



## Embracing and pursuing change

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#### Introduction

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

#### External factors

All organisations have to deal with external changes, over which they have no influence. It is important for managers to understand these changes. External influences on AEGON include:

- \* increased life expectancy and therefore a need to provide for a longer retirement
- \* the poor reputation of some sectors of the insurance industry, where inappropriate products have been sold (mis-selling). The Financial Services Authority (FSA) has therefore felt it necessary to put more regulation into the industry
- \* financial products can be difficult for people to understand
- \* investment returns have not been as predicted so many people have not ended up with the sums that they had hoped for
- \* there is a lot of competition in the industry.

#### Why change?

AEGON was not a well-known brand and had also suffered reduced profitability. It needed the brand to be better known so consumers could identify it as a good place for long term investment. AEGON went through a 'discovery' phase 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 the company wanted it to stand for and how it was going to reach this. A brand audit was used to look at internal and external aspects of the company. This information could then be used to plan change.

#### Creating a culture

The culture of an organisation refers to the way that it works and is perceived by others. AEGON created a culture of change. It was important for AEGON to do well financially. This was linked to raising awareness of the brand and building on its global identity and strength. This meant:

- \* simplified financial services for customers to understand
- \* a better developed workforce more able to help the business 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 and as a result, more effective.