

Effective Legal Risk Management

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Colonial
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Introduction

- Perspective
- Encouraging staff to take ownership of complaints
- Analysing complaints to minimise risk and identify improvement opportunities



Perspective

- How do legal claims start ?
- Do we listen to customers ?
- Do we aim to deliver the best service at minimum cost ?
- Can we deliver what the customer wants ?



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Assumptions

- Legal sign off
- Compliance
- Regular internal reviews
- Audits



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Where do you start ?

- Effective Complaint Handling
- The right attitude
- The right people



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Effective Complaint Handling

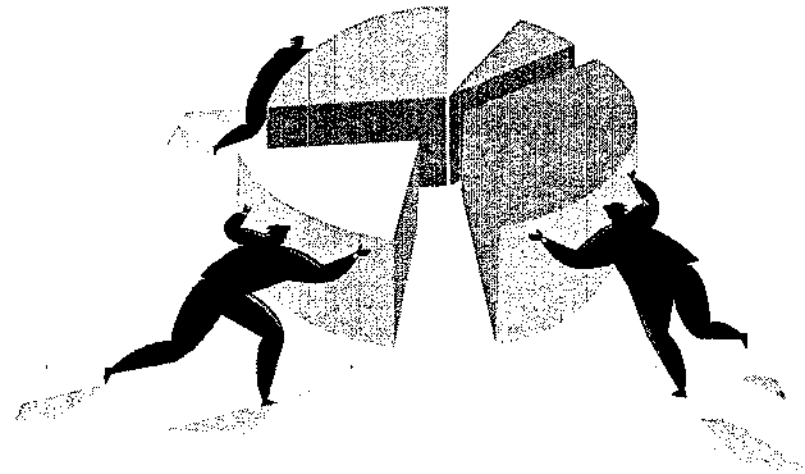
FEATURES:

- Identification of customer dissatisfaction
- Prompt resolution of complaints
- Identification of real causes of complaints
- Implementation of improvements

Theory

Australian Standard 4269 -1995

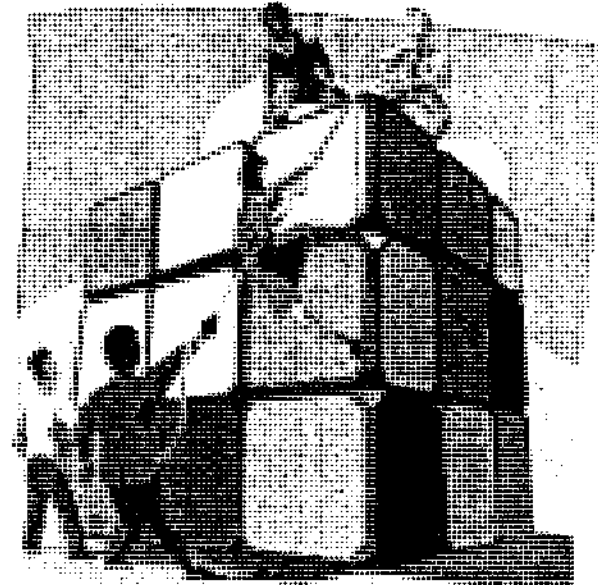
- Essential elements
- Implementation
- Procedures



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First Step

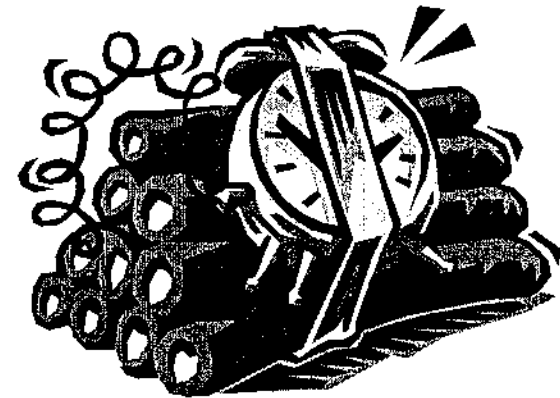
- Recognise that complaints are an opportunity
- Obtain commitment from the top of the organisation
- Start to change the culture



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Complaints are an opportunity

- Free market research
- Early warning
- Can be low cost dispute resolution
- Opportunity to retain the customer



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Accessibility

- Colonial State Bank introduced specialist staff to deal with complaints
- Centralised communication with regulators
- Accessibility - Toll free numbers, Brochure, Post free comment forms, E-mail address
- Encouraged customers to complain



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Encouraging staff

- Provided staff with delegation
- Provided appropriate training
- Number of complaints resolved within set limit a Key Performance Indicator
- Identification of systemic problems written into each Position Description



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Encouraging staff

- The cost of escalated complaints comes out of the budget of the area where the problem arose
- Centre staff have the delegation to over-rule Line Management



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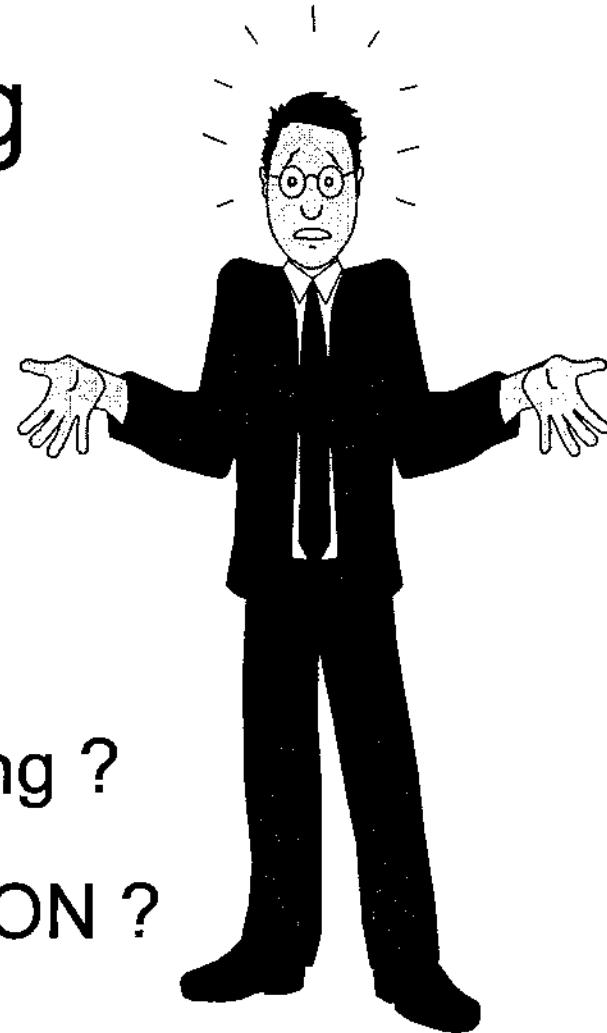
The human touch

- Don't make promises you can't keep
- Keep the customer informed
- Be open minded
- You don't have to win and you don't have to be right



Reporting

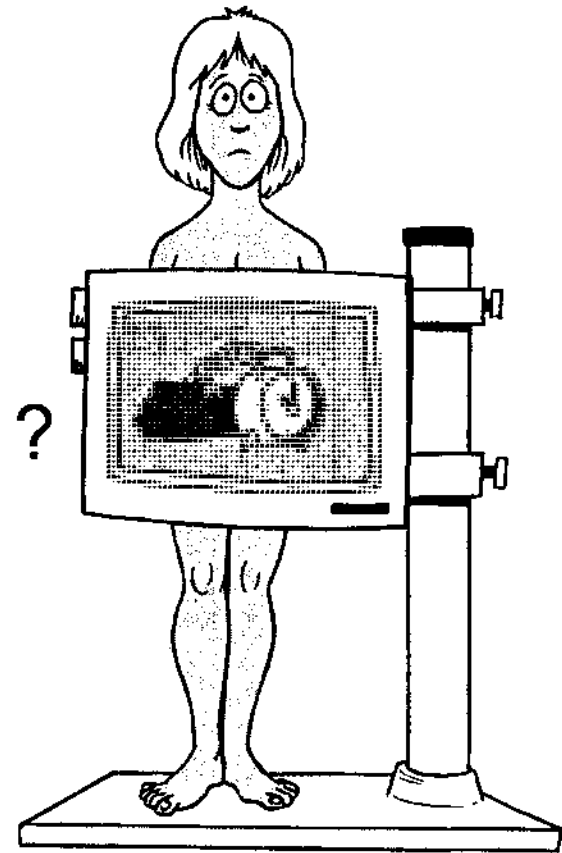
- Does anyone ask for it ?
- Does anyone read it ?
- Does anyone find it interesting ?
- Does anyone take any ACTION ?



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Complaint Reporting

- Who wants to know ?
- What information do they need ?
- When do they need to know ?
- Why do they want to know ?



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Reporting

- Weekly open and overdue report
- Monthly complaints analysis report
- Monthly complaint cause analysis report
- ABIO & FICS outcome reports
- Ad hoc reports to meet business needs



Improvement opportunities

- Analyse the complaints to identify the real problems
- Work on things important to the customer
- Work on things important to your business
- Minimise legal claims
- Hint - Work on SERVICE issues



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Improvement opportunities

- Agree with line management on the cause of the problem and solution
- Present to the highest level of management
- Line management are responsible and report on implementation of the solution

Results

- Regulator costs reduced
- Complainant retention increased
- Legal costs reduced significantly
- Media and political interest reduced

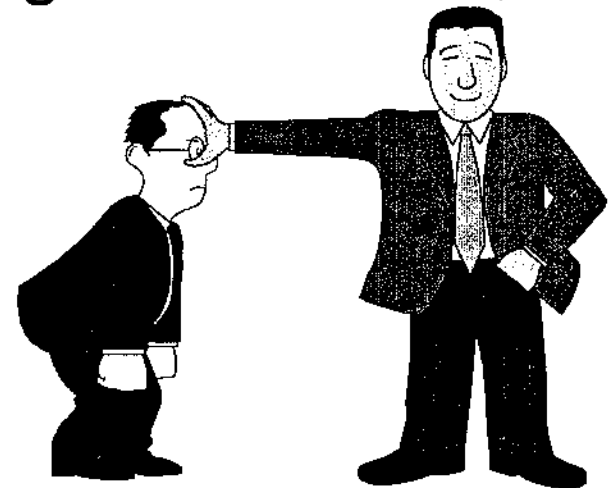


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Complaint Handling - Fails

Customers may:

- Escalate the complaint to a regulator - ABIO, Fair Trading, APRA, ACCC
- Consumer Claims Tribunal
- Institute legal proceedings

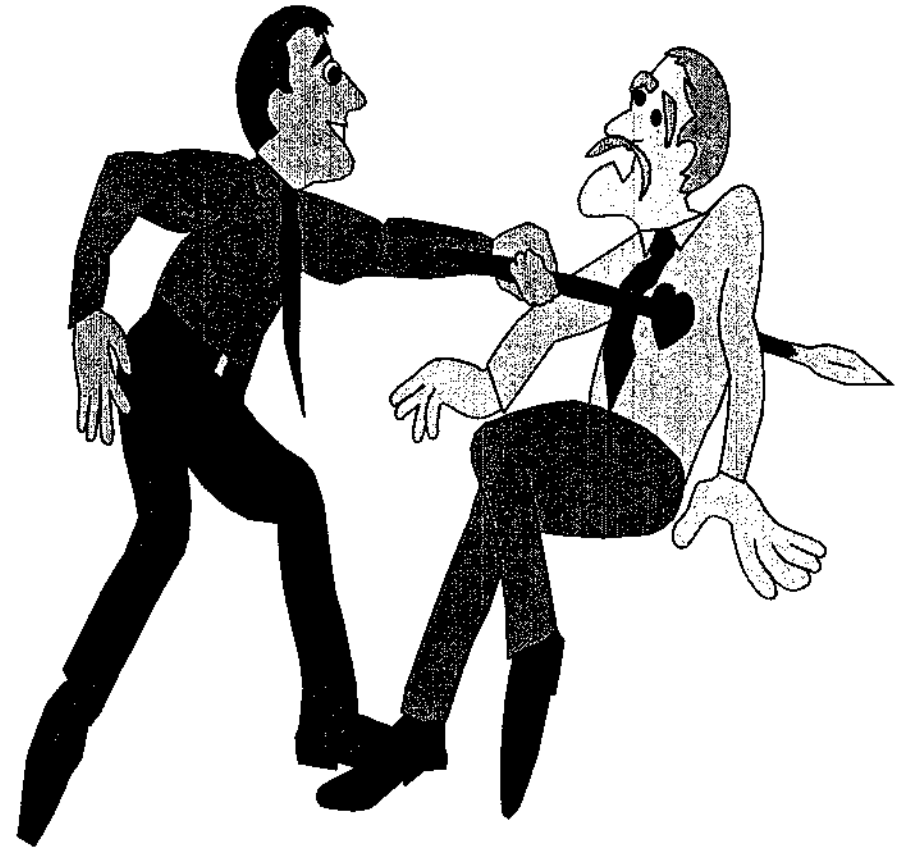


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Complaint Handling - Fails

In this situation most organisations hand the matter over to their

SOLICITORS



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Negotiate

If you listen, and care, and are fair and reasonable, there is a very good chance that the customer will be reasonable too



Mediate

A 3rd party helps open up the communication. They highlight the strengths and weaknesses of the parties and assist them to reach an agreement they can live with

Litigation

LAST OPTION

- Costly
- Protracted
- Adverse publicity
- Ties up productive resources



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Litigation

It's called the legal system
NOT the justice system

In court you'll get a
legal result not necessarily a just result



Litigation Management

Even when in litigation

- Prepare, prepare, prepare
- Prepare for PEACE
- Expect the Unexpected
- Have an open mind



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Litigation Management

Swimming with the sharks

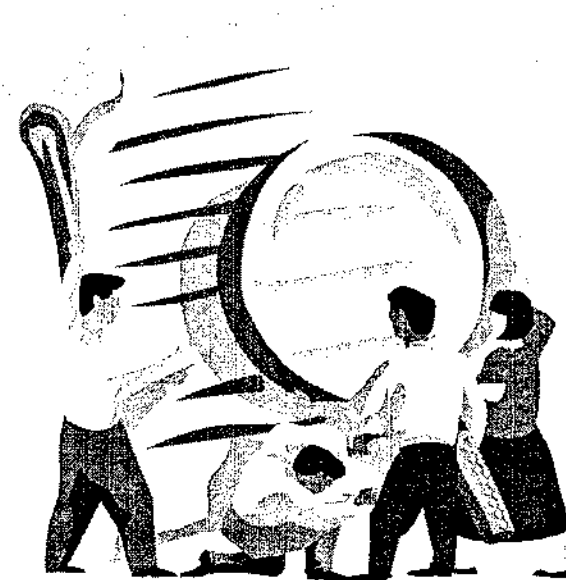
- Strike out early
- Security of Costs
- Listen listen
- Listen some more
- Mediate
- Take no prisoners



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Litigation Management

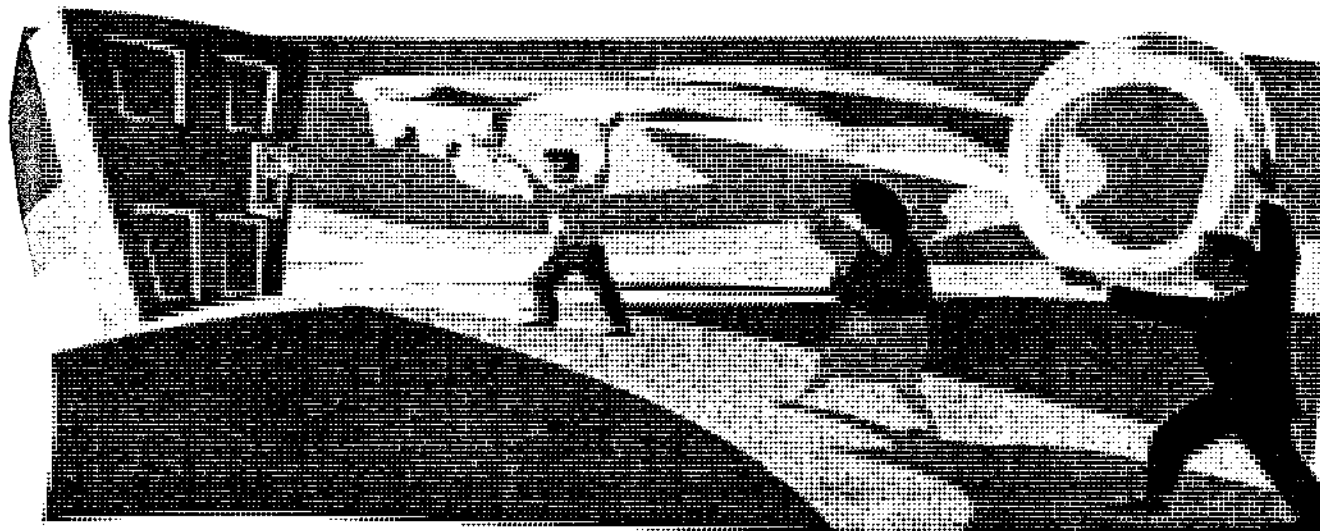
- Choose your external solicitors
- Choose your mediators
- Cost to claim ratio
- Minimise cost
- Reality check
- Work with PR - Media



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Team Effort

Your people hold the key.



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Magic staff

CARE is not a 'four letter' word

Find people who CARE !!!

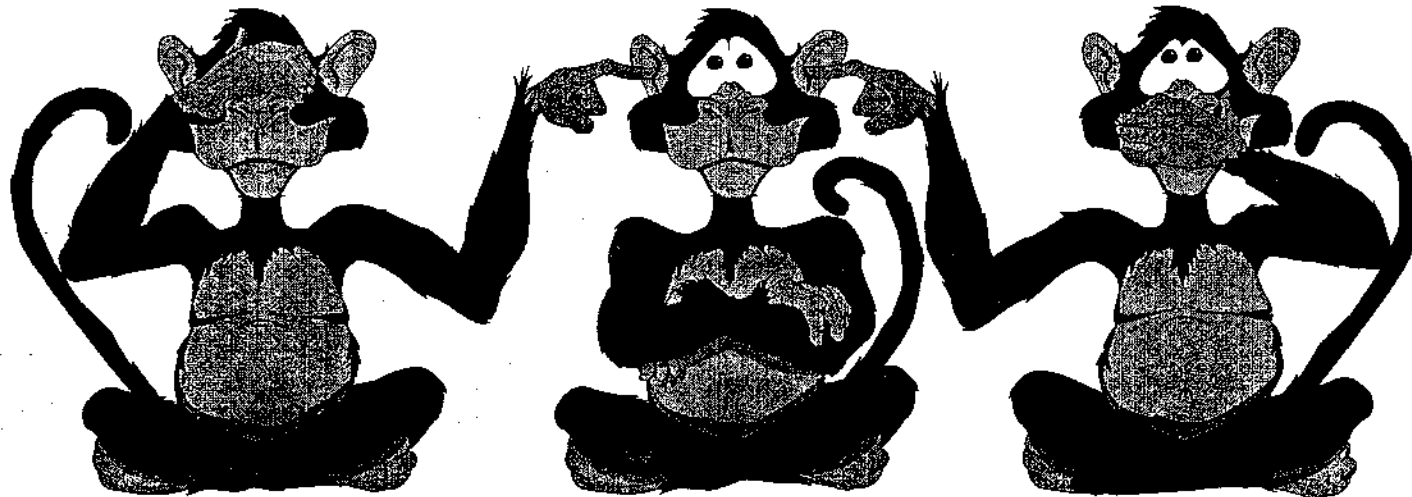


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Look after your staff

If you pay peanuts

- you get monkeys !



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HINTS

- Don't expect external solicitors to manage litigation
- Solicitors provide excellent legal advice but they don't run your business
- Commercial reality - You decide what you can live with

HINTS - the right people

- Look for people with 'people skills'
- Look for people with good listening skills
- Use hypothetical cases during the interview to test communications skills
- Conduct psychological tests
- Find people with the right attitude



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HINTS - Staff

Looking after your staff will result in:

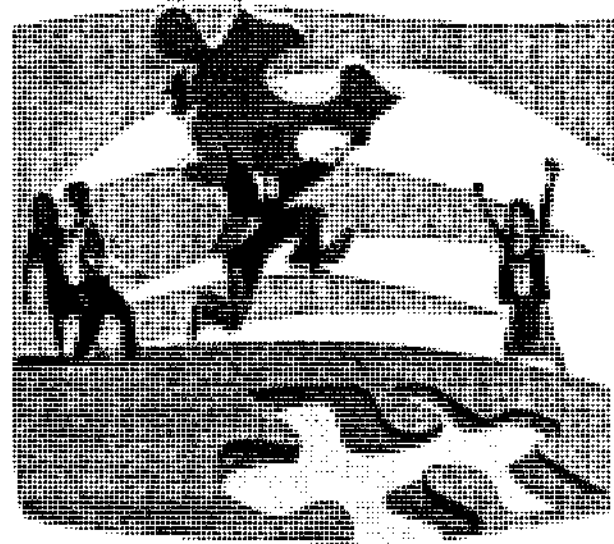
- Lower absenteeism
- Higher morale
- Better commitment
- Happy staff
- Happy customers



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HINTS

- Obtain Senior Executive commitment and enthusiastic and committed leadership
- Continue to show your staff that they CAN & DO make a difference



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