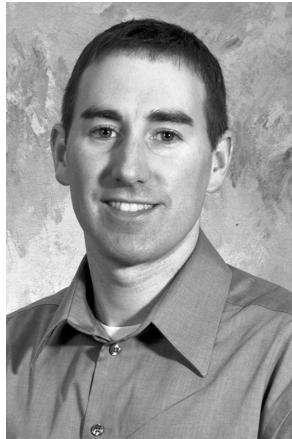


Introducing the New Chairman of the Total Quality Interest Group Committee

by Jonathan W. Hensinger, CPCU, ARM, AIS



■ Jonathan W. Hensinger, CPCU, ARM, AIS, is an assistant vice president, technical training in the Global Learning and Development Department of ACE-INA in Philadelphia, PA. His professional background includes commercial underwriting, claims, process improvement, organizational development, and training. He has worked in the insurance industry for 16 years. Hensinger is the past chairman of the Total Quality Interest Group Committee and is the past president of the Philadelphia Chapter of the CPCU Society. If you have ideas for improving how the Total Quality Interest Group serves you, or want to get involved with our Interest Group Committee, please contact him at jon.hensinger@ace-ina.com.

Leadership transitions can create major disruptions within a volunteer organization. Fortunately for us, the upcoming change of leadership for the Total Quality Interest Group Committee will not be one of those transitions.

After almost three years, my term as chairman of the Total Quality Interest Group Committee came to an end as planned in September 2007. I am pleased to report that our interest group committee is well prepared for this change. In September 2006, the Total Quality Interest Group Committee unanimously elected committee member **Michael J. Jagadich, CPCU, AIM, AIC, INS, ASC**, to take over as committee chairman in September 2007.

Since September 2006, I have worked closely with Mike to involve him in interest group leadership issues and help prepare him for his new role. Mike is an experienced and highly capable leader, a strong advocate for TQ and our interest group, and an all-around great guy. As a result of our effective succession planning, the Total Quality Interest Group will not break stride at all when Mike takes over in September. Mike will do an excellent job as our new chairman.

In addition to Mike's many impressive professional accomplishments, he was recently selected to serve on the CPCU Society's newly created Interest Group Resources and Governance Task Force, whose mission is to reinvent the concept of interest groups for the Society. The Total Quality Interest Group is fortunate to have a leader and advocate like Mike representing us on this task force.

I want to express my deep gratitude to all of our interest group committee members, whose unwavering support and enthusiasm has made all of our current successes possible. My involvement with the Total Quality Interest Group has led to some truly remarkable professional benefits for me. I consider having the opportunity to work alongside the members of the Total Quality Interest Group Committee to be one of the best benefits of all. Thank you! ■

What's In This Issue

| | |
|--|----|
| Introducing the New Chairman of the Total Quality Interest Group Committee | 1 |
| Hello! | 2 |
| How to Make Meetings with Salespeople More Productive | 3 |
| Six Steps to Service Recovery | 5 |
| Global Warming and You: What Every Insurance Professional Should Know About Climate Change | 6 |
| CPCU Travel Program..... | 8 |
| Strategies for Handling Irate Callers..... | 10 |
| Laura M. Kelly, CPCU, AIC, AIS, ASQ, CQIA, Receives ASQ-Certified Quality Improvement Associate Recognition..... | 11 |
| Quick Book Review | 12 |

Hello!

by Michael J. Jagadich, CPCU, AIM, AIC, INS, ASC



Hello, let me start out by introducing myself. My name is Michael (Mike) Jagadich, and I am currently an assistant administrative services manager for State Farm's Heartland Zone in Lincoln, Nebraska. Having graduated from Tri State University in Angola, Indiana, with degrees in production/personnel management, and drafting and design technology, I began my career with State Farm in 1986 at the company's headquarters in Bloomington, Illinois. Prior to joining State Farm, I gained experience in quality control and engineering by working on the construction of the Illinois Power Company's Clinton Nuclear Power Plant.

My family and I relocated to Lincoln in 1991. I have been married for 25 years to my lovely wife, Nancy, and we are the proud parents of three boys, AJ, 18; Drew, 16; and Bobby, 12. I enjoy more hobbies than I have time for, but I am highly involved in my boys' activities, an avid mountain and road bicyclist, plastic car model builder, gardener, camper, and water sports enthusiast.

I have been a member of the CPCU Society's Nebraska Chapter since receiving my CPCU designation in 2002. I have held several executive board positions and completed my term as president in 2005. Currently, I am coordinating the chapter's Scholarship and Circle of Excellence Committees.

Two years ago, I became a member of the CPCU Society's Total Quality Interest Group. Most recently, I was appointed the honor of becoming the interest group's chairman at the CPCU Society's Annual Meeting and Seminars in Hawaii this September.

Every time my father-in-law visits (a CPCU, himself since 1970) he always jokingly asks me, "What does total quality mean?" And every time, I ramble on for several minutes about continuous renewal, process improvement, etc. But my response seems to grow and expand each time we have this discussion. As I begin my chairman service, I hope to make the concepts and tools of total quality second nature and instinctual on both a leadership and operational level to both CPCU Society members and nonmembers.

I hope to maintain and build upon the great advances and traction that outgoing chairman **Jonathan W. Hensinger, CPCU, ARM, AIS**, has developed during the past three years. His leadership has allowed the Total Quality Interest Group to mature and grow, develop great services and initiatives, and create passion and vision for future opportunities.

I look forward to my term, meeting and working with Society members, and advancing the cause of the CPCU Society and the Total Quality Interest Group. ■

How to Make Meetings with Salespeople More Productive

What To Do Before, During, and After Meeting with a Salesperson

by John R. Graham



■ John R. Graham is president of Graham Communications, a marketing services and sales consulting firm. He is the author of *The New Magnet Marketing* and *Break the Rules Selling*, writes for a variety of business publications, and speaks on business, marketing, and sales topics for company and association meetings. He is the winner of an APEX Grand Award in writing, and the only two-time recipient of the Door & Hardware Institute's Ryan Award in Business Writing. He can be contacted at 40 Oval Road, Quincy, MA 02170; phone (617) 328-0069; fax (617) 471-1504; or e-mail j_graham@grahamcomm.com.

The company's web site is www.grahamcomm.com.

While many salespeople enjoy significant rewards for their efforts, their work is becoming increasingly difficult. Even those in so-called "executive sales" find getting through the door is increasingly difficult.

Everyone is pressed for time. "If I were to say yes to just a quarter of those who ask for a meeting, I would be here until 10 p.m. every night," comments one manager.

Yet, salespeople can perform a valuable and necessary function. The good ones are excellent problem solvers, sources of helpful information, and resourceful consultants. The others, who are often painfully easy to spot, only want to make the sale, not satisfy the customer.

Everyone who deals with salespeople has had too many experiences of asking themselves, "What am I doing in this meeting? I should never have let the guy talk me into it."

For an increasingly number of people, the only way to solve this problem is to avoid as many salespeople as possible. Unfortunately, that may not be the best solution. In fact, it may not even be a good one.

To make meetings with salespeople as productive as possible, here is a handful of techniques that may be useful:

- 1. "When can we get together?"** This is the killer question and it always comes from a salesperson very early in a telephone conversation or e-mail message. There's only one acceptable answer to this question: "Not at this time." It should be stated firmly. You want to stop the action and make it politely clear that you are in charge of the process. If a meeting takes place at some point, you will initiate it.

We all have gone to sales meetings and heard the prospective customer say, "We're glad you're here. Go ahead; it's your meeting." It's almost as if the salesperson is being dared to succeed. Shame on the customer for letting this happen.

■ For an increasingly number of people, the only way to solve this problem is to avoid as many salespeople as possible. Unfortunately, that may not be the best solution.

2. Hold meetings in a room with a table and chairs. While it may seem a bit absurd to even mention the physical setting for a meeting with a salesperson, where meetings are held can influence their outcome. Quite often, salespeople would prefer meeting on the golf course or at the end of the business day, any place that's less structured.

Relaxed, laidback, and informal are appropriate in many business situations today. However, there's one place in every company that's exempt. That's where the word "purchasing" is on the door. This is where there are always clearly established protocols and procedures that everyone is expected to adhere to without exception if they want to do business with the company.

Where a meeting is held is a "stage setting." If the goal is to be productive, businesslike, and informative, then the conditions that reflect these objectives are the right place to hold a meeting. More often than not, this will be a room with chairs and a table.

Continued on page 4

How to Make Meetings with Salespeople More Productive

Continued from page 5

3. Ask that salespeople send you a meeting agenda. Most meetings with salespeople waste valuable time. Customers come away saying to themselves, "Why did I ever let her talk me into having a meeting?"

Before agreeing to meet, ask the salesperson to send you a proposed agenda, along with appropriate supporting information and data so you can be prepared. This allows you the opportunity to evaluate the salesperson, what is being offered, and if you feel a meeting will be productive.

4. Don't let meetings get hung up on small talk. Many salespeople revel in small talk. They probe with a sports question or ask about the photos of kids on your credenza, or comment on a current news story.

While this passes as a "relationship-building" tactic, it is actually a technique that helps salespeople find out if you are willing to let them take charge of the meeting.

Today, very little small talk belongs in these meetings. It tends to send the wrong message to each of the parties. Getting down to business sends the right message.

5. "Tell me what you know about our company." Make this your opening statement to a salesperson. It will let you know if the salesperson has researched what you do, including any problems you may be facing.

Unfortunately, this is not always the case. If the answer is too general, nonexistent, or the salesperson stumbles over the question, it's time to end the meeting. If you do, it will avoid wasting valuable time and lets the salesperson know you are serious.

6. "What do you want to accomplish at today's meeting?" This should be your next question. On the one hand, it makes it clear that you are chairing the meeting. If the salesperson is unable to answer the



question to your satisfaction, simply end the meeting. If you think there's a good reason to do so, reschedule it when the salesperson is better prepared.

7. Avoid asking the "What does it cost?" question. This is perhaps the most harmful question of all because it changes both the focus and the dynamics of the conversation. If you really want to learn something from a salesperson, don't ask this question since it puts most salespeople on the defensive and sends the message that all that matters is price.

Offering a different question is more productive. Focus the salesperson's attention where it benefits you the most: "What value will this purchase bring to us?" The answer will tell you if the salesperson has spent time preparing for the meeting, is only interested in coming away with the order, or doesn't have a clue.

8. Exchanging post-meeting memos. Before the meeting ends, discuss exchanging post-meeting memos with the salesperson. This should occur, if at all possible, within 24 hours after you've met.

This lets you as the customer comment on and evaluate the meeting, convey any questions or concerns, suggest any next steps, or indicate that you do not want to go any further, either now or later.

At the same time, sending a memo offers salespeople a way to reflect on the meeting, communicate their major points (and add new ones), provide supporting material, clarify issues, and make suggestions on how to proceed. By exchanging substantive memos, each knows where the other stands.

While some salespeople will find these guides like having to wear a straitjacket, they are actually helpful in making it possible for a salesperson to succeed. It's up to the customer to set the expectations and create the right atmosphere if everyone is to get the most out these meetings. ■

Six Steps to Service Recovery

Solve the Problem—Manage the Feelings

by Nancy Friedman

■ **Nancy Friedman** is president of the Telephone Doctor, a customer service training company in St. Louis, MO. She is a featured speaker at association, chamber, and corporate meetings. To receive our free monthly e-mail article on customer service and a free subscription to the Telephone Doctor newsletter, *The Friendly Voice*, go to www.telephonedoctor.com or call (314) 291-1012.

In this day and age, where customer service is on everyone's mind, it's difficult at times when it all hits the fan.

What do you do when it's no longer just an irate customer? When it's beyond angry? How do you handle the situation? What can you do to **save** the account? The relationship? The business?

Well, here, direct from the Telephone Doctor **library** is our new program on service recovery.

We have identified six steps of **service recovery** to help you and your company **save** the account, relationship, and the business. Good luck!

1. Respond Rapidly—This is not the time to put the call/problem on a back burner. The longer you wait to handle the situation, the worse it will become. Remember, delay increases anger.

2. Take Ownership—The customer doesn't care if you're new, if you weren't there the day his problem happened, or if you don't know anything about it. The customer wants you to take ownership of the problem, of the situation. It is your responsibility. Don't shift the blame.

3. Apologize Sincerely—That means no "sorry 'bout that" which is a cliché, not an apology. The customer needs to hear the word **apologize**.



And he or she needs to hear that you mean it.

4. Solve the Problem—It's that old 80-20 rule; 80 percent of the time, the problem will be easy to solve. It's the next step that is the real problem.

5. Manage the Feelings—This is the **heart** of service recovery—the feelings. They've been hurt. Intentionally, or unintentionally. It doesn't matter. What matters is they feel maligned and we need to spend time on those feelings. We'll probably spend more time on the feelings than we did on the problem. But it's a **key** step in service recovery.

6. Verify Satisfaction—In so many cases, if handled properly, all is well. We hope. Well, how do we know? Simple. We ask! Yes, it's that simple. We ask, "Have I done a good job for you Mr. Smith?" or "Mrs. Jones, has everything been handled to your satisfaction?" We need to let the customer know we value his or her business. We also may need to do or give something "extra" if we can, to help the situation along. We need to

do something the customer is totally not expecting. Something that will say he or she is appreciated. Each industry has its own appreciation threshold. It doesn't necessarily need to be expensive. It just needs "to be."

Service recovery is special. You see, good customer service is expected. That's nothing new or special. You're supposed to give good customer service. What's the big deal? But when stuff "hits the fan" and that one customer is beyond **irate**—that's when **service recovery** kicks into gear. Good luck! ■

Global Warming and You: What Every Insurance Professional Should Know About Climate Change

by William F. Stewart

The good news is, if you are reading this article, you are employed in a growth industry. The overwhelming weight of evidence suggests that global warming will dramatically increase both the frequency and severity of property and liability claims. The bad news? Unfortunately, in the coming decades, our planet will experience some combination of unprecedented hurricanes, wildfires, floods, hail, heat waves, and drought. This article endeavors to provide practical commentary on what is happening, how it will impact insurers, and what the insurance industry can do in response.

Isn't Global Warming Just Scientific Conjecture?

In the 1890s, a Swedish scientist named Svante Arrhenius made a novel prediction about climate change. He opined that, if humans continued to release high levels of carbon dioxide into the air, it would trap heat within the atmosphere and increase temperatures on the planet's surface. Although Arrhenius' theory was rejected in his own time, the "greenhouse effect" is almost universally accepted by contemporary environmentalists. Indeed, according to an April 6, 2007, article published by the *Insurance Journal*: "no serious scientist today disputes the existence of global warming, even though its potential impact remains the subject of continued analysis." In February 2007, the United Nation's Intergovernmental Panel on Climate Change (IPCC) issued a report stating: (1) "warming of the climate system is unequivocal"; and (2) it was very likely that human activity since 1750 has overloaded the atmosphere with carbon dioxide—which in turn has resulted in the retention of solar heat.

In 1750, atmospheric levels of CO₂ were 280 parts per million (ppm), by 1960 CO₂ levels had risen to 330 ppm, and now CO₂ levels are 380 ppm (which is higher than at any time in the last 650,000

years). To make matters worse, the IPCC has predicted that atmospheric carbon dioxide levels could reach 450 to 550 ppm by 2050. Correspondingly, 11 of the 12 warmest years in history have occurred since 1995. Thus, the debate is no longer whether global warming is occurring, but whether we are headed toward some sort of abrupt and cataclysmic change to our environment.

How Will Global Warming Impact the Insurance Industry?

The U.S. Environmental Protection Agency's web site states: "[w]hile the effects of climate change will impact every segment of the business community, the insurance industry is especially at risk." At an April 19, 2007, international conference on Climate Change Regulations and Policy, the insurance industry was referred to as the "the big canary in the coal mine"—because insurers will be the first to feel the impact of an increase in the frequency and/or severity of natural disasters.

While it is rarely possible to conclude that any particular weather-related loss is the result of global warming, there has been an alarming increase in both the number and extent of catastrophe (CAT) claims. According to the EPA, "there were four times as many natural catastrophes in the 1990s as there were three decades ago." Seven of the 10 most expensive hurricanes in U.S. history (Katrina, Charlie, Rita, Wilma, Jeanne, Ivan, and Frances) occurred during the 14-month period between August 2004 and October 2005. The 2004 and 2005 hurricane seasons resulted in \$75 billion in insurance payments, and CAT losses during that period equated to 12 percent of overall property insurance premium—which is more than three times the historical average.

One of the most alarming aspects of global warming is rising sea levels. An April 6, 2007, IPCC report stated, with "medium confidence," that "sea-level rise and human development are together contributing to . . . coastal flooding in many areas." In Florida, sea levels have risen six to eight inches over the last 100 years because of melting Arctic ice, and an accelerated upsurge is predicted because even a one-degree increase in temperature would result in massive melting of the Greenland ice cap. While there are no reliable models to predict how an anticipated two to three degree temperature increase would affect the ice caps, there is a growing view that low-lying coastal cities like Miami may be in grave risk before the end of the century.¹

While most of the focus to date has been on coastal areas, the effects of global warming will be universal. Tim Wagner, the director of the Nebraska Department of Insurance, recently offered the following assessment: "After New Orleans, it's becoming clearer that we are experiencing more frequent and more powerful weather events that pose huge challenges for the insurance





industry. . . . [but] this is both a coastal issue and a heartland issue . . . we're seeing all kinds of extreme weather in the Great Plains, including drought, tornadoes, brushfires and severe hailstorms."

How Can the Insurance Industry Most Effectively Respond to Climate Change?

Scientists broadly characterize responses to global warming into two main categories: mitigation and adaptation. Mitigation involves attempts to reduce greenhouse emissions through conservation, alternative energy usage, and underground carbon storage. The reality, however, is that while mitigation efforts are imperative, they are unlikely to eliminate the problem. By the end of 2007, China will surpass the United States as the nation with the highest level of carbon dioxide emissions. For the present and foreseeable future, China's first priority will be the elimination of poverty, and, thus, it has consistently refused efforts to reduce or capture its emissions. Moreover, because CO₂ remains in the atmosphere for decades, and because the oceans retain heat for centuries, temperatures would continue

to rise even if we could curtail the global production of greenhouse gases.

Adaptation involves the response of individuals, businesses, and communities to cope with the inevitable consequences of climate change. Examples of adaptation range from the conventional construction of levies to the futuristic "seeding" of clouds with chemicals to produce rain when and where it is needed.

Insurance professionals will be called upon to employ strategies that include both adaptation and mitigation measures. Three common examples of adaptation are pricing adjustments, risk sharing with insureds (e.g., increased windstorm deductibles), and cancellation. In February 2006, Allstate announced plans to stop offering property coverage in several counties along the Chesapeake Bay. Many property insurers have ceased writing business in Louisiana and Florida, and those still issuing policies have raised rates significantly. Another example of adaptation involves a proposed National Catastrophic Fund, which would aid insurers in the event of major climatic disasters—similar in certain respects to both the Terrorism Reinsurance Act of 2002 and the National Flood Insurance Program.

In addition to adaptive measures, the insurance industry is in a unique position to mitigate climate change. The EPA has asked insurers to address global warming by: (1) educating policyholders about the financial risks associated with climate change; (2) supporting stricter building codes to minimize the impact of severe weather; and (3) promoting energy efficiency and renewables to cut greenhouse gases. And indeed, despite its unfairly maligned reputation, the insurance industry has been a leader in combating CO₂ emissions. Travelers offers a 10 percent auto insurance discount to the owners of hybrid cars. Fireman's Fund not only reduces premiums for environmentally friendly buildings, but also encourages its insureds to use "green" products to repair losses. In April 2007, AIG became the twelfth company, and the first insurer, to join the United States Climate Action Partnership (USCAP)—which supports a number of immediate mitigation measures including a nationwide limit on carbon dioxide emissions. Swiss Re has invested substantially in solar technology. And, the Risk and Insurance Management Society (RIMS) has entered into an agreement with the EPA to research and educate its members on mitigation and adaptation strategies.

In sum, climate change will be one of the great challenges of our time, and the insurance industry will be among the sectors most fundamentally impacted. While the prospects of global warming still present more questions than solutions, companies that take the lead in evaluating and addressing climate impact are likely to enjoy a significant competitive advantage in the years to come. ■

Endnote

1. See e.g., Brian Handwerk, *National Geographic News*, November 9, 2004.

CPCU TRAVEL PROGRAM

Old World Prague & the Blue Danube

aboard the private Grand Circle river ship M/S River Aria
BUDAPEST, HUNGARY • BRATISLAVA, SLOVAKIA • VIENNA, AUSTRIA • PRAGUE, CZECH REPUBLIC

12 days from only **\$2395**

including roundtrip airfare from New York

Plus, enjoy these optional extensions:

Budapest, Hungary: 3 nights from only \$525

Prague, Czech Republic: 3 nights from only \$445

SPONSORED BY THE SENIOR RESOURCE SECTION

Following the footsteps of the Hapsburgs, this River CruiseTour showcases the Danube's most riveting locales and the historic ports of the former Austro-Hungarian Empire. Besides the grand capitals of Prague, Vienna, and Budapest, you'll discover picturesque Linz and dramatic Bratislava, Slovakia's capital—destinations rarely featured on ordinary tours. A three-night hotel stay in Prague, sightseeing, and exclusive Discovery Series events round out your central European discoveries. Plus, based on your requests, we're now offering a three-night extension in historic Budapest and a three-night extension in Prague, the stunning capital of the Czech Republic.

WHAT'S INCLUDED

- ◆ **Roundtrip transatlantic air transportation**—aboard regularly scheduled flights from New York to Budapest, returning from Prague
- ◆ **Airport welcome** by a Grand Circle representative at your destination and private, roundtrip airport/hotel/pier transfers
- ◆ **Accommodations**—for 7 nights aboard a private Grand Circle river ship in an outside cabin and 3 nights in Prague at the First-Class Hotel Don Giovanni or similar
- ◆ **25 meals**—10 breakfasts, 7 lunches, and 8 dinners
- ◆ **5 exclusive, guided sightseeing tours:**
 - Budapest
 - Bratislava
 - Vienna
 - Prague Castle & St. Vitus
 - Prague
- ◆ **Exclusive Discovery Series events:**
 - Apfelstrudel baking lesson
 - "Student Life in Today's Slovakia" discussion
 - School Visit
- ◆ **Exclusive services** of up to 4 experienced Grand Circle Program Directors
- ◆ **Shipboard commentary** during cruising
- ◆ **Informative handouts** featuring maps and tips for discovery on your own
- ◆ **Captain's Welcome and Farewell Receptions and Dinners**
- ◆ **Private motorcoach land travel**
- ◆ **5% Frequent Traveler Credit toward your next Grand Circle trip**—at least \$119 per person
- ◆ **Baggage handling** for 1 piece of luggage per person, including tips

Please be sure to mention Service Code GG83319



ITINERARY

MARCH 25, 2008

PRE-TRIP OPTION: 3 NIGHTS IN BUDAPEST, HUNGARY FROM ONLY \$525

| DAY | ARRIVE | DEPART |
|------------------------|----------------------------|--------------|
| 1 | Fly U.S./Budapest, Hungary | |
| Cruise schedule | | |
| 2 | Embark pm | Meals: D |
| 3 | Budapest | 9pm |
| 4 | Bratislava, Slovakia | noon 11:30pm |
| 5 | Vienna, Austria | 7:30am |
| 6 | Vienna, Austria | overnight |
| 7 | Cruise the Wachau Valley | |
| | Melk, Austria | 1:30pm 6pm |
| 8 | Linz | overnight |

Land tour: Prague

9-11 Linz/Prague, Czech Republic
 Disembark am
 Transfer to Prague (Day 9)
 Hotel: Hotel Don Giovanni ★★★ or similar
 Meals: Daily B, 1L, 1D

12 Fly Prague/U.S.
 Meals: B

POST-TRIP OPTION: 3 NIGHTS IN PRAGUE, CZECH REPUBLIC FROM ONLY \$445

Please note: Days 3-8 include daily breakfast, lunch, and dinner.
 Itinerary subject to change.
 Hotel ratings are based on Hotel and Travel Index classifications:
 ★★★—First-Class

**Space is limited—
 please reserve by
 November 1, 2007!**

Reservations & Information: Call Grand Circle Travel **Toll-Free 1-800-597-2452 Option #2**

OLD WORLD PRAGUE & THE BLUE DANUBE

Prices are per person for 10 nights, based on double occupancy, and include roundtrip airfare from the cities below, and meals and sightseeing as specified in the What's Included box.

Depart from:

New York/JFK

Boston, Newark, Washington, DC

Atlanta, Chicago, Detroit

Denver

MARCH 25, 2008

| | |
|---------------|--------|
| Cantata Deck | \$2395 |
| Sonata Deck | \$2495 |
| Serenade Deck | \$2595 |
| Cantata Deck | \$2495 |
| Sonata Deck | \$2595 |
| Serenade Deck | \$2695 |
| Cantata Deck | \$2645 |
| Sonata Deck | \$2745 |
| Serenade Deck | \$2845 |
| Cantata Deck | \$2795 |
| Sonata Deck | \$2895 |
| Serenade Deck | \$2995 |

►EDR2008

Serenade Deck cabins have sliding doors and balcony. **Cantata Deck** and **Sonata Deck** cabins have large windows (windows do not open).

Deposit: \$500 per person.

Additional government taxes and fees of \$143.18 (subject to change) will apply. Ask your Group Sales Account Representative or visit our website at www.gct.com/tc for complete details.

Additional port charges and handling fees: \$95 per person (subject to change) listed separately on your invoice.

Guaranteed Travel Protection Plan: Please visit www.gct.com/tpp for details on this optional program.

Additional departure cities may be available. Call for details.

Standard Terms & Conditions apply when purchasing this program. Visit our website at www.gct.com/tc for details.

Every effort has been made to produce this information accurately. We reserve the right to correct errors.

Please note: After you reserve your trip, toll-free customer service is available Monday-Friday 8 am to 5 pm and Saturday 9 am to 3 pm (Eastern time) at 1-800-597-2452 Option #1.

KNOW BEFORE YOU GO

- Throughout the River Cruise season, weather conditions affect European river depths, and water levels may require adjustments to your itinerary.
- When you travel in Fall, you can expect cooler temperatures or inclement weather.

Extend your trip and your value

BUDAPEST, Hungary

3 nights from only \$525

Your optional extension includes:

- **Accommodations**—for 3 nights at the Moderate First-Class Best Western Grand Hotel Hungaria or similar
- **3 meals**—daily breakfast
- Sightseeing—Budapest city tour with Parliament visit
- Exclusive services of an experienced Grand Circle Program Director
- All transfers
- **Plus, consider these optional tours**—Hungarian Jewish Heritage (\$70 per person), Hungary: Then & Now (\$70 per person)

Price per person: \$525. ►EDP2008

PRAGUE, Czech Republic

3 nights from only \$445

Your optional extension includes:

- **Accommodations**—for 3 nights at the First-Class Hotel Don Giovanni or similar
- **3 meals**—daily breakfast
- **Sightseeing**—Antonin Dvorak's country home; Mala Strana with Charles Bridge
- Exclusive services of an experienced Grand Circle Program Director
- All transfers
- **Plus, consider this optional tour**—Terezin (\$60 per person)

Price per person: \$445.

Trip extensions subject to availability.

Reservations & Information: Call 1-800-597-2452 Option #2

Please be ready to give
the reservations agent
the following information

Service code: GG83319

Trip name/code: Old World Prague & the Blue Danube/EDR

Departure date: March 25, 2008

Strategies for Handling Irate Callers

by Nancy Friedman

Author's note: As with many columns around the country in newspapers and other newsletters, some favorites are repeated during June, July, and August. This article, in particular, is a most often requested one to reprint, so while it is a repeat from a few years ago, it is worthy of repeating. Enjoy!

If your job entails taking calls from unhappy, irate callers, you've got your work cut out for you. Many of us are vulnerable to outbursts from customers who are already going through an emotional, stressful time.

Handling these calls takes time and training, but it can be accomplished effectively. Here are some service recovery techniques for turning unhappy callers into satisfied customers.

Understand the Source of the Anger

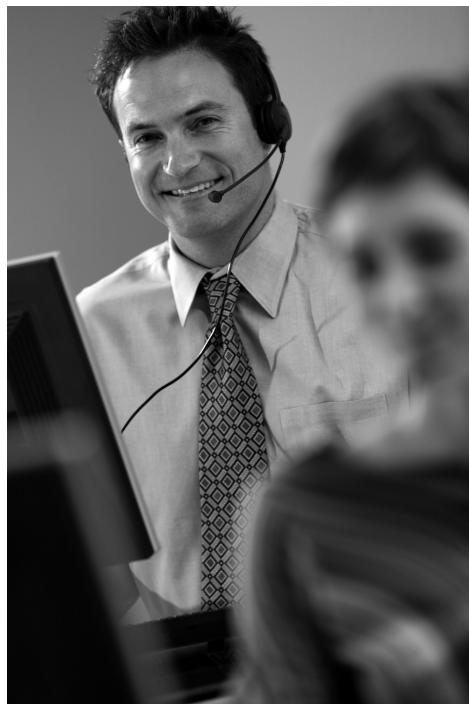
Realize that angry customers are not unhappy with you, just the situation. Don't take a caller's hostility personally. You are the lightning rod, not the target.

You can do a great deal to diffuse a caller's anger before you even pick up the phone. How? By smiling before you answer that call. A smile can really be "heard" over the phone. It's difficult to be rude to someone who's warm and friendly.

Use the ASAP Technique

Here is the Telephone Doctor® ASAP technique for handling irate customers:

Acknowledge the person's feelings and apologize for the inconvenience the customer has encountered. Make an effort to be sincere. In today's impersonal society, it's incredibly rare to hear the words, "I'm sorry that happened. Let me get the ball rolling to fix it." You'll probably spend about 80 percent of your time massaging the caller's feelings and 20 percent actually solving the problem.



Sympathize and empathize with the caller. Phrases like, "I can understand why you're upset," help soothe ruffled feathers. Pretend it is you calling. Then get busy solving the problem.

Accept 100 percent responsibility for the call. This is probably the toughest part. Chances are you had nothing to do with the problem. However, it is your job to accept responsibility and initiate work on a solution.

Prepare to help. Begin by reintroducing yourself—callers don't usually remember your name. State that you will be able to help. Use the caller's name, if possible, which helps diffuse the anger. A willing attitude is essential because if the caller senses insincerity or indifference, he or she will stay angry. It's exasperating to file a complaint with someone who obviously doesn't care.

No Excuses

Never make an excuse to a complaining caller. No one wants to hear, "The computer is down," or "I'm the only one here." That is your problem, not the

caller's. When you give an excuse, the caller hears, "I'm not going to help you now."

Escalating a Call

Sometimes you are not able to solve the problem on the spot. Many times you need more information from another department. Perhaps the call needs to be handled by another person. Although these are legitimate courses of action, they usually upset your caller again.

If you need more information, explain that to your caller. Ask him if he is able to hold while you obtain it, or if he would prefer a call back. Avoid untrue phrases like, "Hold on a sec." Nothing takes a second.

If you need to transfer a caller, let him know the name of the person he'll be speaking with. Give a reason why you are bringing in a third party. "Joe, Mrs. Smith in our Claims Department is the real expert in resolving your type of problem. Let me transfer you directly to her."

Swear Stopper Technique

Unfortunately, there are callers who are firmly convinced that abusive language is their only recourse. Try the Telephone Doctor® "swear stopper" technique. Say to the caller in a firm, but pleasant voice, "Excuse me, I can handle your problem, that's no problem, but I'm not able to handle your abusive language."

By using this wording, you are taking control of the conversation. Then immediately start asking questions that will help solve the problem. This helps you stay in control of the conversation.

Try using these techniques and see how quickly you start handling complaint calls more effectively. Then see how good you feel about yourself—you'll be doing your job better than ever before! ■

Laura M. Kelly, CPCU, AIC, AIS, ASQ, CQIA, Receives ASQ-Certified Quality Improvement Associate Recognition



■ **Laura M. Kelly, CPCU, AIC, AIS, ASQ, CQIA**, is the director of best practice compliance, and insurance industry liaison at Goldberg Segalla LLP. She heads the firm's quality control department and is responsible for adherence to the litigation guidelines of insurance industry clients, as well as the firm's best practice guidelines. She works with clients to secure feedback, address issues or concerns, and to ensure that her company has fully understood client expectations, values, and litigation philosophies.

Her past experience includes 15 years in the insurance industry. Prior to joining Goldberg Segalla LLP, she worked for OneBeacon Insurance for 10 years, most recently as a litigation manager/supervisor for five years. At OneBeacon she was responsible for a centralized New York State Labor Law and large loss unit in the claims department. She has also worked at Integon Insurance and United Community Insurance Company as a claims adjuster.

She obtained her CPCU designation in 1997, and her AIC designation in 2000. She is currently serving as the education chairman for the CPCU Society's Northeastern New York Chapter and is very excited about joining the Total Quality Interest Group Committee.

The Certification Board of the American Society for Quality is pleased to announce that **Laura M. Kelly, CPCU, AIC, AIS, ASQ, CQIA**, has completed the requirements to be named ASQ-Certified Quality Improvement Associate (ASQ CQIA). As such, Kelly has reached a significant level of professional recognition, indicating a proficiency in and a comprehension of quality principles and practices. Individuals who earn this certification are allowed to use "ASQ CQIA" on their business cards and professional correspondence.

"ASQ provides certification as a way to provide formal recognition to professionals who have demonstrated an understanding of, and a commitment to, quality techniques and practices in their job and career," explains Ronald D. Atkinson, president, American Society for Quality. "This is a great accomplishment and, although not a formal registration or licensure, bestows a high level of peer recognition as well."

A Certified Quality Improvement Associate (CQIA) is able to select appropriate quality tools and apply them in a variety of problem-solving situations. Typically CQIAs work on quality improvement projects and have experience with teams that are chartered to identify continuous improvement opportunities with a strong customer focus.

Since 1968, when the first ASQ certification was given, more than 100,000 individuals have taken the path to reaching their goal of becoming ASQ-certified in their field or profession, including many who have attained more than one certification. To learn more about ASQ's Certified Quality Improvement Associate program, visit <http://www.asq.org/certification/quality-improvement-associate/>.

The American Society for Quality (www.asq.org) is the world's leading authority on quality. With more than 100,000 individual and organizational members, the professional association advances learning, quality improvement, and knowledge exchange to improve business results, and to create better workplaces and communities worldwide. As champion of the quality movement, ASQ offers technologies, concepts, tools, and training to quality professionals, quality practitioners, and everyday consumers, encouraging all to Make Good Great. ASQ has been the sole administrator of the prestigious Malcolm Baldrige National Quality Award since 1991. Headquartered in Milwaukee, WI, the 60-year-old organization is founding partner of the American Customer Satisfaction Index (ACSI), a prominent quarterly economic indicator. ■

Quick Book Review

by Steve Horner



The *Leadership Challenge* has become one of the all-time, best-selling books on leadership. Jim Kouzes and Barry Posner interviewed thousands of leaders in hundreds of organizations, and as a result they were able to identify the **Five Practices of Exemplary Leadership**.

- **Model the Way**—Exemplary leaders set a personal example for others, and they follow through on their promises. Leaders develop their own unique voices.

- **Inspire a Shared Vision**—Exemplary leaders create compelling visions to guide people's behavior, enabling others to imagine exciting possibilities.
- **Challenge the Process**—Exemplary leaders ask questions. They look for innovative ways to drive change, nudging people and organizations to grow and improve. They experiment and take risks, generating small wins and learning from their mistakes.
- **Enable Others to Act**—Exemplary leaders foster collaboration by promoting cooperative goals and building trust. They energize and strengthen others by sharing their power.
- **Encourage the Heart**—Exemplary leaders praise others for a job well done. Celebrating accomplishments reinforces the "right" behavior and helps foster a strong community spirit. ■

Total Quality Interest Group Quarterly

is published by and for the members of the Total Quality Interest Group of the CPCU Society.
www.totalquality.cpcusociety.org

Total Quality Interest Group Chairman

Michael J. Jagadich, CPCU, AIM, AIC, INS, ASC
State Farm Insurance
E-mail: michael.jagadich.bgaq@statefarm.com

TQ Co-Editor

Sandy Jones, CPCU, CLU, ChFC
State Farm Insurance Companies
E-mail: Sandy.Jones.CCOJ@StateFarm.com

TQ Co-Editor

Kent W. Schaum, CPCU, AIC
McNamara Insurance Services, Inc.
E-mail: kent@4apolicy.com

Interest Group Manager

John Kelly, CPCU, AIS
CPCU Society

Managing Editor

Michele A. Iannetti, AIT
CPCU Society

Design

Susan B. Leps
CPCU Society

CPCU Society
720 Providence Road
Malvern, PA 19355
(800) 932-CPCU
www.cpcusociety.org

Statements of fact and opinion are the responsibility of the authors alone and do not imply an opinion on the part of officers, individual members, or staff of the CPCU Society.

© 2007 CPCU Society

 Printed on Recycled Paper

BARTRON & COONEY
PAID
U.S. POSTAGE
FIRST STD