



Embracing and pursuing change

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Introduction

AEGON UK is part of one of the world's largest pension and insurance groups. The AEGON Group has over 27,000 employees. It has over 25 million customers worldwide. In the UK it has grown its customer base. It has also bought other businesses. Its aim is to become 'the best long-term savings and protection business within the UK'. To achieve this, it is keen to change in order to improve. AEGON also needed to raise its profile in the UK. The companies which it bought, such as Scottish Equitable, tended to keep their own brand image. AEGON therefore needed to build on the global strength of the Group.

External factors

External factors are those outside the control of the business. It is vital for businesses to be aware of these changes. Changes that have affected AEGON include:

- * people are living longer so need better pensions
- * the insurance industry has had a poor reputation. In some cases the wrong products for people's needs were sold. This is called mis-selling. As a result, the Financial Services Authority (FSA) made regulation tighter
- * financial products can be hard for people to grasp
- * investment returns have been less than predicted. Many people have therefore not ended up with the sums that they had hoped for
- * there is a lot of competition in the industry.

Why change?

Government imposed price controls reduced profitability. Also, AEGON was not a well-known brand. It needed to be better known before consumers would see it as a good place for long-term investment. AEGON went through a 'discovery' phase. This was to find out what it needed to do to reach its aim. It set out to find out:

- * what the brand stood for in the UK
- * what they wanted it to stand for
- * how they were going to reach this. A brand audit was used. This looked at AEGON both from within and outside. This information could then be used to plan change.

Creating a culture

The culture of an organisation refers to the way that it works. AEGON created a culture of change. AEGON needed to do well financially. This was linked to raising awareness of the brand and building on AEGON's global strength. This meant:

- * financial services in simpler forms that customers could grasp
- * a workforce improved through training and development. This would be better able to manage change
- * a more distinct market presence. AEGON developed a framework to help all its staff support its brand values.

Implementing change

AEGON used a number of methods to achieve the change:

- * external promotional campaigns
- * the new Chief Executive (CEO) talked to the media about the need for change
- * new and innovative products were launched. AEGON's success can be seen through the record results, increased new business and growth in earnings.

Conclusion

AEGON recognised a need to give itself a greater market presence. The change has made the organisation much more customer focused. As a result it is more effective.