Integrity still matters

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A couple of months ago, I finally read "The Big Short: Inside the Doomsday Machine" by Michael Lewis. The book delves into the 2008 financial crisis, which was fueled by ethical failures on many fronts. While both the book and the subsequent movie may not be perfect, they provide an interesting look at the role of integrity in business.

As I contemplated the ethical lapses described in the book, more examples appeared in the news. Let's consider some of these events.

Recent news of yet another major bank scandal (and the corporate and personal income that goes along with it) has called attention to business ethics yet again. While unethical behavior seems to be perpetrated by those who think of themselves as "good people," the bank's leadership seems to be tone deaf when it comes to the results their actions have on the rest of us. Their excuse is that cross-selling is part of their culture, but they never intended to incentivize falsifying accounts. Meanwhile, the company officials responsible for creating the culture cite misinterpretation of their customer-centered goals by some misguided associates.

And then there is the EpiPen pricing controversy, yet another example of companies taking advantage of both customers and a medical insurance system that masked the price increases on the product until they finally hit a level that got the attention of the masses.

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What about our business, and specifically voluntary benefits? Are we treating customers in the way they deserve? Do we get credit for doing things right for our customers, or are we incented to take advantage of the employees, treating them in a way that maximizes income and profits for us in place of maximizing value for them?

A recent email sent to me by a broker/advisor illustrates the value of integrity in action. Pamela Whitfield was prompted by a previous column to share her story with me. She moved from Washington state to Anchorage, Alaska, and has built a very successful voluntary practice in a short period of time (last year increasing voluntary sales to over $2 million). Pamela attributes her success to "doing the right thing day in and day out."

The very first account she enrolled had a poor experience with another company, including heavy-handed overselling of employees. One individual was paying $578 a month for voluntary coverage, including some coverage that duplicated employer-paid benefits. She “unsold” unnecessary voluntary plans as appropriate, taking the ethical approach rather than taking advantage of the income she could have had from continuing the overselling process. Pamela's advice to employee benefit agency owners is to build success based on “the standards they set for their organization.” She created her business in a market where she had virtually no contacts, but she had a vision for success and combined it with “a commitment to provide this market with the honesty and service-focused team that they would be proud to work with.”

Pamela's story tells us that building a winning voluntary benefit practice does not require overselling, misrepresenting, or corner cutting. Winning with employer and employee customers comes down to doing things right by always acting with integrity. *That's the key to happy customers who stay with us, tell their friends, and ultimately create value for all.*

Marty Traynor

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