

Role: **The Chief Executive**

a

Chairing the meeting: You chair the meeting and make sure everyone participates. Organize the meeting in the following way:

1. First get everyone's opinion as to whether selling off a line of business is possible.
2. Then, if you agree it is possible, discuss which line to sell. Write on the board the 'candidates' for sale, and reasons for and against the sale of each.
3. Finally, decide together which line of business to sell.

Your own point of view: You think you have no choice but to sell off a line of business. You cannot risk the company going bankrupt. The best line to sell off would be personal pensions, because it would be the easiest to separate from the rest of the company. It is an almost autonomous entity, and the business is relatively different from the other lines. It is not likely to be profitable in the long run because of the ageing population – the number of people who are retired and drawing their pension is going to increase, whereas the number of people working and making contributions is going to fall.

Role: **The Sales Manager**

b

You believe that it would be very difficult to separate and sell off any line of business. Your department sells all the company's products. While it is true that most of the central office sales staff specialize in one or two lines, in many branches and agencies there is only one salesperson, selling all the products. If you sell off one line, you decrease productivity, and take business away from your agents.

If you really must sell part of the firm, you would be in favour of selling the health line. This is very different from the other activities: you often sell vehicle and property insurance together, for example, but health insurance is usually sold separately. And with an ageing population in South Africa, it will be increasingly difficult to make it profitable.

You are very much against the sale of the vehicle line of business. This is by far your biggest business, and will in your opinion be the fastest-growing in the next ten years. If the company wants a return to profits, they must not sell it.

Role: **The Claims Manager**

C You can see no reason not to sell off a part of the business if this will save the firm. In your department, different staff handle claims from different parts of the business – for example, someone who deals with car accident claims will not deal with claims concerning property. So employees handling claims for one part of the business could easily be transferred, and work for a new employer.

You would like to sell off the vehicle insurance line of business. It is very difficult to make a profit on it because there are so many claims. Life insurance, for instance, is much easier because you only ever receive one claim. In addition, the number of claims for car theft has increased tenfold in South Africa in the past ten years.

You are against selling off the personal pensions line of business. This will become more profitable as people buy pensions policies to prepare for their retirement in the knowledge that state pensions are becoming less and less generous.

Role: **The Investment Manager**

d Your job is to invest all the money the company receives from its customers. You are worried about losing part of your investment funds. The more money you have to invest, the easier it is to get a good return on your investment. So you would rather not sell off any line of business at all. From your point of view the different lines of business can be divided into two distinct parts. On the one hand you have long-term investment in life insurance and personal pensions, and on the other you have short-term investment in vehicles, property and health.

If you really must sell off one line, it would be better if it were a *short-term* one. You can get a good rate of return on short-term investments, but it is much more risky than the long term, and you must admit that you lost money on the short term last year. The best candidate for a sell-off would be property insurance. You think this is likely to grow more slowly than vehicles and health. At the same time, claims for burglaries will no doubt rise steeply.

Role: **The Marketing Manager**

e You can see no reason not to sell off a line of business if this is what is needed. Your choice would be life insurance, because it is so different from the others. From a marketing point of view, when you sell life insurance, you must find customers who are prepared to invest in something they will never get a return on themselves. This is very different from buying car or house insurance, or even contributing for a pension.

You feel that vehicle, property and health insurance are the core of your business and should on no account be sold off.

Role: **The Personnel Manager**

f You are worried about the whole idea of selling off part of the business. It is true that most of your employees work for one line or another, and not for two or more at the same time. So from a practical point of view, it is perfectly possible to sell off part of the business and transfer the staff concerned to the new company and new offices. But there is nonetheless a human problem, even a moral problem. Will your former employees really get work in the new company? Won't the buyer buy the business and the market, and make their new employees redundant within a few weeks?

These concerns lead you to believe that if you really must sell off a line of business, it should be life insurance, which, with only one claim per customer and an annual contribution, employs the fewest people.

Role: **The IT Manager**

g Each line of business has its own computer programs, and you could sell them with the business. The most sophisticated programs are for vehicle insurance and personal pensions. For vehicle insurance, this is because there are hundreds of different types and models of vehicle, and numerous claims. And for personal pensions, this is because contributions and payouts are monthly.

You would get the best price for these lines because of the value and sophistication of the computer programs. Viljoen badly needs the money, so you suggest selling either vehicle insurance or personal pensions.