



By Robert W. MacDonald

Customer Focus and the Power of Parallel

There is a fundamental law of nature called the “power of parallel,” which dictates that when forces are aligned in parallel, they are more powerful and effective than when those same forces are divergent or conflicting. Horses to a wagon or dogs to a sled are harnessed in parallel so their individual power can be coordinated as a team to move forward. The wheels of a car are aligned in parallel for efficient operation. When one wheel becomes “out of alignment” the car becomes difficult to control and inefficient, if not dangerous. Even astrologers respect the rule and advise their clients to take important actions “only when the stars are properly aligned.”

Few will argue with the concept that things work better in parallel. Yet, unfortunately, this concept is often ignored in business. The media is saturated with scandals about companies that have attempted to gain an unfair advantage at the expense of their customers and shareholders. Were the problems of Enron, Tyco, WorldCom and other rogue companies the result of parallel or divergent interests? Why is it that courts are clogged with business relationships gone awry? It is unfortunate that people seem to accept that, in business relationships, “the laws of the jungle” prevail.

Taming the Jungle

While the idea of gaining leverage and taking advantage of opportunities is smart business, it must not come at the expense of those you do business with. Success in business should not be achieved by exploiting your customer groups, but by making sure that the interests of all parties are in alignment with each other.

The power of parallel can and should apply to the business world, and the chances for success are greatly enhanced if we apply the law in our business relationships — be it personal selling, agency building or company management. The power of parallel is properly leveraged when we strive to align our personal or company interests with those of our customers.

“The power of parallel is properly leveraged when we strive to align our personal or company interests with those of our customers.”

For planners in personal production, the most obvious customer is the policyholder or investor. For those building an agency or marketing company, customers include agents, employees and even the insurance companies we represent. And the better carriers will recognize you as a customer as well. Once our customer group is identified, the key to achieving the power of parallel is for us to position our efforts so that what is good for us is also good for the customer, and what is good for the customer is good for us. Any other approach throws the distribution channel out of alignment and leads to agent and client dissatisfaction and our own ineffectuality.

Conflicting interests cause agents to lose confidence in your recommendations, and it causes their clients to mistrust them. However, when we consistently strive to align the interests of our customers with our own interests, then the power of parallel will engender a long-lasting relationship based upon an exchange of value and trust that is satisfying for all parties.

Let the Channel Flow

Agents can harness the power of parallel by constantly asking one simple question: “Is this recommendation in my customer’s best interest?” And when evaluating products to market to your agents, ask whether the product is priced and structured in a way that benefits your agent and the consumer, as well as you and the carrier.

The power of parallel interests is a simple philosophy, but it works. If the interests of those at each point in the distribution channel — the carrier, the marketing organization, the agent and the consumer — are aligned in parallel, then all will win. Victory comes to those individuals and organizations that recognize, respect and live by the concept of parallel interests because they understand that their success begins with the success of the customers they are meant to serve.

Robert W. MacDonald is a 37-year veteran of the insurance industry and the recently retired CEO of Allianz Life of North America. He is currently president of CTW Consulting, LLC. Mr. MacDonald can be reached by email at BobMacDonald@CTWConsulting.com.

