

# SM&CR and the leaders of the future



**Nikki Bennett** from Searchlight Insurance Training

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The recent introduction of the Senior Managers and Certification Regime (SM&CR) makes high-calibre leadership more essential than ever for UK insurance brokers.

Since the new rules came into force for brokers in December 2019, anyone appointed as a Senior Manager must have a Statement of Responsibilities that clearly defines their role and responsibilities. Still very much in the 'bedding in' phase for insurance brokers, SM&CR is already driving a stronger emphasis on managerial performance and accountability.

In addition, under SM&CR, a Senior Manager must be assigned responsibility for identifying and annually 'certifying' all employees in roles with the potential to cause significant harm to the firm or its customers. This encourages a sharper focus on the competence and capabilities of senior staff.

At the same time, the conduct rules set out in the COCON section of the FCA Handbook - and the associated training requirements - are leading Senior Managers in UK insurance firms to think more about issues of individual responsibility and accountability within their businesses.

Paying closer attention to the competence and capabilities of staff in certificated function roles can have unexpected benefits. It makes good sense to develop future leaders in house, rather than incur the expense and uncertainty of external recruitment. So, if meeting the requirements of SM&CR helps brokers spot future high flyers sooner, it also enables them to put pathways in place to foster their development.

Too often in the past firms have fallen into the clichéd pitfall of promoting staff one rank above their level of competence. There's a much greater appreciation now that management and leadership are skills in their own right, not just capabilities employees mysteriously assimilate as they rise through the ranks.

Technical business knowledge - however highly developed - is no substitute for training that's specifically designed to cultivate the skills required in management and leadership roles.

To ensure you create and maintain a pool of management resource that

will sustain your firm's future success, it makes sense to invest in leadership training. Many firms have found it helps to assign someone senior within the business to act as sponsor for employees picked for training intended to develop their potential as future leaders.

If you have an internal training manager, it's entirely possible for them to put together a package of training that covers a range of relevant topics like team-building, communicating, delegation, target-setting, change management, and dealing with difficult situations.

Alternatively, training companies like Searchlight offer purpose-designed leadership programmes. These can be tailored to the specific needs of particular individuals who have been earmarked for future leadership roles. They can be undertaken one day a month over six or nine months - or more intensively, depending on the circumstances.

Typically, they would provide in-depth interactive training across a range of business themes tailored to a specific sector (in Searchlight's case, insurance broking). Course content would be designed to equip learners with the knowledge, skills and confidence they will need as they move into higher management and leadership roles.

This would often involve immersing learners in key business themes like strategy and business planning, leadership, motivation, talent management, sales and relationship management, financial skills, report writing and presentation.

The format would likely involve practicing new skills in a safe and constructive environment with direct feedback from expert trainers and fellow delegates. It might also involve undertaking a business project, set in collaboration with an internal sponsor, that tests and hones new skills. For example, analysing potential future strategy options for the business.

Purpose-designed training along the lines described above is the best way to ensure your business always has a confident and competent leadership team for the future. Ultimately, that's good news for your business, for your customers and business partners, and, not least, your compliance manager!



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