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In Simplicity We Trust

Have you ever filled out an application form that was so long and complicated as to be almost unintelligible? Or one that asked for your date of birth in one place and your age in another, and then required you to sign your name over and over again (and also print it out each time)?

If you're a car dealer in the "cash for clunkers" program, you've seen something similar recently in the ten-page application for reimbursement. In fact, many dealers dropped out of the program prematurely because the paperwork was so onerous that it caused a huge backlog in reimbursements, which caused the dealerships to "front" the money for the government.

Why do managers (and government officials) perpetuate these complex, time-consuming, and downright annoying processes? And would it make a difference if they were changed? Here's a quick example of what can happen when managers don't accept complexity.

When Paul van de Geijn was the CEO of Zurich's Global Life Insurance business, he brought his European country managers together for a conference in Barcelona. At the meeting he gave each of them five minutes to fill out the application form for the simplest type of life insurance for his or her country. When nobody was able to fill out the form in the allotted time, van de Geijn convinced his team to start a simplification program that they called "Make Life EaZy". In this program, the Zurich managers looked at every aspect of their business from the perspective of how to make it easier for the customer to understand, purchase, and renew life insurance. The results: In the first year, in the participating countries, sales increased by 7%, re-investment rates (buying new products when old ones mature) went up by 24%, and far fewer customers cancelled policies (all astounding numbers in a low-growth, mature business).

Why did simplicity make such a substantial difference for Zurich? Besides making it easier to do business, simplicity also changed the underlying relationship between the company and its customers. When you ask redundant questions, one of the subtle messages to customers is that we don't trust your answers — we need to ask you the same thing several times in different ways so

that we can make sure you're being truthful. Similarly, when you create complicated explanations of products, services, and contracts, customers often feel that you aren't being truthful about what's being offered — otherwise the material would be straightforward and easy to understand. In other words, complexity does more than just waste your customers' time — it potentially undermines the relationship.

But herein lies the opportunity. If complexity causes distrust, then simplicity can foster the opposite — a relationship in which customers want to do business not only because it's easy but also because they trust you. So take a fresh look at your customer contact mechanisms. Do they not only make it easy for the customer to do business with you, but do they make the customer want to do business with you? The answer can make all the difference.

What customer contact mechanisms do you employ to achieve simplicity — and foster trust?

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