

**Is your insurance agency a race car, a rental car, or a wreck?**

# **ON TRACK**

## **FOR AGENCY SUCCESS**

**Sales & Profit Roadblocks  
You MUST Overcome  
To Win Your Race**



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## ***Is Your Insurance Agency A RACE CAR, RENTAL CAR, or WRECK?***

### **8 Sales & Profit Roadblocks You MUST Overcome To Win Your Race**

In today's marketplace, running a profitable insurance agency is becoming close to impossible. Even with just the normal pressures of hanging on to good employees, writing solid profitable clients, keeping that business on the books at renewal, and maintaining a good loss ratio, it seems like a constant uphill battle to keep the agency moving in the right direction.

According to a recent article in IA Magazine, "...agencies are "under a lot of profit pressure," and they're spending money on building value-added resources and hiring bright talent, and...agents say they're taking on some responsibilities that were traditionally handled by carriers. "The price of remaining competitive is going up,"".

Goff, Victoria "As agencies boost growth, profits stay flat." IA Magazine. Oct.2012.  
IA Web. 4 Sept.2014.

There truly has never been a more difficult time to be an insurance agent. Companies are cutting commissions and bonuses, they are constantly pushing more and more work back to the agency force, the economy is still difficult, there is a constant increase in E&O exposures, employees are demanding more money and more benefits, and good employees are almost impossible to find and keep.

If you are like most agents, you have felt these pressures in your agency. A great example of that pressure is the inundation of your customers constantly demanding that you re-quote their policy on every renewal. This is due in, in large part, to Warren Buffet (along with other direct writers) spending almost \$1

billion last year to teach your customers that they can save 15% in 15 minutes. According to the same article I just quoted from IA Magazine, “Clients expect more [and] carriers aren’t necessarily paying more, so agencies are caught in the middle of having to meet clients’ increasing demands with basically the same level of compensation as they’ve gotten in the past.”

This means that your profitability is down significantly. The standard rule of thumb for P&C policies is that it takes 18 months to make a profit on a new policy (after acquisition costs and overhead, etc). If you are constantly re-quoting and rewriting your entire book on every renewal, you are never getting ahead of that curve!

Despite these roadblocks to profitability, some agents are earning more money than ever before while spending less time at the office. Having worked onsite with hundreds of agencies, it didn’t take me long to notice several trends that exist in every single agency. They all suffer from some or all of the 8 roadblocks that totally destroy the profitability of the business they are running. As I began to focus on these roadblocks, the solutions to those roadblocks became abundantly clear to me and I want to share the roadblocks and how to overcome them with you here in this eBook.

Just imagine your agency being more profitable, selling more policies than ever, your team being happier than ever, and you are making more money, with less stress and less time behind your desk. It is entirely possible *AND* it’s possible without spending a dime more for any more leads. The dirty little secret is that most agencies don’t need more leads. They think they do because more leads bring more sales, right?? *WRONG!* Most agencies need to better handle the

leads they currently have, not buy more! I know that sounds foreign to most of you, but I assure you, it's true.

No matter where your agency is located, or what market segment you are in, you can dramatically increase your profits very quickly by being aware of these roadblocks and by using the little known, but effective techniques I will be showing you in this book.

Imagine what your agency would look like if you were posting record sales numbers every month, cashing huge contingency bonus checks, if you had a happy and solid team doing the heavy lifting for you, and your profitability was going through the roof. That's exactly what has happened to agencies I have worked with. One in particular reported their sales were up 125% last year, they posted record profits and contingencies, and they now have a solid team that is running like a well oiled machine. The owners pocketed more money from the agency than they ever have. This is just one of many examples of agencies that have used my techniques to radically transform their agency into a money printing machine.

What would your agency look like if your team was efficiently working together, producing more business with less effort? Imagine your sales being up 125% and your expenses are down as well. Think about cashing those contingency checks and you having more free time. It is all possible simply by applying the techniques in this eBook.

I don't want this to be just another book that you read and then forget the truths that are in it and how they apply to you. So, I have included a separate PDF of a

self assessment questionnaire for you to use as you read this book. I highly recommend that after you read each section, you stop and take a real hard and honest look at your agency and check the questions from that section that apply to you. Once you have read the whole book, then read the self assessment tool again and see where you need the most help. Then start to work on those areas immediately. Remember, the best way to make your agency better is to strengthen your weakest spots. Let today be the day you start making your agency the finely tuned, high performance race car it was meant to be.

Let's talk about the 8 Roadblocks your agency likely has and some ways we can fix them to get you back on the road to profitability.

## **1. Who is on Your Race Team?**

### **a. Right People on the Team**

One of the most detrimental and counter-productive problems that exists in many agencies is having the wrong people on your team. Consistently, when an agency is in need of an employee to fill a slot, they scour through their old dusty resume file and they might even post for a job opening on the Internet for that position. The amount of potential candidates usually ends up to be a very small pool of other agents' old problems. The agent is inevitably left to hire the best of the worn out baggage from their competitor agents.

To build a productive and efficient agency, it is crucial to have the best possible team members on your team. No longer can you settle for anything other than the perfect match for the need you have in your agency. Let's think for a second about the cost of settling for a less than perfect employee.

- Many times, that employee has personal problems that they bring into the agency
- They usually bring negativity and drama with them
- They typically are only good at covering their lack of work and leave it to you discover it when (or if) you finally terminate them
- Even though you have filled a seat, your team is still stressed because they are carrying the new employee's load to make up for their lack of knowledge or ability to effectively perform the job
- You typically will begin to frustrate and even lose clients and new business opportunities as a result of their lack of performance

There are other reasons, but any one of the reasons mentioned above will put you enough in a negative cash flow to make you wish you had never even considered that individual at all. So, never lower your standards just to hire someone. NEVER SETTLE!

There are a few things that you can do to help prevent the hiring of the wrong person:

1. Know *EXACTLY* what you are looking for
2. Use a good personality assessment test as part of your interview process. (There are good ones and bad ones so make sure you know which one to get)
3. You can use a professional, like myself, who has performed hundreds of assessments and knows what to ask and what to look for
4. Have someone else you trust in your agency interview your prospective new hire

5. Perform a second or even third interview with solid prospects and ask them many of the same questions. You are likely to find inconsistencies in their answers and you will likely begin to see their real personality begin to shine through (which could be good or bad!)

What do you do if you are currently in that situation? What if you have already settled and you are regretting it? My recommendation is to *always* at least give that individual a base line for minimum expectations and allow them the opportunity to redeem themselves. However, after a reasonable time (keep it as short as possible), if they have not made huge strides in turning the corner, termination is the only logical solution. Unfortunately, it has been my experience even when agents are able to see the gravity of this type of situation, most of them do not have the necessary intestinal fortitude to do the right thing by the agency and the rest of the team and terminate the employee.

#### **b. People in the Right Position on the Team**

A race car owner will never throw the custodian of the race shop behind the wheel of the race car, especially in a race. Why is this? Because this is not where their training and skill sets are. It is critical that everyone is in the right position on the team, based on what they are naturally good at.

In an agency, there are typically three types of personalities that exist. They are:

1. The hard core sales person. This person is usually not detail oriented and thrives on the thrill of the sale.

2. The service minded person. This person is very detailed oriented but freaks out at the thought of having to sell anything to anyone. They are nurturing individuals.
3. The hybrid (sales/service person). This person is usually preferred because they can sell (maybe they aren't the best sales person, but they can sell), and they are pretty good at details and nurturing as well.

The reason it is important to know these distinctions is because time after time, I see agents try to force a sales person into a service role or a service person into a sales role. This never works and it usually ends in disaster. Knowing your team member's temperament and making sure their job functions fit that temperament is absolutely vital to the health of your agency and the workflow process. Also think of the potential E&O exposure you are opening yourself up to by forcing a sales minded (lack of attention to detail temperament) into a role where he or she has to dot every 'i' and cross every 't'. This person will be miserable. They will be very unproductive. They will struggle to handle the details even at a minimal standard and consequently, you have an E&O issue waiting to happen. Once you are keenly aware of the personality types of your team and you understand their strengths and weaknesses, it is vital to the overall success of your agency that you organize your team so each team member is playing to the highest and best use of their strengths as much as is possible (Keeping in mind, of course, there are clearly times when there will be a need for members of one team to perform functions of the other).

This concept applies to everyone in the agency, including the agency owner. It is probably better stated, "ESPECIALLY the agency owner!" I understand that as the

owner, you are inevitably responsible for everything that goes on in your agency. I also understand that most agency owners feel they can do a job better or they don't trust someone on their team to get the job done, so they end up doing it themselves. That means that you have just lowered your job grade from a \$100 per hour to a \$10-15 per hour grade. If you are a great salesman, then go sell! If you are a great administrator, then focus on the vision and work of your team. Try to stay away from getting caught up in the trap of doing tasks that keep you away from the highest and best use of your time and that keep you away from justifying your existence in the agency. You owe it to your business, your family, your team, their families, and your clients to stay focused on the higher use of your time.

### **c. Eliminate Drama**

Imagine a NASCAR driver, or any sports figure for that matter, deciding they are having a bad day and they are just not going to perform today. They will go through the motions, but they will be totally unproductive and they will make everyone miserable in the process because they will stir every pot they can get their hands on. Well, I am sure you have seen a sports figure like that, but most don't last long unless they are in a one person sport. The truth is that you can't have an effective team when one person is constantly undermining that very team with whirlwinds of drama.

You may think you did a decent job at finding a team member to fill a slot. When the employee is on their game, they are the most productive service person or they are the sales leader in the office. However, when they are off their game and creating drama, they are less than effective at their job. I like to call this

person Negative Nellie. Unfortunately, most agents tend to overlook the negative because the positive is so strong. I promise you that if you see even a hint of drama consistently, the ripple effects of that drama are way deeper and more damaging than you can even imagine. Time and time again, I have recommended agents eliminate the drama. They always thank me for that recommendation when they finally rid themselves of the headache. Of course, they had to get over the fear of the loss of the amazing production or the fear of what the clients who just love them will say. Just know that I have never had an agent tell me they wished they had not listened to me and they consistently say they are significantly better off after the fact.

#### **d. Leadership**

Every effective team has to have a strong leader. For a race team, it is the crew chief. The crew chief's job is to select the team members, motivate the team, train the team, coordinate the team, and hold the team accountable to their job duties. Unfortunately, it is my experience that leadership is a trait that is severely lacking in today's insurance agencies. Most agents either assume things will get done the way they envision them to be, they abdicate the leadership role to someone who is ill equipped, or they do a poor job themselves of painting the vision for the agency and leading the team to that place. When there is no vision or someone leading the team to that vision, the agency flounders in a pool of mediocrity. This lack of leadership is typically a big cause of the frustrations and tension that exists with agency staff today. Think of your team like your children. Your team needs the same things that your children need from you. They need clear and consistent communication, boundaries, goals, dreams, and leadership.

Never underestimate the value and impact of leadership in your agency. Think of a movie where there was a great leader portrayed. The one I am thinking about right now is *Braveheart* (I bet you were expecting *Days of Thunder!*). William Wallace was a great leader because everyone understood his vision. He was not afraid to communicate that vision to anyone who would listen. He was crafty in battle, but he was also fearless. He was always out in front of his team, showing them the way to go. It's time for you to take up the banner and lead the charge!

#### **e. Play to Your Strengths and Hire Your Weaknesses**

Joe Gibbs is known for being able to piece together and coach great teams. He has done it in football and in NASCAR. As great as he is at those things, I don't imagine he is the guy who develops the budgets for the team or sells sponsorships for the drivers. He does what he is best at and hires others to fill the deficits he has. The trick is, he understands he cannot be all things to all people.

Having worked with as many agencies as I have, it quickly became clear to me that the personality types of the team members, which I discussed earlier (sales, service, and the hybrid), are also applicable to agency owners. They are typically great administrators who are very efficient in processes and they train their team in that direction, they are great sales people and the details are lacking from the management level, or they are a cross or hybrid of the two.

For you to be effective to a maximum level if you are a sales person, the best thing you can do is to hire an office manager who is very good at the details and you focus your energy toward sales and training your sales people. The management and admin function is too important for you to ignore (which often

times happens in agencies) and it is too much of a drain on your energy, time, and focus for you to spend your efforts in that arena.

For the administrative type personality, the same advice applies. It would be wise for you to hire a sales manager or someone who can coach your team and hold them accountable to a level of success.

The agent who is a mix of the two types of personalities is a little trickier to give advice in this area, but I think it is important to do a strong self analysis and see if you are more comfortable and efficient with sales or administration and then hire your weakness accordingly. Either way, with all the personality types, playing to your strengths and hiring for your weakness will do wonders for the overall effectiveness of you, your team, and your agency.

If you are a smaller agency and you don't have the resources yet to hire a full time sales manager or a full time administrator, then this is where it makes sense to hire a consultant. This person can help you establish and maintain those processes for a significantly smaller investment than it would be to bring on a full time manager/administrator.

#### **f. Teamwork**

Tony Stewart is arguably one of the best drivers currently in NASCAR. I have seen him fail miserably time after time when he was a team of one. He often knew he was the best and he didn't need anyone telling him how to do his job. He has won championships but he only really does consistently well when he is a part of a team. An interesting thing happened to Tony when he became a team owner. He realized that he constantly needs the advice, support, and manpower of a

team around him. Since that time, he has been a better driver who consistently places better than he ever has.

The need for teamwork cannot be underestimated or understated. You can't have a team without teamwork. Without it, you have a bunch of individuals who are pulling too much individual weight and they are doing it in a very unproductive manner. Show me an agency that has a group of individuals and I will show you an unproductive, dysfunctional, and unprofitable agency. Even just one individual amongst your team disrupts the effectiveness and overall profitability of the agency more than you know.

As we have already begun to explore, teamwork starts first with having the right people on your team and having them in the right position on the team. The next step to having a great team and having a culture of teamwork is strong leadership. The right mix of these two items will promote the healthy growth of an effective team. It is also important to promote team oriented events both in and out of the office to help build the rapport among the individual team members.

#### **g. Dysfunctional Partners/Owners**

I really struggled as to whether to include this section in the book. My final opinion is that it is simply too important to leave out. I have been in many agencies where the partners/owners could not even make eye contact with each other, much less work effectively together. It really is stunning how much dysfunction exists among agency partners/owners. I am going to be very blunt and brutal with my words here. If this is you, if you are constantly fighting or

struggling against the other partner(s)/owner(s) of the agency, you are absolutely killing your agency. You may not think so. You may not see it. I assure you the rest of your team knows what is going on and it is attacking every positive ounce of productivity that exists in your office. My advice is going to sound condescending perhaps, but you need an intervention and you need it now! Find someone that can mediate a conversation and a truce between you and the other partner(s)/owner(s). It is time for you all to “cowboy up”, overlook your differences, and play to your individual strengths for the good of everyone that is employed at your agency. I know it may seem impossible, but I assure it can be fixed. I have worked with partners/owners that literally hated each other. I have seen those same partners/owners come to the table as adults and put their differences aside (with well defined boundaries, etc) for the good of everyone. It is mind blowing to see the difference in these agencies today. I am not saying the partners/owners are hugging and singing “Kumbaya” around the camp fire, but they have learned to rely on each other and work together for the common goal of the good of the agency no matter what their feelings are. You owe it to you, to them, your family, your team, their families, your clients, and anyone else within the reaches of your agency to turn your dysfunction into a functional relationship. Nobody ever said having business partners is easy, but a well functioning partnership pays dividends to everyone and it is definitely worth it.

#### **h. Family Working in an Agency**

It certainly can be a great thing to have people you know, people you trust, and people you love work with you in your agency, especially relatives. My experience has taught me, however, it can be a blessing and a curse. More often

than not, family members who work for you can't help but feel they have more leeway and forgiveness granted to them than your other employees, simply because they are related. Unfortunately, this is usually true. I understand blood is thicker than water. I understand that you should help your family and do anything for them. I understand that it is important to trust the people who work for you. However, the only thing that I have seen that is worse than a drama creating employee is a family member who is obviously held to a different, lower standard that they are in no danger of exceeding. The drama and negative energy that is created and the drain on productivity that exists is arguably more expensive to your agency than the Negative Nellie we discussed earlier. When family works in your agency, it is critical that they have a clear job description that is communicated to them and your team. It is critical they are held accountable to performing the metrics involved in their job. It is also critical that they are disciplined exactly as anyone else in your agency would be. Otherwise, you will have one entitled, unproductive family member and a whole team that resents them and you.

**i. Everyone Must Justify Their Existence and Salary in the Agency**

I know some of you are wondering why the obvious is even being stated here. Well, of course everyone must justify their existence, right? I have worked with countless agencies that carry dead weight on their team for one reason or another. Many of you reading this fall in to this situation, but perhaps you are just in denial. Agencies often pay staff based on how they feel the clients react to those individuals, what kind of job they feel they are doing, or even worse, they pay them based on some guilt factor like this person needs the money or they

have worked for you for a long time, etc. The real problem with these criteria for pay is that there are no quantifiable objective metrics behind them. When feeling is taken out and measurable metrics are put in place, it takes all the pressure off of the agency owner to "do the right thing" by someone and it puts that pressure on the employee to meet or exceed the stated and agreed upon metrics. You need to ask yourself if you are running a charity or a business. If corporate America would have compensated that individual differently, then perhaps you should consider changing your methods.

**j. Always Have a Pool of Candidates**

You never want to be desperate to fill a position in your agency. I hear complaints from agencies across the country that there just aren't ever any good candidates in their area, especially when they need them. The truth is that agencies today are simply recycling other agent's junk employees. So when you go to hire, you interview a couple of people and you take the best of the junk. You settle for something less than what you know you should wait for because you are desperate. So how do you fix that problem?

1. The agencies that have a successful hiring program are constantly seeking resumes and are constantly interviewing, whether they are hiring or not. How nice would it be, when you are desperate, to pull out a file of really great candidates to be able to call on? There is also another positive effect of doing this and that is that your team sees their potential replacement walk into your office every day!

2. The other way you fix the problem is to not be afraid to hire outside the industry. You can teach someone insurance, but you can't teach someone how to positively interact with others. They either have that skill and temperament or they do not. So when you are at a restaurant or somewhere that has a customer service rock star that makes you feel amazing by how they interact with you, give them a card and let them know you are interested in talking to them. That is how you build a team of rock stars.

## **2. Who Drives Your Race Car and Who Builds It? Responsibility/Accountability**

### **k. Job Descriptions**

Imagine a race car team for just a minute. You have the crew chief, the driver, all of the members of the pit crew, the car owner, the engineers, the marketing team, etc. When everyone on this team knows their jobs and exactly what is expected of them, there is a great opportunity for success as long as those tasks are accomplished. My son is a pit crew member for a NASCAR race team. If he didn't know it was a part of his responsibility to make sure there was a precise amount of air in each tire, there would be a huge problem! He might assume that was the jack man's job, and the jack man might assume it was the tire changers job, etc. The point is that everyone would assume and the job would not get done. Consequently, that race car is not going to ever win a race. It won't even be competitive. It will simply roll anemically around the track, being lapped by everyone else in the field.

Everyone must know exactly what is expected of them (yes, in writing!). I completely understand the disconnect here between agents and this process. When I opened up my first agency, it was just me! I did it all. I took out the trash, I quoted new business, and I closed it. When I finally reached a point that I couldn't handle it, I realized I needed a CSR. So I advertised for the CSR position. I found someone I liked and I let her do her CSR thing! She didn't need to be told what to do, right? She already knew. The problem is, she did know what to do, but she didn't know exactly what I expected from her. So, guess what happens? I finally needed another CSR so I hired another one. She is doing her CSR stuff and the first CSR is doing her CSR stuff. They are each doing what they think I expected of them, and many times, the things they are doing are opposite of each other. My agency was now a dysfunctional mess with complete misconceptions of what I expect my team to accomplish. The purpose of a job description (as I have learned!) is to make sure you and the employee agree, in writing, exactly what their minimal job duties and expectations are (with measurable metrics). You both agree and sign it so there can be no disagreement on what they need to be doing at a minimum. Now, hopefully, everyone is pulling in the same direction, and hopefully, your tires are now being properly aired by the correct person! And if not, guess what? There is no question who to hold accountable for that task not being completed.

There are a couple of other points that are important to know about job descriptions. You should have one for every position in your agency and they need to be updated as the agency grows. Unfortunately, I don't have room in this book to get into a deep discussion about job descriptions, but I think it's important to list a few bullet reasons on why they are important:

- They establish minimally acceptable performance standards (metrics) for things such as:
  - referrals
  - retention
  - cross sold policies
  - customer satisfaction
  - quality and completeness of files
- Legal protection and defense
- It ensures the right person is assigned the right task
- It helps with performance reviews (evaluations)
- It helps clear up ambiguity between team members over responsibilities
- It helps create organizational structure
- It can help establish career paths and even succession planning
- It helps give a sense of equal accountability to everyone on your team

## **I. Evaluations**

Every week after a race, the pit crew has a meeting and they watch the film of their most recent pit stops. Every move of every team member is analyzed. This then gives the team the foundation of what to work on in the current week before the next race. Without evaluating, no one would know where the team stood and how they performed within that team.

Evaluations are a touchy subject with many agencies because agents feel that when an evaluation is given to a team member, they will expect a raise. I firmly

believe periodic evaluations are important because your team members deserve to know how they are doing on their job. When job descriptions are specific and measurable (and then obviously measured), it is much easier to evaluate and coach a team member. Most agencies use ambiguous evaluations that are subjective in nature. With hard data (well defined metrics), you can now show your team member exactly where they are excelling and where there are challenges. You can't avoid evaluations just because of the fear of your team expecting a raise every time. Once you get in a routine of evaluations and you are using hard data to back up what is in the report, it will minimize this fear. The other thing that you can use as a defense to the potential request for a raise is the incentive plans you have in place. Again, you can show them with hard data the job they are doing and how much more money they can make with the incentives you have in place. Not to belabor the point, but evaluations are a critical communication piece with your team that you cannot avoid for any reason.

### **m. Carrots and Sticks (Accountability and Incentives)**

I have bounced around this topic long enough. A huge reason for much of the dysfunction that exists in agencies today is there is no accountability. Agents, for the most part, are great people. They care about the people who work for them. Therefore, there is a tendency to look past deficiencies and missteps with their team. Imagine my son constantly forgetting to properly air the tires on the race car he works on. How long would it be before he was held accountable? Not long I assure you! Accountability has to exist in your agency or you are setting yourself up for a ton of employee problems, client problems, E&O issues, etc.

In my experience, most employees are just like children. I think I can best illustrate my point with the show *Super Nanny* (yes, sadly, I have to admit I have seen an episode or two!). Every episode I have watched (and there were only a few!), there is a bratty, out of control child in the house. Every time the parents are these well meaning, but non-disciplinary parents. The Super Nanny makes the parents leave the house and in no time, there is a conflict between the brat and the Super Nanny. At some point, the brat realizes he has met his match and he succumbs to the control of the Super Nanny. The parents return to the house to observe a calm and happy child. They are obviously shocked and amazed at the skill of the Super Nanny. The truth is that the Super Nanny doesn't possess super powers. She is not a "child whisperer". She just understands that at our core, we all need boundaries. We all need to know that someone cares enough to hold us to those boundaries. Your team is no different, they also need those boundaries. They need the carrot out in front of them coaxing them to do more and to be better, but they also need the stick hitting them in the rear when they fall short. You have to hold your team accountable. Job descriptions and well defined metrics provide the stick. Incentive plans and rewards for going above and beyond provide the carrot.

#### **n. Communication is Critical**

In racing, there is a guy who stands way up on the top of the grandstands with a microphone and headset. He is called the spotter. His job is to communicate with the driver and tell him everything he needs to know in regard to what is happening on the track. Most of the time, he is communicating things to the driver that the driver cannot see and will never know about unless he hears from

his spotter. When communication breaks down between the driver and the spotter, the results are always disastrous.

Consistently, one of the biggest complaints I hear from agency team members is that management doesn't communicate with them. I do realize that no matter how proficient you are at communicating, there will always be someone who says you don't communicate enough. However, it is important to understand the temperament of your team members and know how they best receive communication. Do your best to keep your finger on the pulse of how they feel you are communicating to them and do your best to keep everyone on the same page and in the loop. Some of the best ways to help with the communication problem include regular evaluations, having goals and regular team meetings.

### **3. Race Day Procedures and Processes**

Have you ever watched a NASCAR pit crew work? It is amazing what they get done in 14 seconds. All four tires are changed, the tank is loaded with fuel, the windshield is cleaned, the chassis of the car is tweaked to make it faster, and any minor damages to the car are repaired, all in one pit stop! It obviously takes several people to make all of that happen. It is actually like a well choreographed dance. One guy moves left as simultaneously, another guy moves right. They work together as a team, they each depend on the other to do their job, and know exactly what to do and when to do it. Imagine a pit crew that had a bunch of individuals with no step by step processes in place to do their job. It would be the longest pit stop in history and their driver would lose the race.

When I am assessing agencies, some of the first questions I ask are, “Do you have a procedures manual in your office *and* does your team consistently practice those procedures and processes?” The answers within the same agency almost always vary across the board. Some, including the agent, will swear they have solid processes and they all practice them religiously whereas others hold to the premise that they have never even seen a procedures manual. Needless to say, this should be a concern for you regarding your operation. If there are no formal procedures in your office, then that means everyone is doing their job in whatever fashion they think is best. Their way may be better and more productive than everyone else in your agency (I am sure if you ask them, they will tell you that). So if their way is better, what about the rest of your employees who are working at a less productive manner? Are you okay with that? You shouldn't be!

Let's take this one step further. What happens if one of your employees is sick or goes on vacation and you need to get another one of your employees to pick the slack for that employee? Your team will spend so much needless energy trying to just figure out what the other employee was doing, where they were in the process, and what needs to be done next. It is a tremendous waste of time and resources.

What about from an E&O standpoint? If everyone is doing their own thing, how do you know things are being documented in the right way? How do you know your team is taking care of your client like they should be? How do you know that things are not slipping through the cracks? The simple answer is, you don't.

I recommend you take time to put together a procedures manual that covers “best practices” for the different job titles that exist in your agency. Obviously, when putting together the manual, you should work to find the best most efficient way to perform those jobs and the tasks within them and then implement those as your standard. Once this is completed, you must train your people on those procedures and you *HAVE* to hold them accountable to them or else you are wasting your time.

#### **4. Race Car, Rental Car, or Wreck: Is Your Agency Service or Sales Centric?**

Imagine a race car driver going out on the track on race day in a beat up old jalopy or even a brand new, sleek rental car. Either way, the race is going to be very ugly for him! If he could somehow get in the race, it would be a long day for him. There would not be a thought of winning or even finishing. That driver’s focus would be solely on surviving! Many agencies are in that very mindset today.

As you might guess from the title of this book and this section, this is where the rubber meets the road. This is, by far, the single biggest issue that plagues the majority of insurance agencies in this country today. Agencies are great at servicing their clients (service centric) but have forgotten they are a sales organization and the need to be more sales centric. Think about this, when someone is shopping for insurance, statistically, they can only take the pain of getting quotes 2 or 3 times. So the good news for you and your team is that you only have to be slightly better than two other agencies (and trust me, that is not a tall order!) to have a significantly better chance of writing that piece of business.

How then do you take your wreck and turn it into a well oiled, finely tuned race car? How do you move from a service centric culture to a sales centric culture? It starts with the re-tooling and training of your people. They have to understand and believe that there is nothing more important than a new sale. As much as agents and their teams don't want to hear this, they don't need the next cool lead producing widget that comes out on the market. *They don't need more leads!!!* What agencies lack today is not more leads, they need to be able to handle the leads they have in a more productive fashion. In other words, **they need a sales culture!** There should be ***NOTHING*** more important than a new sale in your agency. So let's explore some great ways to begin to develop that sales culture.

#### **a. Rapport**

Step one in developing the sales skills of your team involves developing the rapport building skills of your team. Although I am confident that most of your team has at least some basic rapport building skills, there is still a severe deficit in true rapport building professionals. Your team must become masters at instantly building rapport. Why is rapport so important? I am glad you asked! Rapport is all about building a relationship or a connection with that prospect. The silver bullet your agency has that the direct writers will never have is rapport. Calling a call center overseas will never equal dealing with someone locally who you know and like. Rapport is an important part of the buying cycle, because it is much harder to say no to someone who you have a good rapport with and it is much harder to forget that person when you are looking at buying. Teach your team to become masters at building rapport and watch it pay dividends!

- 1. What's Your Name?:** As I said, your team has to become masters at building rapport. In the rapport 101 class, the first thing you are taught is to use the prospects name during the sales process. I recommend at least 3 or 4 times during the initial contact. When it is woven in the conversation, it feels natural and it helps that contact feel connected with your team member. When you are coaching and evaluating your team, make sure they make this practice a habit. Also, make sure they make it a part of the conversation and not an awkward attempt to force rapport.
- 2. Engage:** A part of rapport is being able to communicate and have an engaging dialogue. This is almost impossible to do when your CSR is interrogating the prospect. The team needs to be coached to make the fact finding process as much of a conversation as humanly possible. It is a kind of interrogation (and no one likes to be interrogated), so your team should avoid the feel of an interrogation whenever possible.
- 3. Relating:** Finding common points of interest and working those into a conversation is a critical part of building rapport with someone. Teach your team to be detectives and listen for those common points. Then they can creatively work that into their discussion with your prospect or client.
- 4. Listening:** My mom has always told me that God gave me two ears and one mouth for a reason! We are supposed to listen twice as much as we speak. Now I understand that is difficult sometimes in the insurance world, but truly listening to your client or prospect not only builds

rapport, but it can also help expose things like buying signals or other needs you weren't originally looking for.

- 5. Under promise and over deliver:** There is almost nothing more frustrating to me than for someone to over promise and under deliver on something. There is almost nothing that will kill rapport and credibility quicker than to make this a practice. Make sure your team is setting and delivering realistic expectations.

### **b. Phone Skills**

I have two older sisters who I grew up with. As kids, you can imagine that we had our moments of yelling and fighting with each other. My sweet mom always came in to referee and fix the situation. She would change from her normal angelic self into a mad woman. She would be yelling at the top of her lungs at us, to a point we thought the house was shaking....and then, the phone would ring. If your mom is like my mom, you are smiling right now, because you know what is next. My mom could be at maximum decibel levels, yet when she picked up that phone, she instantly turned into the sweetest, calmest, and most loving person on the planet! Why is that? The truth is that she didn't want people to know that she had bratty kids and that she was yelling at her bratty kids! It was game time for her when the phone rang. Well, when the phone rings at your agency, it is game time! Every call is an opportunity and your team needs to understand that.

Changing your agency's culture from a service centric to a sales centric culture begins with the very first interaction your team has with your prospect. More specifically, it begins with how they answer the phone. You should call your

competition and listen to how they answer the phone. Even worse, you should sit back and listen to how your team answers the phone. I have listened to and evaluated literally hundreds, maybe thousands, of phone calls in agencies across the country. 9 times out of 10, when I listen to how the phone is answered in an agency, it is awful. It sounds boring, it sounds like the prospect has interrupted the CSR, and she is not happy about it. Quite frankly, it sounds like every other agency out there. So why not be different? Why not brand yourself in a unique way? Why not stand out from your competition? Let's change the perspective for a minute. Think about this prospect. This is not on his top 10 list of things he can't wait to do today. People typically hate calling an insurance agency. They don't understand what they are talking about, they can't stand the thought of being interrogated, they are expecting to be treated like they are at the DMV, and usually, that is exactly what they get.

You need to come up with an interesting, engaging, unique, and memorable way for your team to answer the phone. Okay, so this is going to sound like I am taking a quick left turn, but I want to really drive this point home. Have you ever eaten at Chick-Fil-A? If you have, it's likely you noticed that every time you thank them for helping you somehow, they always have the same response. From the manager to the cashier, they all say, "My pleasure." It seems like a simple thing, but most people remember that slightly different and unique response.

Hmmmm, that sounds like a clever way to brand a business! So how unique, interesting, and engaging is it when your team answers the phone...."Insurance, how can I help you?!" (That was a rhetorical question by the way). It is not unique, interesting, or engaging. Plain and simple, it is awful and forgettable.

Come up with a unique way to answer the phone and it will brand your agency because people will remember it. It should make people smile when they hear you say it. It should force your team to stop and force a smile on their face before they answer the phone so they don't sound even more awful by trying to repeat the phrase in a grumpy tone. Trust me, it will knock the prospect off his guard because he is expecting Negative Nellie and instead, he gets a smiling interesting person. Oh, and there is also something else that will happen. The rapport building process between the prospect and your agency has just begun. I could go on and on, but I think you get the point. Teach your team to answer the phone with some interesting and engaging greeting to begin the rapport and branding process. They may hate it in the beginning, but I am telling you, it is absolutely worth it in so many ways. This is what I know....IT WORKS!

### **c. Find the Value Propositions (aka Value Over Price)**

Warren Buffet and the direct writers have spent literally billions to train your customers and prospects that 15% in 15 minutes is all that matters.

Unfortunately, that's not the only groups of people who are affected by the inundation of the lizard, the pig, and Flo. Your team also sees those ads and has absolutely bought the assumption that price is all that matters in the insurance buying process. According to many reputable surveys, less than half of insurance purchases are made on price alone. Ironically, when I ask teams across the country in any demographic, "How many of your prospects are buying on price alone?", the answer I consistently receive is somewhere between 70-90%. There is clearly a disconnect between the perception of your team and what reality truly is. I can further prove my point by asking your team a simple question. "When

someone sends you a referral to quote, how many of those do you typically close?" Statistically, referrals are closed around 80-90%. So how can it be true that 80% buy on price, yet you close 80-90% of referrals? It isn't true! Your team has bought into the lie that everyone is in the "15% in 15 minutes mode".

When you can get your prospect to tell you how to create value for them, the rest is a piece of cake. Once they tell you their hot button, it is as simple as using that hot button during the presentation and at the final close of the sale to remind the prospect that they had pain that you can now cure. It then becomes not about the price but about the value of the additional premium you are proposing. If your rate is \$100 higher, then the prospect has to decide if it is worth it to them to pay the \$100 to remove their pain. This is so much more effective than your team not asking the question and telling the client, "Well, we are \$100 higher than what you have so you should stay where you are. I will call you in 6 months and see if I can save you some money then." *Man*, that blows my mind and yet, I hear it every day in almost every agency. Ask your team why there are BMWs in the world if price always matters. There are BMWs in the world because people are willing to pay more for that car than they are a KIA. They perceive a value for the extra money they are spending. If price always mattered, we would all be driving KIAs (no disrespect to KIA's cars). Your team must understand and believe that value does matter when they make it matter.

Train your team to find the value proposition and reprogram them that price doesn't always matter and you will see your closing ratio solidly move upward. Your team has to be in the constant mindset of putting every percentage odd in their favor when it comes to closing the deal. When they become experts at

finding the value proposition, and creating a value over price scenario that your prospects can't refuse, that is when the agency wins. This has to be the ultimate goal.

#### **d. Talk tracks**

How do you begin the process of transitioning from order takers to experts at creating value in what your agency is selling? It starts with a simple word. Yes, I know...everyone hates it... scripts. Well, I have two things to say to that:

1. I hope you will agree that words matter. I can ask a question two different ways and solicit two different responses, simply by the words I choose. For example, I can ask a client, "You don't want to give me your email address, do you?" Guess what, I will never get an email address! Or, I can use a phrase like, "Most of our client's prefer to get their documents in their email, would you prefer to use your work or home email?" Use this phrase and your team will consistently get 80-90% of your clients' email addresses. Now that we agree that words *do*, in fact, matter, why do you let your team say whatever they choose when they are dealing with your clients and prospects?

2. We all talk in scripts, whether you want to admit it or not. The reason your team is so against using scripts is that they are not comfortable using *your* scripts! It is outside their comfort zone. Hold your team accountable to using effective scripts and watch your closing ratio increase significantly. I have seen it over and over again.

### **e. Continuous Training**

There is not a true professional in any field (except insurance) that only practices in a live game. Imagine a football team that never practices....no spring training, no off-season weight room workouts, no game film watching, no X and O meetings to discuss the plays. This team decides to wait until the first game to actually even play the game. Well, it is a foregone conclusion that this team will absolutely be slaughtered on the field. We all know this, yet this is how most agencies function today. They allow their team members to do what they want, when they want, and how they want as it pertains to sales. To make matters worse, there is not even a thought about developing or refining their sales skills to ensure the highest possible chance of closing each and every opportunity that comes through the agency's door. Remember, great race car drivers have skill but they don't become great drivers until their skills are refined by seat time (practice, practice, practice). Train your team and don't let them practice with your live prospects. That is game time!

### **f. Role play (Before Quote Delivery and After)**

Not only do professional athletes practice, but they obsessively practice, practice, practice. Why is that? Well, put simply, there is no way an athlete can be at the top of their game unless they are in top shape and they train their body to react instead having to stop and think on the playing field. A race team always arrives at the track early. Once they unload the race car from the hauler, what is the next thing they do? They go practice. They test and tweak the car and the driver to make sure they know how the car will handle on race day. The driver has to make sure he can consistently hit his marks to get every tenth of a second out of the

car. Imagine if they just unloaded the car right before the race and just tweaked the car as the race progressed. I think we all get it, yet we allow our team to go to the field of play every day (their desks handling your prospects), without even so much as a thought as to how they should play the game. Role playing before, talking through upcoming sales calls, and even talking through the call after it takes place for the good and the bad are a must for agencies. Making this a ritual exercise in your agency will make sure your team is playing the game exactly the way you know they should, and it will absolutely increase their closing ratio. I highly recommend you start this with your team immediately. You want your team to **REACT** in the sales situation, not **HESITATE!**

#### **g. Handling Objections**

Do you know why race teams always bring a backup car to the race track? They know that, at some point, they are going to have to use it. It is a fact of racing. Something will break or they will wreck in practice. Because they know this fact, they can prepare for that fact, right?

Handling objections is by far one of my favorite topics to train on. It is fascinating to me how an agency's staff can make so much out of this topic. I usually start my coaching by asking how many objections there are to buying insurance. I love the variety of answers that I receive. Someone once told me billions! I have heard thousands. Truthfully, I have heard it all! But the honest answer is, as best as I can come up with, there between 8 and 10 objections that consistently come up in the buying process. Knowing this in advance, you would think we would have a distinct advantage, because what we know in advance, we can prepare for in advance. Interestingly, I can count on one hand how many agencies actually

prepare and practice for the handling of these objections. I firmly believe if you want to increase the closing ratios for your team members, then you need to work on their objection handling skills.

Don't miss this vital part of sales training for your team. Work on handling objections and smoking out the real objections the prospect is throwing out. When the follow ups are used, the closing ratios will go up. It is that simple!

#### **h. Flip the Switch in Your CSR's Heads That Servicing is Selling**

As I described earlier, my experience has taught me that there are three distinct types of personalities that work in an insurance agency. The first is the hard core sales person. This person has to be selling something to someone all the time. They are also horrible at dotting i's and crossing t's. This is where the service person comes in. They are great detail people and are usually good at nurturing your client. The third personality (the hybrid) is a blend of the first two. This person doesn't mind selling and is pretty good at details as well. The main person I want to focus on here in this section is the service minded person. This personality type is great at talking to your customers, but they are freaked out of their mind at the thought of asking your clients anything that might be construed as a sales type question. I have even seen some who melt down out at the thought of asking a client for an email address!

If you are going to be a successful multi-lined agency, guess where you need to focus first? You guessed it! Who is the person who talks to your clients more than you and your sales team combined? Who is the person who knows more about your client than you or your sales team? And who is the person who will

*never* ask your client to provide them with a DEC page so they can quote them an additional line of business? That person is, of course, Sally Service person.

Now here is the million dollar question. How do we engage Sally in the cross selling process in an effective manner? The first thing you have to do is *never* use the word 'sell' in context with what they do or what you want them to do. You know you own a sales organization and Sally knows she works for a sales organization, but the worst thing you could do to Sally is tell her that she has to sell now as a part of her job. You will stress her out, she will fail at the numbers, and, depending on how hard you push, she may even quit. Let me tell you about a lady I have had the fortune of working with for a while now. Her name is Lindsey. Lindsey is a very typical service person in a good sized agency. She is a great lady. She is calm, quiet, shy, very unassuming, and takes great care of her clients. When I first met Lindsey, I asked her, "Are you a sales person or a service person?" She said, emphatically, "I am absolutely a service person. I do *not* like sales." I worked with Lindsey and taught her to use one simple phrase on every service call she was on. She promised me she would do it, and she did. I recently did an onsite visit of that agency and when I looked at the top of the sales leader board, guess who was at the top...You got it! Lindsey! I went to her to congratulate her on her accomplishment and I said, "Lindsey, you are doing pretty good in sales." She shyly replied, "I suppose so!" To which I exclaimed, "You are number one! That's awesome!" She just gave me her sweet, humble smile! I asked her what had made the difference for her and she said there were two distinct things. The first was a solid understanding of the disservice she was doing to the client and the agency by not asking for multiline opportunities, and the second was that she was using the phrase I had taught her. Lindsey was

convinced at one point that she was going to lose her client base by asking the question and yet no one has ever shown even the slightest hint of getting upset! The truth of it is that your clients not only won't get mad, they want and expect your team to ask them that question. So what are we waiting for? Your best prospect (your current client) is wanting to purchase more from you! Yet, we worry about where our next hot lead is coming from. (One side note, I asked Lindsey that day if she was still a service person, and she said, "Nope, I am a sales person!" TADA! The switch has been flipped in her head! That is exactly where you need to get your service team to be! )

#### **i. Ease of Doing Business**

Have you ever tried to buy a ticket to a race or sporting event online? Sometimes, it is very simple and other times, you have to jump through so many hoops to get anywhere. It reaches a point that no matter how much you want to go to the event, you are over it because of the pain you have had to suffer through! Now put this in perspective from your prospect's view. They are used to being a number in a long line of prospects when it comes to insurance. They are often left feeling like they are harassing the sales person or interrupting their day. How dare they inconvenience your team like that! It truly amazes me how hard some agents make it to do business with them. Your team has to do everything possible to make the process of the sale as easy on the prospect as it can be. Having a "path of least resistance" approach for the prospect/client is a must and it has to be a way of life for the whole team. Having a solid process in place and holding your team accountable to it is the only way to ensure success. The level of engagement and listening your team does for the prospect, and the

level of ease they provide for the prospect, will have a big effect on the outcome of the sales process.

#### **j. Warm Transfer of Calls**

There is nothing more frustrating than to call a service oriented business and have to repeat your story 3 or 4 times until you reach the right person who can finally help you. Having the receptionist at your agency gather some basic information and then pass it on to the appropriate person through a warm transfer is a great way to minimize frustration, create a sense of ease of doing business, and build rapport all in one shot. Many agencies aren't even aware of what a warm transfer is, so let me take a minute to describe it. After the receptionist gathers some brief information (who is on the call, and exactly what they need), the call is passed to the appropriate person in the agency along with that information. When the phone is answered by the person the call was transferred to, your team member says, "Hello, Mr. X, I understand you are looking for an auto quote today. I will be happy to help you with that."

#### **k. Stop Emailing Quotes Without Selling the Value**

I can guarantee unless you have an enforced rule that forbids your team from emailing quotes to your prospects, that is exactly what they are doing. Think about the normal process in a normal agency... a prospect calls in, they are investigated by a member of your interrogation team, and they are told they will be given "the cheapest rate you have". They are then told they will receive an email with all of the information. Your team prepares the quote and then sends it in an email without any explanation of anything. They might make a couple of

attempts to call the prospect back and they might not. Then they start the process over with your next prospect. How in the world can any value be given to all of the work your team has done, and in the product being offered, when it is boiled down to a number in an email?

Your prospect is likely to do one of two things when they receive that email. They will either go straight to the bottom number and if it is cheaper, then you win, or they will take it to their current agent for explanation and your work will be destroyed by him. I recommend that the only time a quote is ever allowed to be emailed to a prospect is when that prospect is currently on the phone and has the time to be educated on the value of the quote you have developed for them.

### **I. More Efficient Workflow**

Have you ever met an underworked CSR? I have not! I have met hundreds of CSRs and account managers all across this country and do you know what they all have in common? Whether they manage 1 policy or 2,000, they are all overworked and buried in a pile of paperwork. The truth is that human nature makes us fill up our day. We all do it. So how do you make sure you have everyone in your agency actually justifying their existence?

- Step one in this process is knowing how much an average CSR or account manager can statistically handle, which is between 1,000 and 1,500 policies in personal lines. You need to divide up your book so that the load is distributed to fit in this range. If someone on your team can't keep up after you have worked with them, perhaps it is time for you to find another player on your team.

- The second step in this process is to analyze the workflow of your team to make sure the processes they are using are the most efficient and effective way of managing their work.
- Step three is to create and document formal workflow procedures for your team to strictly adhere to.
- The final step is a no brainer but is the most vital part of this process. You *MUST* hold your team accountable to using the workflow procedures you come up with. Imagine how much easier it will be to monitor and measure your teams productivity if they are all doing the same processes the same way every time. Agents are notorious for letting each person do their work the way they want to. Not only does this have many of your team going from point A to point C to get to point B, but also, as we have discussed, when someone is sick or needs help, it takes more time for someone else to figure out what that person was doing than it is worth. By the time they figure out how they can help, it has often taken twice as long to accomplish the task.

### **m. Educating Your Prospects**

A part of what makes a service person special in an agency is their nurturing and motherly temperament. They are usually great at taking care of people and helping them out. The one mistake I often see is that these same people will spend a great amount of energy educating the client on the coverages they have. Now don't get me wrong, I think there is absolutely a need to let your prospects know what they have and what they don't have at the point of sale. There is a

vast difference in giving a basic knowledge and what I often see in agencies. Your team is often focused on making sure your client can now test for a PhD in insurance as opposed to having a 1st grade understanding of their policy. Face it, you can give them the best education on their policy and most of what they hear is the teacher from the cartoon Charlie Brown (waa, waa, waa)! Most of what you said that they did understand, they will forget as soon as they walk out the door. Your team's job is to educate the client just to a point where they are comfortable with what they have. They also know that you know what all of that stuff means and you have their back. If your team focuses on this, they will deliver quotes faster, sell more, and build a great level of rapport with your clients. Remember, they don't get paid to quote or teach, they get paid to sell!

#### **n. Team Meetings**

How does your team find out what is going on in the agency? How do they find out how well you are doing with your goals? What helps them see the culture change you are embarking on? How do they learn new techniques or new ideas on how to sell? Sadly, the truth in most agencies is if they get any of this information, it is second hand and likely not entirely accurate. I think a great team building exercise, a great team motivator, a great way to distribute information, and a great way to coach and train your team is to have weekly meetings. I can hear it now. "When am I supposed to have time to prepare and deliver a weekly meeting to the team?" How am I going to afford to take them out of the workflow for a long meeting every week? Well, here's the good news. There should be very little prep time for you to lead this meeting and it definitely

should *not* be a long drawn out meeting. The purpose of the meeting, as I said, is to:

- a. Quickly share successes and struggles of the week (mostly focus on successes)
- b. Motivate the team
- c. Brag on someone who has gone above and beyond
- d. Let the team know how you are doing in relation to your goals
- e. Share some quick updates or changes

That's it! Keep it positive. Keep it short. Keep it sweet.

## **5. Fuel for Your Engine: Marketing**

Have you ever heard of race fuel? Believe it or not, it does exist. The race team doesn't just run down to the local gas station to get gas. They purchase a special, very high octane gas. What goes in the tank absolutely determines how fast that car goes. Well, likewise, the fuel that goes in your agency's race car determines how fast you go. Let's look at some high octant agency fuel!

### **o. Cross Selling...Low Hanging Fruit**

I referenced cross selling to your existing clients earlier, but that was more in reference to how to get your CSRs to create the opportunity. I want to take a few moments here and look at cross selling from a marketing perspective. I am amazed as I travel the country at how much opportunity exists in most agencies. I would say that, in most agencies, their book is about 40-60% mono-line. So why is this? Why do agents act like this is the best they can do? We know two things about this mono-line client that are very important.

1. They are more likely to leave your agency sooner than a multi-lined client. This alone should push agents into action because retention is where the real money is made in an agency.
2. They are more likely to buy from you! This is great news. They love your agency, they love your staff, and they are wanting and expecting to buy from *you*!

If this is true, and it is, why is there such a strong mono-lined presence out there in the agency force? The answer is simple. Our team is not selling, they are not asking the questions to start the conversation, and they have bought into the "15% in 15 minutes" mindset so they let it be all about price. The best, most profitable, and most cost effective way to grow your agency is to have a solid cross-selling plan in place. This is an absolute fact. It is time for you to grab the bull by the horns, begin the paradigm shift in your agency to a sales culture, and hold your team accountable to selling to your existing book of business. The truth is that every client you have on the books is an opportunity (even existing multi-lined clients).

It really is that simple as I illustrated earlier with my friend, Lindsey. There are many other steps I would recommend to put in place to most effectively capture this gold mine in your agency, but they are too in depth to discuss here and, truthfully, are too specific for each agency. Any way you cut it, this is a gold mine for you and you should attack it. When you do, you will see your mono-line numbers shrink significantly as your profit and retention sky rocket!

## **p. Goals**

Zig Ziglar was famous for saying, "If you don't have a goal, you have a 100% chance of not hitting it!" Think about that. Let's put it in terms of a race car on a road course. Imagine you get behind the wheel of this amazing race car and you have no map, no road signs, no spotter to tell you where to go. You might get lucky and eventually be able to figure out where some of the course is, but even if you cross the finish line, how will you know it? No one ever enters a race without having a strong idea of where they are going and exactly how they are going to get there. There are several steps that are necessary in establishing agency goals. They include:

- Establishing annual goals for the agency. Remember that the most important thing about goals is that they have to be realistic, attainable, and worthwhile. Keep that in mind as you are developing them.
- Break that large goal down to quarterly and monthly goals. Bite size chunks are easier to digest!
- Once you have the agency's big picture completed, then you break it down exactly the same way for your team members. It is important that they don't see a 20% agency growth goal without understanding that all it means for them is one more cross sold policy per week. If they see their bite sized chunk and they see that number is realistic, the 20% growth goal will appear very attainable as long as everyone is pulling their own weight.

- The final step involves communicating and holding your team accountable to the activity required to reach those goals. I am a firm believer in the carrot and stick concept of holding your team accountable. I have already discussed the stick so now is a great time to introduce the carrot. I am sure you pay your team reasonably well. I am also sure they feel like they are under paid! That is the normal way it goes. I do not recommend giving bonuses to your team for duties that are considered to be a part of their job description. However, when they go above and beyond their minimal expectations, I am a believer in rewarding them for their performance. Incentives are a great way to give your team an opportunity to earn some more money, feel rewarded for going above and beyond, and it creates a sense of awareness for them to reach their goals (which, in turn, allows you to reach yours). The right incentive package can be a powerful motivator and a real help in you taking your agency to the next level.

#### **q. Marketing Plan for Sales and Service**

Like the saying goes, if you fail to plan, you can just plan to fail. The other saying that I love to quote that is absolutely applicable here is, “You plan your work, then you work your plan.” This is an important step in a successful and growing agency. You need a plan for both the sales and service team and you need to hold them accountable to it. I addressed accountability when I talked about job descriptions, but having a minimal acceptable set of numbers and a goal beyond

that to reach for is the key to getting solid production out of your team. Once you have those numbers, it is critical to put together a step by step process for each individual team member to meet and exceed their minimum expected numbers. Then you meet with your team members individually to present the numbers and the plan to reach those numbers.

I firmly believe it is also important to show them how their piece of the plan fits into the whole growth plan of the agency. The object of this meeting is to get their buy in and approval for what you are expecting from them in the upcoming year. For the service team, you will want to hold them accountable to things such as cross selling, percentage of their book that is mono-line, retention, customer satisfaction numbers, and job quality performance. The sales people will be measured more off of production obviously, but more specific metrics like number of appointments, closing ratio, leads in the pipeline, referrals, etc., are the critical part of their plan as well.

**r. Prioritizing Quotes...(Quote All Who Want a Quote or Set Parameters?)**

A big concern I run into all the time in agencies is the prioritizing of quotes. Do you quote every person who comes through your door? Do you give them all the same priority? Do you handle them in order (first in, first out)? Train your team to prioritize quotes in order of potential business, not in the order they came in the door. The one thing I love about most service people in an insurance agency is that they are very nurturing and caring people. They want to help by being all things to all people. Well, logically, we know they can never accomplish this. Because they feel this way, they have a tendency to try to quote every prospect that comes in the door, and they have the tendency to quote them in the order

they came in the door. That seems fair enough, right? The obvious problems that exist with that mindset are:

- You can't, and shouldn't, quote every potential opportunity that comes through your door. It is not practical. You don't have a market for everything and, truthfully, your agency can't, and shouldn't, cater to all needs of every prospect.
- The second problem that exists is that the service person takes a quote request for something that is complicated and outside of what your agency normally handles and she gives it ultimate priority at the time because it is next in line. She wastes a ton of time putting the quote together when you have gold buried in her pile that is waiting to be mined. It will likely never be mined if attention isn't given to it soon.

How should quotes be handled? I am so glad you asked! I recommend establishing a priority grid to illustrate to your team exactly what level of priority each prospect receives. The mono-line non-standard quote request goes at the bottom of the priority list if you are standard agency. The existing customer who needs a quote for a new line gets the ultimate priority. Establishing the levels will be an easy exercise and will be incredibly helpful to your team in keeping focused on the highest percentage, most productive use of their time. Remember, they aren't paid to quote, they are paid to sell! Give them the best shot first and if they run out of time and are unable to get to the bottom of the list, they at least were productive at a maximum level and your agency is now more productive and more profitable.

### **s. Build a Referral Machine**

We all know that the best prospect to have is a referral because the closing ratio on a solid referral is somewhere between 80-90%. We know this, yet agents spend very little time developing referral programs. I train the agents I consult with to develop a solid client referral program. It begins by holding your team accountable to asking for referrals. The easiest way I have found to have them ask is by having a client reward program in place. Obviously, that is subject to the laws in your particular state. However, the point is that it is easier for your team to promote and ask for referrals if they can make it about the client having a chance to win an iPad or some other promotional item. Any way you cut it, having a plan in place, and holding your team accountable to that plan, is the only way to have a steady stream of referrals coming in from your client base.

A great way to make sure your clients can refer their friends to you is to train your team to help your clients put your office contact information into their cell phones. This way when they are with their friends and insurance comes up, they definitely can pass your information on to them.

One other point that is important to make here is that you *must* have a way to record who is sending you the referrals, not only to enter them in the contest, but you also have to acknowledge and thank your clients for thinking of and promoting your business. It doesn't matter if you use a tick sheet, excel spreadsheet, or a CRM type tool to monitor your referrals. If you want your referral program to be successful at a maximum level, you must keep a record of where your business is coming from.

## **t. Bird Dogs**

One of the best and quickest ways to build your agency is to develop what I call "bird dogs" for your agency. Think about it, the more people you can develop to send leads to your agency, the more you leverage your time to be able to quote and sell them. I built my agency on this concept and I have helped countless agencies set up this type of program. Unfortunately, it is too detailed to cover in this book.

You can develop bird dogs like realtors, mortgage brokers, and title companies to send you leads. There is definitely a right way and a wrong way to do this, but if you develop it correctly, you can have 15-20 referral sources sending you business every week and all you have to do is write the business! It is a very effective way to build your agency.

## **u. Testimonials**

Let me ask you a question. Who can sell more policies for you and close more business for your agency? If you answered anyone, including yourself, in your agency, you would be wrong. The person who will sell more policies for you, close more business for you, and send you more quality business is your existing clients. You have a ton of very happy clients in your agency (I am assuming!). Most of those clients would be happy to "help you out and put in a good word for you". Yet, agents rarely ask for that help. There is a reason that major corporations pay millions of dollars to have a celebrity get on TV and talk about how they use a certain product and how awesome it is. Testimonials absolutely work. They give credibility to your agency and products that no one in your

agency can. So why don't agents use this gold mine of a resource more? I am honestly not sure. Perhaps it is thought to be too much work to procure the testimonials, or maybe its value is just too understated by the agents and their teams. What I can tell you is that it is a great resource that is way under utilized by the agency force. Testimonials come in many forms and honestly, I recommend that they should all be used.

#### **v. Real Life Stories**

Real life stories aren't exactly testimonials, but they can certainly help your team sell more policies. You have things that go on in your agency everyday that your whole team needs to hear and use when they are dealing with clients and prospects. Let's face it, no one thinks they need insurance and they certainly only want it when they need it. When your team runs across a good story about someone who let their policy lapse and then had a claim or a client who didn't buy a particular policy and then suffered a loss, those are great weapons to use in the sales process. I would promote to your team to share those stories with each other and perhaps even consider keeping a running document that your team can reference from time to time to remind them of stories they can use.

#### **w. Internet strategy SEO,SEM, and Social Media**

Most agencies now have a website. It has taken a long time, but most have now caught up. Unfortunately, many still have the same tired old concept, which is, make it like a business card, promote all the companies you represent, and people will just flood your phones with quote requests. If only it were that simple. Just to clarify, having a website and social media are really two different animals so I will address them individually.

1. First off, if you really want your site to be noticed by the search engines (Google, Bing, etc.), it is critical that you have a professional design it so that the search engines easily find your site and rank it as relevant to the things you want to be relevant in. For the non-techies, this is known as SEO (search engine optimization). The reason it is important to have someone design it who knows what they are doing is that the rules for SEO change constantly. What Google loves and sees as relevant today may be less loved and relevant tomorrow. The other reason you want a professional to design it is, hopefully, they understand the marketing concept that should be behind your site. Your site should be designed more like being a part of your sales funnel than just an online business card that promotes the same thing every other agency promotes. It needs to have the concept of simplicity and yet be able to draw prospects in to a point that you can engage with them. Having said that...understanding the modern consumer is absolutely critical when it comes to clients who try to engage with you through your site. The modern consumer online expects and gets what they need instantly (think about the 15% in 15 minutes mindset). If you are getting leads through your site and not contacting those clients within minutes, you are wasting your time, money, and perfectly good leads. You need to have a solid plan in place to manage those leads quickly.

**2. SEM-**Because I mentioned SEM (Search Engine Marketing), I feel the need to address it briefly. Search Engine Marketing is basically driving leads to your site through "pay per click" marketing. For example, when someone searches Google for "auto insurance", the first few results that show up are actually paid advertising leads. Those companies have an SEM program in place. My experience in this area is extensive enough to tell you that you need to have very specific targets, you need to have a very tight budget, and you need to have a professional guide you through the whole process. I have seen agencies have great success with SEM (my agency was one of them) and I have seen agencies blow through a lot of money and only generate junk leads. My advice is to tread lightly and pay someone who knows what they are doing to help you.

**3. Social Media Marketing-**What is social media marketing? I will start by telling you what it is not. It is *not* having a facebook page or a blog and constantly reminding the people who liked your page or read your blog that you sell insurance! Most agencies that actually engage in the social media realm (facebook, linkedin, twitter, blogging, etc.) think it's all about promoting the products and services they offer and honestly, it is not. As a matter of fact, that has very little to do with a successful social media marketing program. Let me see if I can illustrate what I am trying to say. I am not on my personal Facebook page very much. When I am, I

typically rant about something political or some news item. My wife, on the other hand, is the queen of facebook. When she posts, people respond. She is witty, interesting, consistent, and engaging. We recently celebrated our 24th anniversary and we both posted the same picture, basically the same comment, to basically the same group of people. I got my usual handful of likes and comments and as you might guess, my wife blew up the facebook servers with all of the likes and comments she collected! My wife is not intentionally marketing anything on facebook, but if she worked for an agency, they would be writing a ton of business through their social media outlets.

What makes a good social media marketing plan? There are several important things, some of which I have already mentioned. The most important thing before you begin is to have a bigger picture plan. Don't just go out and collect as many likes as you can and don't go out and just post cute puppy dog pictures all the time. There has to be a method to your madness. The agencies that are successful in social media marketing understand it is a marketing strategy and they treat it as such. You might want to find a young Internet savvy person in your agency who has a good grasp of the modern consumer and understands the basics of marketing. You could also look to a local college and perhaps create an internship at your agency. You can get a lot of good work out of them for little or no money and they get school credit. That is a win-win!

When you develop this marketing strategy, what are some absolute things that must be included in it?

i. **Be Consistent**-Just like with the illustration of me and my wife on facebook, her consistency helps her because people see her name and remember that she is usually funny and engaging so they are drawn to read her posts. You have to remember that a big part of social media marketing is really about branding as much as it is about direct lead development. You want your clients, friends, and prospects to think of you when they think of insurance and it doesn't hurt that they think your agency is cool and interesting because of what you do on the Internet.

ii. **Engaging Content**-As I said earlier, the absolute last thing that you need to do is go on facebook everyday and say, "Hey, we sell auto insurance and you should buy from us!" Your net gain from this effort will be a miserable waste of time. You definitely want to post cute puppy pictures, interesting facts, crazy stories that are in the news, clean jokes, and basically anything that will draw people to acknowledge your posts.

iii. **Be Social Minded**-A big part of a successful social media marketing strategy is being socially minded. When I have analyzed the bottom line results from agencies I have worked with, by far, the posts and themes that receive the most response are the philanthropic posts. Promote local charity events, have contests around them, post pictures of your "toys for tots" promotion in your office, anything that promotes philanthropy is a win!

iv. **Promote Your Business Clients**-One angle that many agents miss is the opportunity to promote your commercial clients through social media. What a great (and free) way to help your clients, increase your brand, and increase your retention from that client! Promote them when they have sales, or even ask them for a special coupon or social media promotion that you can put out there for them. There is nothing better than a win-win-win in the marketing and sales world!

v. **Community Events**-I would make sure you have a solid community calendar and promote anything that is going on locally through your social media outlets. The idea is to get people to see you as the community calendar so they are checking with you for upcoming events. And, of course..., you are branded through this process! Win!!!

vi. **Promote Your Clients**-When you see a client of yours has been promoted or has done something for the local community that is a great time to acknowledge them on your social media outlets.

vii. **Promote Your Referral Program**-Another great use of social media is to promote your referral program through it. You want to let people know that you are giving away an iPad next month through a random drawing and they can be a part of that by referring someone to your agency. You can publicly acknowledge clients

through social media outlets that have referred prospects to you. You can also comment on new referred clients when you write their business. And finally, you can make a big deal about the iPad drawing as the day approaches and announce the winner through social media as well. You can see there is a huge supply of things you can engage in through social media, but the one thing you do not want to consistently do is beg for people to let you write their insurance.

**4. LinkedIn**-There is one social media outlet I want to address quickly that can be a great sales tool and that is LinkedIn. LinkedIn is a great networking, branding, and lead generating tool that is so often missed by agents and agencies. I could probably write a whole book on just this one topic, but because I am covering so many topics in this book, I will keep this part very brief. If your team, especially your commercial sales team, is not using LinkedIn to network and brand themselves, they are missing out. In a nutshell, the concept is to develop your LinkedIn network with a focus on the areas of expertise you have. So if you are wanting to write restaurants, you would focus on connecting with restaurant owners, employees, distributors, etc. As you connect with some of these people, guess what...they know and are connected with a ton of other people just like them in that industry. As you develop your network, you begin to post about topics that are relevant to restaurants. Before long people are looking at your posts as important (much like my wife's facebook posts) and you become branded. Now when you try to

market to these people or you meet them at an industry event, you have an instant rapport as the expert! There are other important aspects of LinkedIn that I don't have time to explore here, but suffice it to say that your profile is important and needs to be carefully crafted to read like a sales brochure. The groups you join or create can also very important and helpful in branding you through LinkedIn. Anything you can do to interact on LinkedIn helps set you up as the expert and that is always a win from a sales and marketing perspective.

#### **x. Lost Clients and Unsold Quotes are Still Opportunities...Chase Them!**

For some reason, most agents seem to be of the mindset that once they lose a client to another agent, or if they try to sell to a prospect and they don't get the business, these two groups of people are no longer viable prospects for future business. Nothing could be farther from the truth. These two groups of people have to buy from someone and it might as well be you. I recommend you get yourself a strong CRM tool (Client Relationship Management) to help you brand and market to these and other groups of people. It is amazing how far a simple birthday or holiday greeting email goes toward branding your agency and setting you up for future potential business.

#### **y. Sales Manager**

Okay, I realize the audience that is reading this will vary from a one person agency to hundreds of employees. Although the smaller agencies don't have the budget for a sales manager, the truth is that every agency needs it. So if that is not your strength and you can't afford a person to fill that gap, you need to make it a part

of your daily tasks to promote and market new business opportunities, and more importantly, hold your team accountable to the agency's goals and plans by monitoring and measuring their activities on a consistent basis. Another great option for any size agency is hiring someone like myself who is outside looking in and has only the sole purpose of monitoring, measuring, promoting, and marketing. This is a very cost effective way to get that job done. Think about it, no hassles of hiring and firing, no health insurance or 401(k), no employee taxes, and yet, you still get all of the benefits of a sales manager. Anyway you pursue it, this function is often left unattended in agencies and it is too important to be given a back burner.

#### **z. Metrics...Highest Percentage Shooter Takes the Shots**

An important part of creating a sales culture is knowing the closing ratios of your team. This is necessary for a couple of reasons. The first is that you can quickly discern who is in need of training and who is not. The other reason, quite frankly, is that I want my highest percentage shooter taking the shot, every time. Now that doesn't mean you don't provide leads for the rest of your team, but the good stuff needs to go straight to the one you are confident will get it done. This gives the agency the highest percentage chance of writing new business and it challenges the rest of the sales team to become better at closing so they can get those sweet leads, too! Metrics are a necessary tool to help change your culture by monitoring and measuring the successes and failures of your team.

## **6. Fresh Tires or Keep the Old Ones? Remarket Clients or Quote New Prospects?**

If you have ever watched a NASCAR race, you know that the cars go out and run full on for a while. Eventually, they come into the pit area for fuel and usually fresh tires. If they don't take new tires and everyone else does, they will get out of the pit area and back on the track quicker. However, if they take new tires, they will be quicker when they get out on the track and they will pass the cars that didn't take new tires in very short order. In relation to an agency, this illustration begs a question. Do you stay with the same old tires (current high maintenance clients) or do you give a higher priority to new tires (a hot new prospect).

One of biggest time wasters I consistently run into in agencies (and I certainly experienced it in my Florida agency) is the re-quote/rewrite and reinstate processes. I completely understand the struggle that exists here. Our job as insurance professionals is to take care of the customer, no doubt about it. However, your duty to your family, your team, their families, and the overall health of your agency is to run a successful business. There is a balance that should exist between taking care of your clients and taking of your business.

Let's take a long hard look at remarketing your existing clients over quoting a piece of new business. Let's start with the premise that it takes 18 months for a typical agency to turn a profit on a typical piece of new business. From a remarketing perspective, if you are re-quoting and rewriting most of your book when they are coming up for renewal every year, when do you ever expect to turn a profit? The same can be said regarding reinstating lapsed policies. As I stated earlier, I completely understand the need to take care of your existing

clients. However, that doesn't mean that you have an obligation to re-quote every renewal every year. There are certainly some things that you can do to minimize and manage the process.

#### **a. Remarket/Rewrites**

For those clients who are going to shop you every year, you may not like what I am going to say next. I would absolutely put a process in place that categorizes your clients into the profit or profit potential they bring to your agency. For the multi-lined client who is, overall, low maintenance, I am going to give them more attention and time in the re-quote/rewrite process. I am still going to sell them on value, but I am more inclined to give them a great deal of attention when I am in that process. For the mono-line customer who has no prospect of ever doing more business with the agency, I believe he should take his business to another agency. Think about it...if you are constantly re-quoting and rewriting him, when will you ever just break even on him? The truth is that you never will, so why keep him around? To decrease the down time of your team, come up with different tiers of clients who deserve to receive more or less attention from your agency based on the profit (or lack of profit) they bring to the agency.

#### **b. You Must Be Willing to Let True Price Shoppers Go**

You must be willing and able to let the true price shoppers go some where else. If they are at your agency because they saved a dime and every renewal, they are checking to make sure they are still saving that dime, they will leave you for that same dime. I believe the true price shopper isn't as prevalent as we might think, but they are still a huge time waster in an agency. I want to be clear and make

sure you understand what I am *not* saying. I am not saying we shouldn't service this client. I am not saying that we shouldn't offer renewal quotes when we can to this client. What I am saying is that we should offer a different level of priority and a different level of depth of work for this client. Let me try to clarify this. If I have a mono-line client who shops me every year and is currently wanting a quote and I also have a new prospect who is wanting a car and home quote, I am going to give a lot more attention and time to the prospect over my client. If it comes down to it, and I can work in a quote for that existing client, then I will. However, if all I have time for is a rough estimate, or if I am truly convinced he is okay where he is, then that is all of the work I am going to put into that client. I will work to convince him of the value he has in his policy, but no more. Minimal work, minimal touch for minimal potential income for your business. If he stays then he stays. If he goes, then he goes. Either way, he is no longer a negative draw on the profitability of your agency.

### **c. Different Levels of Service**

You must be willing to give different levels of service to different levels of clients. I have worked with agencies that actually tier their whole client base, not just prospects and their quotes. They offer a different level of services and more of a personal touch to the higher end, multi-lined client over the mono-line client. This concept, if it is worked right, can actually serve two purposes very effectively.

1. It can make your team more productive and focused
2. It can help motivate your clients to bring all of their business to your agency
- 3.

#### **d. Train Your Clients *Not* To Shop**

It is important to teach your team to **ALWAYS** focus on value over price in any conversation they are having with prospects or clients. They need to get the concept of "let me see if I can save you some money" out of their head. Cheap is something you should never want to sell. Value is. You need to believe this and so does your team. Your team can say something like, "I will make sure you get the best value for your dollar" but please, don't let them say, "I will find the cheapest price for you."

I recommend that your team starts from the first interaction with your prospect/client by creating value in the policy they are selling to them. Subconsciously, it teaches the client that there is a whole lot more to what you are offering than the cheapest insurance. People are not afraid to pay for value when they understand the value they are paying for. Once they understand this value, they will be less likely to shop you for rate on every renewal and unnecessarily waste a ton of your team's time by having to go through the exercise of shopping rates.

#### **e. Value Propositions**

I think it's a great idea to establish some value propositions that your agency brings to the table. I also think it's a great idea to role play and discuss different value propositions with your team until they become experts at it and until it becomes second nature to them. This exercise along with a focused effort of painting value over price will help train your client from day one to understand the value they are getting for their dollar at your agency.

#### **f. Talk Tracks**

Talk tracks to help your staff are critical. I think it is imperative to require your team to ask probing questions so they can simultaneously establish what the value proposition is and train the new prospect from day one that value is what really matters in insurance, not a cheap price. Having talk tracks that your team uses is the only way to ensure that everyone is delivering the same effective message all the time.

#### **g. High Maintenance Clients...Keep Them or Not?**

Most agencies get drawn away from sales opportunities and they miss so many new sales leads because they are unnecessarily handling that high touch, high maintenance client for the 4th time this month. I have seen it over and over again to hold consistent that 20% of your clients cause 80% of your service work. You would be absolutely amazed at the calmness, productivity, and sales production that is possible when you get rid of the high touch clients or at least reduce the amount of work you do for them. I have worked in agencies with thousands of policies, where the phone seldom rings with a service request and the agency is staffed by a small handful of personnel. I am not suggesting that you get rid of the whole 20%, but think of the lack of productivity that exists when your team is handling your 20% over and over again. How can you really create a sales culture when most of your team is caught up handling a payment problem from the same client again? Especially knowing that they likely caused the problem in the first place? The math absolutely makes sense for you to lose 80% of your team's busy work when it comes at the cost of just 20% of your book.

Couple that with the new found time for them to chase and close business, you will quickly move your agency's profitability needle to the red line!

#### **h. Cash payments**

To take cash payments or not is still an issue that is up for debate amongst many agencies. In my experience, the agencies that choose to no longer accept cash payments instantly become more productive and profitable with a minimal amount of disturbance to their client base. If you think there is no way you could accomplish getting rid of cash payments, if you believe that too many of your clients rely on making those cash payments every month, I would like to issue this challenge to you. Take a count and measurement of every cash payment for the next two or three months. See exactly how many payments you take and from who you are taking them. I will bet the truth is you are taking less payments than you thought and they are consistently coming from the same people every month. Now after you establish that, see if there is a way you can actually measure how much time is taken up by those people. I understand that having a good relationship with your clients is important, but do you really need a full family history update every month? If you did that for even a small percentage of your book, you would need to hire more staff to handle the discussions! So I say get rid of cash payments. Rid yourself of the liability of it, rid yourself of the headache of handling the cash, rid yourself of the threat of being robbed, and give your team back hours and hours of time each month that they are currently wasting by getting trapped into long personal conversations from the same people every month.

### **i. Company Marketing Reps**

Because we are talking about wasting time, I want to interject a quick note regarding marketing rep visits from the companies you represent. Now before any VP of XYZ Insurance Company sends me a nasty email, hear me out. I absolutely understand the need and job of the company marketing reps. That role serves as a vital link between the agency force and the company. The problem I have with most reps is they just randomly show up at your door. Then they want to sit with you, your office manager, and your staff to discuss changes and marketing opportunities. When I owned my agency in Florida, I represented over 30 homeowners companies at one time (Florida is a different market for homeowners insurance!). If I sat with each of my marketing reps for each company, for each line of business, I would waste half of my month just meeting with marketing reps. I recommend that you require your reps to schedule their visit each month and that you know their agenda so you can plan who needs to be available and who doesn't. If you take a good look at all of the time you meet with marketing reps, I am sure you will agree there is a better way to manage that time to accomplish what needs to be accomplished between you and the company.

### **7. Who Sponsors Your Car? Branding and Growth Through Communication**

Who is the main sponsor of Jeff Gordon's race car? If any of you have ever watched even a part of a NASCAR race, your immediate response was DuPont! Why do you remember that? Even if you aren't a fan, the DuPont logo on Jeff Gordon's car has been etched in your brain. That is exactly why DuPont has spent

millions of dollars to put their logo on his car. They want you to remember their brand, which will likely mean more business for them.

Although we definitely want that new piece of business coming in the door (because you are a sales organization!), keeping and maintaining the existing customer is obviously a huge priority. There is no doubt that retention is where profitability lives or dies in an agency. Even though new sales is by far the most important exercise in your agency, keeping what you have already written is a strong second place. Knowing it takes 18 months to turn a profit on a piece of business, our goal is obviously to generate a ton of policies that live well beyond that benchmark. From increasing our retention rate, we also can create more cross selling opportunities and more potential referrals as well. Creating and maintaining a strong retention rate doesn't usually happen by accident. It starts with a detailed proactive plan of action that involves the whole team. It has to become a part of your new sales culture. Describing how to develop a detailed retention program is far too complex for this book. However, I will give you a few golden nugget ideas to build the foundation of your new program.

#### **a. Branding**

Okay, its question time! How many touches does it take from your agency for your clients to remember your agency is the one they do business with? I have asked this question all across the country and the answer I typically get is 4 or 5. The true number is 17 per year. I dare say that 90% of agencies never get the 4 or 5 number, so true branding of your agency never really exists. You want to increase retention, referrals and cross selling opportunities? Get some sort of CRM (Customer Relations Management) tool to regularly communicate with your

clients. It will increase loyalty, branding, retention, cross selling opportunities and referrals as well!

#### **b. Social Media**

As we previously discussed, when you have a great social media program in place that is interesting, funny, and relevant, it draws clients to read what you have to say, and you will brand your agency to your clients and their circle of friends.

#### **c. Talk Tracks**

Effective talk tracks used by everyone for most scenarios are also a great way to increase retention. We all know that words matter. So create a talk track that ensures the best possible outcome of each situation. By doing this, you also know exactly what should be communicated to your clients. Agents typically leave specific situations to the individual team member who is handling the situation instead of being proactive.

One other way talk tracks help with retention is if you have a solid cross sell talk track. By holding your team accountable to a solid cross sell talk track, you will sell more policies, but more importantly, you will increase the retention of that policyholder because they have more policies with your agency.

#### **d. The Ease of Doing Business**

People typically will gravitate toward the path of least resistance. Many agencies make it nearly impossible to do business with them! It is truly mind boggling. You should use every bit of modern technology you can afford and that is available (I will talk more about this in the next section) to make it easier on your clients.

- You need to hold your team accountable to calling your clients back within a 24 hour time period.
- Your team has to be experts at putting on their game face and be in a constant state of rapport building with your clients. This means they have to smile when they are on the phone, they have to be pleasant, and they have to be polite.
- Enforcing a "warm transfer" policy in your agency is very important (as discussed earlier). Make it easy on your clients and have your receptionist (or person transferring the call) introduce the person on the phone to your team member and watch the tension level go down.

#### **e. Setting Realistic Expectations**

One more thing your team has to become experts at is setting and exceeding expectations. We all know there is nothing more frustrating than someone telling you they will call you tomorrow and you don't get a call for a week!

Underpromise and over deliver is the absolute key. I know everyone reading this understands that, but I promise you that most of your team is not practicing this.

#### **f. Gathering and Using Client Contact Information**

I have written a lot about branding in this book because it is vitally important for your clients to remember that you are their agent. This is especially true when they are in looking at purchasing more insurance or when they know one of their friends is. I hope by now you get that message. I do want to take the gathering of client information a step further though. I am going to go out on a limb here and

say that if your team is not getting and constantly updating every bit of client contact information they can, they are not doing their jobs. I firmly believe that as an insurance professional, it is mandatory for you to have their email address, their good email address (because we all have at least two), their cell number, every cell number of everyone in the house, and any other type of contact information you can think of. Why am I so passionate about this? Well, I believe that you need every possible type of contact information for your client if for no other reason than in case of an emergency. What if there is a change on their policy that you need to notify them of? What if there is a problem with their payment? What if their policy is going to cancel? Think of any other type of emergency for that client and hopefully you see. For us to be solid insurance professionals, we *have* to have all of it. Let me tell you a story to further illustrate the point. My wife has a history of cancer that runs in her family. Knowing that fact, we purchased a cancer policy from a well known company several years ago. Not too long ago, we moved from the house we had lived in for many years and we thought we took care of changing our contact information with every company we dealt with. Unfortunately, a few months ago, my wife was diagnosed with cancer. We very quickly dug up her cancer policy to remind ourselves of what all was covered. Well, guess what? Her policy lapsed just a few months prior for non-payment. We clearly did not change our billing address with this company. Now I am not blaming the insurance company in any way, but truthfully, if they had our contact information, they could have simply notified us through all channels possible that our policy was in danger. We would have paid it. Your job as an insurance professional is to do your dead level best to never let

one of your clients experience what my wife and I went through. It is what you are called to do, so do it!

### **8. Carburetor or Fuel Injected? Resist Change or Leverage Technology?**

You would be amazed to know how much technology actually goes into a race car. Many people think NASCAR is as simple as getting a hot rod and turning left on Sundays! Everything that goes into that race car has a significant amount of precision engineering and technology behind it. They leave absolutely nothing to chance. When they measure the ride height (distance from the ground to the car), they use the best technology available. They do not use a ruler and their eyes!

Sometimes, I wonder if I looked in the dictionary under ludite if I wouldn't see a reference like this...(see insurance agent)! I still visit agencies to this day (actually one in the last couple of months) that still have AND USE a rolodex! If this is you, I am not judging, I promise. I am just saying there is most definitely a better way to manage your contacts. The following is a list of some of the technologies that I think you should consider in your agency to move your race car to a higher level of performance:

- a. **Paperless**-More and more agencies are moving in this direction but it sure has taken a long time! I took my first agency paperless in 1997. Back then, everyone told me I was crazy! Those same agents have long since realized how important it is, how productive it is, and the level of safety it adds for your files. If you haven't gone paperless yet, it's time!

- b. **Dual Monitors**-There have been several studies that have concluded that productivity on a computer goes up 50% by adding just one more monitor. 50%! Considering your team spends most of their day on the computer, doesn't it make sense to invest \$200 to increase their productivity by 50%? I am sorry if I insult you with this one, but it is a no brainer!
  
- c. **Raters**-There are certainly arguments for and against raters. I like them if for no other reason than to quickly surmise where your best opportunity lies. I do agree there are certain agencies with certain business models that do not need a rater. The one thing that I will say as an absolute and that is, if you are spending the money on a rater, make sure your team is using it and using it correctly. The biggest complaints I have found with raters almost always go back to the fact that the team doesn't have the defaults set correctly or they are not using it the way it is supposed to be used.
  
- d. **Agency Management System**- Most agencies quickly realize their need for an agency management system. You certainly have a wide variety to choose from now. They all have pros and cons. I would just recommend that you look at the cost, the benefits, the struggles with your existing system, and compare it to others that are out there to make sure you have the best fit for your situation.

- e. **VOIP (Voice Over Internet Protocol) phones**- VOIP be a good cost cutting measure in your agency, however, I would recommend you do your homework for the service that is available in your area.
- f. **CRM Tool**- In this day and age, to stay in touch with your clients and to effectively brand your agency, you need some sort of CRM (Customer Relationship Management) tool. Do your homework here, too, but there are services that range from free, like mail chimp, all the way up to whatever level of service and fee you can afford.
- g. **Cool Websites**- There are so many cool websites on the Internet now that are designed to help the business professional. Many are actually free or very inexpensive. I recommend you keep your eyes open for any new sites that might be able to help you more effectively run your operation.
- h. **E-signature** is one of those great technologies that really promotes the ease of doing business with you. My biggest concern here is to make sure that there are no E&O concerns, is it legal and acceptable in your state, and do the companies you represent accept it as well? Generally, I have not found it to be a problem, but cover your bases.
- i. **Monitored and Recorded Calls**-One of my favorite coaching tools is recorded phone calls. When agencies record their calls, it is a happy day for me! Your staff hates the recorded calls I am sure, but there is nothing more effective in my mind than to sit with someone and go sentence by sentence

and evaluate their phone calls. The results from coaching in this arena are simply awesome!

It's funny, but often times, they don't remember saying certain things or they don't realize how they really sound on the phone. There was one agency I worked with that has had the same receptionist for over 20 years. When I listened to some of her calls, I was shocked at how angry she sounded on the phone. I told the owners about this and they all lowered their heads. They were well aware of the problem but had no idea how to fix it. Well, I sat down with this lady and simply played a couple of calls for her. At the end, I said, "So what do you think?" She had a look of horror on her face and said, "I sound really grumpy on the phone." I agreed with her and we began to work on how to fix that. When I revisited that agency a few months later, I told this lady I had listened to several of her calls and I could tell she was working on sounding happier. She smiled real big and said she was working hard on it. If there is a way you can obtain this technology and use it for coaching your team (nevermind all of the other benefits like E&O coverage, etc.) it is well worth it, I assure you. At a minimum, consider putting a secret shopper program in place to help evaluate and coach your team.

- j. **Monitored and Recorded Computers**-The technology now exists that you can record most everything that happens on your computers. Even though I don't pretend to know all of the laws in every state, they are your computers and it is your business. For your peace of mind, to study workflows, and truly just to keep people honest, it isn't a bad idea to at

least do a cost benefit analysis on it. This is especially true if you have team members you have strong suspicions about.

- k. **Mobile Optimized Website**- It is a fact that more and more online traffic is moving from the desktop to the mobile world. If your site isn't designed to be seen and used on a mobile phone (mobile optimized), then you need to get with your website developer and make this happen.
  
- l. **QR Tag**-A QR tag is that funny looking, square barcode you see on packages and labels. They are used by having an app on your smart phone that decodes the tag and takes you to a promotional website. I have seen agents who put them on the back of their business card and have the code direct people to a referral page on their website or a business partners' type page. I am sort of on the fence regarding the tags. If you are going to use one just because it is the next cool looking widget then I say don't expect a lot of results from it. Especially if it is just pointing to your main web page. If you are using it as a marketing piece and you are specifically pointing people somewhere with the intent of converting them into some kind of lead, then I am all in!
  
- m. **Mobile Application for Smart Phones**- With the iTunes App Store now being so accessible, some agencies have undertaken the daunting task of developing a smart phone app for their clients. Although I completely agree with this concept, there is no way a truly effective app can be

developed for your clients unless it is on a more global scale. It is true that some of the bigger carriers like Progressive have developed their own app. However, it is really for them and not for you! There are some great companies that are emerging now with smart phone apps for your clients and the app is designed around branding your agency and promoting the ease of doing business with you. The annual cost of the ones I have seen are very reasonable and definitely worth it.

I am sure there are other technologies I have failed to mention here, but I don't want you to miss the overall point of this part of the book. As a rule, insurance companies and their agents are light years behind where most companies are from a technology standpoint. Never be afraid to try a new technology and always be on the lookout for the next best thing. These usually inexpensive new gadgets or programs are just one more way you can compete and win against the large direct writers.

## **CONCLUSION**

As you read about these 8 roadblocks to increased sales and profitability and how to overcome them, did you envision your agency and its roadblocks? How did you do on the “Agency Self Evaluation” test? Did you see the solutions to overcoming those roadblocks? Do you really see yourself taking the necessary steps to overcome them? Let me ask you this...What do you think your business would look like if you actually overcame your roadblocks? What if you were able to rid yourself of these 8 roadblocks to profitability and finally run on all cylinders? Why don't you find out what that is like? Take action today!

## About the Author

Steve Lewis has been in the insurance industry since 1990. He opened a scratch agency in 1993 and built it up to a \$10 million agency. He sold his agency in 2010 and has been consulting with agencies across the country since that time. He has literally worked with over 200 agencies of all sizes and has been very successful in being a catalyst for positive change. He is a teacher, public speaker, coach and consultant to insurance agents and their staff.

He has coached and consulted consistently on topics including:

- Sales skills
- Cross selling
- Agency best practices
- Effective Workflows
- Team Assessment
- Agency Assessment
- Marketing structure
- Setting and reaching goals
- Growth and Marketing Strategies
- Team dynamics
- Coaching the executives to be good coaches