

As we continue to witness the transition of insurance distribution within our industry, the role of an agent has taken on a new perspective. In the old days, we could get by just being visible, purchasing ads in print and on air, being active in our community and positioning ourselves as the locally preferred vendor for insurance. It worked well for decades—and then the world changed.

The new industry perspective positions us as a trusted advisor and counselor, rather than a vendor or order taker. As sales organizations, we must get over the idea that being in business for a long time equates with being the first choice for those seeking insurance products in our communities. Complacency is killing many tenured agencies; those that will thrive in the future recognize that the industry has changed and will change along with it.

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This new perspective requires that we do many things well, and that we do them differently from the way that business was conducted in the past. Here are just a few of the ramifications of the changing business model (and some thoughts and questions about what your agency should do about it):

**Client Selection.** From a risk management perspective, client selection is critical. Purposely identify who your prospects and clients should be. Once you have a targeted group, anything falling outside of your target parameters should be ignored.

EMBRACING

Positioning  
Your Business  
for  
Future



# G CHANGE

BY TOM BARRETT, CIC, AAI

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## **Adjusting to Marketplace**

**Changes.** While numerous figures are cited, there appears to be somewhat of a consensus that autonomous cars, a rise in on-demand transportation, Millennials' preference for shared ownership, and the shifting of liability to manufacturers will shrink the auto insurance marketplace significantly by 2050. How will your agency replace the decline in personal auto commissions?

**Consumer Demands.** Today's buyers will not spend time driving from agency to agency, shopping for the best prices.

Our insureds are technologically driven and demand "self-service" options and the ability to explore products and make buying decisions during non-traditional business hours. Crafting a strong digital presence for your agency with availability 24/7/365, mobile applications, and a robust website are a must.

**Social Media = Social Capital.** Get out there and get visible!

## **Business Planning.**

The new environment requires a business plan with clear revenue targets, multiple lines of coverage per risk, as well as an active and constant marketing plan that includes a strong digital presence.

**Customer Buying Experience.** The new battlefield for independent agents is "the customer buying experience." Have you looked at the buying experience through your prospects' eyes?

*Continued.*

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### **The Customer Relationship.**

Another key to the buyer relationship is a constant presence through regular visits, digital media, and through staying connected. On average, 68% of the business you lose each year is due to customers feeling ignored. Have a customer relationship plan in place to enhance relationships and drive cross sales and referrals.

### **Understand and Define Acquisition Expenses.**

The most inefficient activity for an agency is writing policies as requested—one at a time. Make the most of the time investment by generating an adequate return on your investment for each new account. In other words, do the math! Focus on six to nine lines per account, rather than two to three, with a revenue target per account. This will result in higher retentions, long-term relationships, improved efficiencies, and profitability for you and your carrier.

### **Sales Process.**

There is a real need to better define the sales process

in your agencies. Today, the minimum knowledge that an agency must have regarding each prospect is understanding the pains or problems the prospect is experiencing, the value system that drives his/her buying behavior, the level of rapport/relationship you have with the prospect, the relationship with the incumbent agent or broker, the competition, and the rules of engagement. That may sound like a lot, but understanding these dynamics will push the expected close ratio from

the industry average of 25% to a 70% range.

**Training and Education.** Agency personnel will need to be prepared for these changes. They will need proper training to become professional advisors with expertise and an acumen focused on total risk management solutions.

Agencies today must understand that they have multiple parties to serve. They have current clients, future clients, underwriters, and agency staff all interacting in this fast-paced dynamic world. It requires high levels of automation and planning to keep things moving in the right direction. The agency culture evolves around “solution-based” presentations for each customer that address the problems that were identified in your sales process. Creating tangible solutions and a solid value differentiates you from the competitors by replacing the price-driven sale with a value-driven solution.

Today, we are operating at “*the speed of life!*” Our marketing efforts don’t end with Facebook, LinkedIn, a website, and a mobile app. Those have become necessary tools to play the game, but playing to win now includes video presentations for specific coverages, a YouTube channel for custom videos, client promotional testimonials, and marketing videos intro-

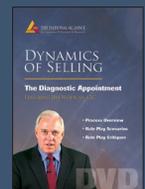
ducing prospects to our resources and capabilities. Other videos can provide a welcome from the agency, become a part of the onboarding process for a new client, help with coverage explanations, explain agency capabilities and resources, introduce team members, and provide coverage-specific information.

The more affluent personal lines and small business clients are digitally underserved, and there is a tremendous opportunity for agencies to get active in this space. As insurtech continues to create seamless ways to utilize technology, the opportunities will be enormous. Going forward, we suggest developing deeper relationships with fewer people, focusing on building valuable relationships with those that matter, working cross sales and referrals diligently, aggressively targeting a defined marketplace, and automation, automation, automation!

One question we always ask ourselves is: “What are the 10,000-pound marketing gorillas doing in my area?” Some of the answers are: shared integrated calendars, policy upload portals, CRM software, video capabilities, digital and mobile capabilities, integrated video-text-email messaging, online client surveys, renewal report auditing, educational videos, portfolio review templates, and automated marketing.

## **Learn More, Earn More**

The National Alliance offers a variety of resources to help you learn about the finer points of implementing planning and positioning a business to succeed. The CIC Insurance Company Operations course provides a look at important strategic decisions made by executives and the functions of vital company departments, and the CIC Agency Management course covers agency planning and effective productivity. You can also hear the author of this article, Tom Barrett, teach Dynamics of Sales Management, September 24-26, in Erie, PA. For other dates and locations, go to the course schedule at [scic.com](http://scic.com). To have this content on hand, order Dynamics of Selling: The Diagnostic Appointment DVD at [nationalalliancebooks.com](http://nationalalliancebooks.com).



**Q: What Do Many Top Producers Have in Common?**

**A: Training from The National Alliance**

Surveys show that the best agencies and carriers send their agents, brokers, and producers to National Alliance programs to get their new producers, not only up-to-speed, but to rocket them to the top of their profession, returning a great value on investment.

Programs like the **Producer School**, now called the **Dynamics Master Sales Class** (details on page 11), and the other **Dynamics Series** courses, do not just focus on sales skills—they revolutionize a participant's understanding of his or her own personality style and the art of relationship building, transforming every career aspect. National Alliance programs also deliver the technical coverage knowledge that is essential, providing the grounding and detailed expertise that top producers need to back up their insurance-specific sales skills.

As an independent agency, our strength is in our relationships. Our opportunity is face-to-face. Our weakness is spending time and effort in the wrong distribution channel. Our threat is trying to compete with online vendors. As an organization, we constantly position winning resources to stay on the leading edge of insurance distribution. We embrace change with the mindset of a “total solution,” and encourage you to do the same. *Good luck and good selling!* ■

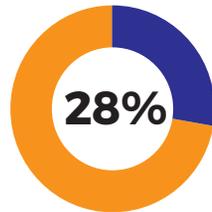
**About the Author:  
Tom Barrett, CIC, AAI**

Tom Barrett is President of the Midwest and Southeast regions of SIAA, Inc. SIAA added 562 new agencies nationally and produced over \$810 Million in new property & casualty premium in 2017. Tom serves on the National Faculty for the Dynamics Series: Dynamics of Selling, Dynamics of Sales Management, and Dynamics of Company Agency Relationships. Your comments and communications are welcome to Tom at [tomb@siaa.net](mailto:tomb@siaa.net).

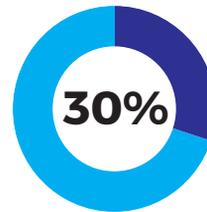


# 2018 TOP PRODUCERS

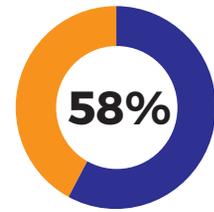
According to  
*Insurance Business America Magazine*



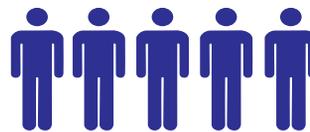
Are National Alliance Designees



Have Completed a Dynamics of Selling Course



Have Participated in National Alliance Programs



**5** Are Producer School Graduates

## IBA Top Producer Criteria

Commissions made in 2017 **>\$750,000**



## Stats for IBA's Top Producers

**80%**  
Have 11 or More



Years of Experience in the Industry

**17%**  
Have Fewer Than 10



**386**

Average Number of Clients



**829**

Average Number of Policies Written



**\$1.8 million**

Average Commission Revenue