of illness has been on the rise.

Critical Illness Insurance provides a lump-sum payment should a policyholder be diagnosed with a life-threatening illness.

The Australian market is beginning to appreciate that the power of Critical Illness insurance as it bridges the gap and alleviates the financial strain of both medical and non-medical expenses not covered by health insurance and life protection contracts.

The TOWER Critical Illness Insurance Roadshow provides an essential understanding of the product and how it can be utilized to protect the financial well being of your clients in the event of an unexpected illness or disability.

The TOWER Australia Critical Illness Roadshow will visit all capital cities and feature keynote presentations from international and local industry speakers including Dr. Marius Barnard, Peter Ramjam and TOWER Australia's Chief Underwriter Phil Hill.

Dr. Marius Barnard – South Africa

In 1983, the first Critical Illness insurance policy was launched in South Africa. What made it very strange was that a cardiac surgeon with no previous knowledge of insurance – Dr. Marius Barnard, developed it

What motivated him was his experience with the financial plight of many of his patients following the diagnosis and treatment of a critical illness.

Their financial resources were not only threatened by the increasing cost of medical treatment, but also by their decreasing ability to earn the money needed to fulfil their monthly financial needs. This often led to them having to make many sacrifices e.g. take children out of private schools, sell their house, and bankruptcy.

All these financial concerns impacted on their health.

Recovery was delayed and stress aggravated their poor health and sometimes even ended in suicide.

What was needed was money to provide financial health when their physical health could no longer adequately provide for this.

After searching for possible solutions he looked at insurance. Insurance has for decades already accepted

The dates and cities for the TOWER Critical Illness Roadshow are as follows –

6th October – Launceston

7th October – Hobart

13th October – Adelaide

14th October – Melbourne

19th October – Brisbane

20th October – Parramatta

22nd October – Sydney

26th October – Perth

All sessions will commence at 3.00pm and conclude at 5.30 pm.

At the conclusion of the formal presentation, attendees are invited to remain and enjoy drinks with the presenters and members of the TOWER distribution support team.

If you have not received your invitation as yet please contact your State Office.

the need for money following a catastrophic health event.

The trouble was however, that due to the modern miracle of medical progress his patients no longer died, but survived for many years after the treatment of heart attack, stroke and cancer; but financially they died!

It became obvious to him that a new insurance product was necessary that would pay out on the diagnosis of death, because that was the time his patients needed it most.

From South Africa the product has now spread to the United Kingdom, Ireland, Australia, New Zealand, the Far East, North America and to many other countries.

Today Critical Illness insurance is not only accepted as a most successful risk product but also that it is most needed.

A renowned international speaker, Dr. Barnard has been published extensively on both medical and non-medical topics.

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Dr Marius Barnard at the 2004 Million Dollar Round Table (MDRT) Annual Meeting.

Photo provided by MDRT Australia

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TOWER Protection Policy Update – 1 Sept 2004

In a competitive environment, companies can differentiate themselves in several ways. At TOWER we have picked two areas where we know we can be different and help you to be more successful.

At the top of the list is good service, but only when backed by product innovation. By working hard on our service to you we can help you improve your service and your dealings with your clients. Then, armed with good products, business flows.

Since re-launching the TOWER Protection Policy in March, many advisers have taken advantage of our

award winning product range. But at TOWER we are never fully satisfied when it comes to our delivery to you. We are always looking at ways to improve our product and meet the needs of an ever-changing environment. As such, we have included some changes to our product range effective September 1, 2004.

Product	Update	Policy Wording
LPP	Inflation Protection Benefit – the \$3,000,000 maximum amount for the Life Protection Plan has been removed.	The maximum amount that your Benefit Amount can be increased to under the Inflation Protection Benefit is: <ul style="list-style-type: none"> ■ Unlimited for the Life Protection Plan
CPP	Own Occupation has been introduced to the Critical Protection Plan.	See below
LPP & CPP	TPD Own Occupation definition has been updated. TOWER has extended the time frame from 3 months to 12 months when an Own Occupation definition becomes Any Occupation due to the client being unemployed.	<ul style="list-style-type: none"> ■ Own occupation is the occupation in which the life insured was working immediately prior to the sickness or injury causing disability, unless the life insured: ■ Was working in that occupation for less than 10 hours a week; or ■ Had been employed in that occupation for less than 3 months; or ■ Was unemployed or on sabbatical, long service, maternity or paternity leave for more than 12 months. <p>In which case "Own Occupation" will be any occupation for which the life insured is suited by training, education or experience. If the life insured had been working in more than one occupation that meets these criteria, "Own Occupation" will include all of those occupations.</p>
LPP & CPP	Homemaker Limits have been increased.	TOWER's Homemaker limits have increased from: <ul style="list-style-type: none"> ■ Death - \$600,000 now unlimited depending on Financials ■ TPD and Crisis previously \$500,000 now \$750,000
LPP & CPP	Suicide Exclusion will be waived if the policy is replacement business of the same benefit amount and the policy is older than 13 months.	<ul style="list-style-type: none"> ■ We will waive the above exclusion if, immediately prior to the commencement of cover, you had death cover which was current for 13 months (without lapsing and/or reinstatement) with another insurer, and you have transferred the death cover to the Life Protection Plan. The waiver will only apply up to the amount you had with the other insurer. Should you reinstate your cover at any time, this exclusion will recommence from the date of reinstatement.
CPP	The 3 month exclusion that applies to some critical illness conditions will be waived if the policy is replacement business.	<ul style="list-style-type: none"> ■ We will waive this 3 month period if, immediately prior to the commencement of cover, another insurer covered you for the same specified Crisis Insured Events and you have transferred your Crisis cover to the Crisis Protection Plan (and you were not within the other insurer's 3 month period). The waiver will only apply up to the amount of Crisis Cover that you had with the other insurer. Should you reinstate your cover at any time, the 3 month period will recommence from the date of reinstatement.
IPP	Own Occupation definition – As for TPD, the own occupation eligibility has been extended for unemployment from 3 months to 12 months before the Any Occupation definition is to apply.	<p>Own occupation is the occupation in which the life insured was working immediately prior to the sickness or injury causing disability, unless the life insured:</p> <ul style="list-style-type: none"> ■ was working in that occupation for less than 10 hours a week; or ■ had been employed in that occupation for less than 3 months; or ■ was unemployed or on sabbatical, long service, maternity or paternity leave for more than 12 months. <p>In which case "Own Occupation" will be any occupation for which the life insured is suited by training, education or experience. If the life insured had been working in more than one occupation that meets these criteria, "Own Occupation" will include all of those occupations.</p>
Fast-Track	Fast Track is now available for concurrent Critical Protection and Income Protection.	Limits and eligibility available in Marketing Material and Adviser Manual.

For more information about TOWER's award winning products or services contact your TOWER Relationship manager or visit www.toweraustralia.com.au

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The Importance of the Marketing Audit

The end of the calendar year is almost upon us and this is an opportune time to assess and review your results, achievements and activities – in particular, in respect of your business.

Did you achieve the goals you set for yourself and the practice for 2004?

If you did, well done. If you didn't, why not?

Before investing time and money into various marketing strategies, it's essential to complete a marketing audit to better understand yourself and your customers.

Too many times we make arbitrary decisions without any solid marketing information.

The results can be disastrous. Take some time to answer the following questions.

1. What business am I really in?

If you think you are just competing against similar businesses, then you may be losing business and missing valuable opportunities.

In reality, you are really in a number of businesses, ranging from wealth creation, lifestyle protection, financial advice, retirement planning, business succession, key-person protection, etc.

People have the option of either buying your products/services or doing something else with their time and money.

Many successful practices develop a unique position within a specific market segment and adapt and 'package' their marketing and promotional activities accordingly.

2. Where can I diversify?

Every time a customer does business with you, there is an opportunity to offer them additional services and products.

Through subcontracting and strategic alliances, you can offer these products and services without spending a lot of money or time.

As an example, you may develop a strategic alliance with a solicitor to provide the legal documentation and support for a business that does not have a business succession plan in place.

Thereby making your practice a "one stop" resource in your market segment and enhancing your business income potential.

3. What is the perceived quality of the service I provide?

People buy for their reasons, not ours.

Although we may feel that we have a high-quality product or service, the customer is the one who really defines quality.

Remember the quality of the feast is determined by the consumer, not the chef.

Always look at everything you offer from the customer's perspective.

What kind of image do I want to project?

The marketing term positioning means 'how you

want your product or service to be seen in the eyes of the consumer.'

Depending on the image you want, all your marketing efforts should focus on this marketing strategy.

4. How do I compare with the competition?

You need to know your competition to determine where you have the advantages, to know why and how they are better and to copy success.

Produce the same results that successful companies produce, and you will be successful.

Make sure you review your competition in relation to product/service characteristics, promotion strategies, place, packaging and personnel.

5. What benefits do I offer my customers?

Ask yourself what your clients can save, gain, accomplish or avoid by using your products or service.

6. Who are my customers?

There is no issue more important to you than knowing your customers.

Most people try to be everything to everyone. This dilutes our marketing messages as well as our time and money.

We need to focus on the 20% of our customers (our 'A' list clients) who will give us 80% of our income.

Characteristics we may want to focus on include, age, income, geographic region, lifestyle, attitudes and more.

7. Why do they buy from us?

There are many reasons why people buy from us... but there is usually one very compelling reason.

This is known as your Unique Selling Advantage.

Uniqueness could be anything from the manner in which you relate to your clients or the quality of service you provide.

The question we must all ask ourselves is, 'what are we doing differently from all the other competitors?'

Remember, if we don't differentiate ourselves and we are like everyone else, then price becomes our customers' major concern.

8. When do customers buy your products or services?

By understanding the key buying times of the year, you'll know the best times to market your products and services.

9. Can they afford your products and services?

Do you have different services and products available to meet the needs of your various market segments with prices they can afford?