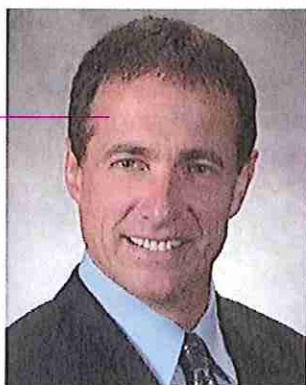




# YOUR HIDDEN SALES FORCE

## 5 Steps to Developing “Super” Production Underwriters



BY MIKE SHANNON

**I**N AN ATTEMPT to grow their businesses, MGAs and wholesalers continually pursue new retail customers as their primary strategy for increasing sales. In the winter 2012 edition of *Wholesale Insurance News*, a compelling article on “The Profile of the Perfect Customer: Prospecting the Mutually Beneficial Relationship,” spotlighted an alternate strategy—develop additional business among your existing retail customers. The

advantage? You’ve already cultivated a trusted relationship, so “filling in the missing gaps” is more cost-effective and yields greater results than starting from scratch.

Of course, the challenge is determining who within your current organization will execute this new strategy. Your marketing team is already spread thin maintaining relationships with hundreds of retail agencies while searching for new agents with which to partner.

What if you could improve the sales skills of the underwriting staff who deals with these agencies day to day? What if you could help these production underwriters develop stronger commitment to closing more new business?

In this article, we’ll outline a plan of how you can unleash this “hidden sales force” in your company—your production underwriters. This emerging trend is due to the increasing number of MGAs and wholesalers who now recognize that developing the production skills of their current staffs, as well as identifying

and hiring more production-minded underwriters (we’ll call them “Super Underwriters”), is critical to organic revenue growth. Having good technical skills is no longer enough. An MGA underwriter must also be adept at picking up the phone to talk to agents, qualify submissions, ask for new business, and be comfortable selling higher rates.

In a nutshell, today’s production underwriter must take individual responsibility for growing their book of business. Please note this does not mean compromising underwriting integrity! Quoting more potential business that is well qualified and a better fit for your program will increase underwriting profitability, not jeopardize it.

The paradigm of buyer behavior is changing. In the July-August 2012 *Harvard Business Review* article “The End of Solution Sales,” the authors cited a study of over 1400 B2B companies that completed, on average, nearly 60 percent of their purchasing decision before having a single conversation with a supplier.



Suppliers who do not become more effective at consultative selling face obsolescence. Yes price matters, but if the only thing you have to sell is price, your value to prospective buyers is almost nonexistent. They will never let you close enough to build a professional relationship based on mutual respect.

Retail agencies see their value-add as shopping markets for their insureds. Underwriters who only know how to "quote and hope" are

being taken advantage of by these spread-sheeting retailers and will soon be relegated to lower-income roles within their MGA or wholesale company—or be replaced altogether by self-rating systems.

So, how do you develop the production skills of your underwriters, i.e. turn them into "Super Underwriters"?

Research performed by Axiom Development has shown the vast majority of underwriters exhibit either "steady relater" or

"coordinating analyzer" behavioral styles. As such, they are more introverted than extroverted, naturally more supportive and analytical, and tend to avoid conflict. Perhaps most critical, they do not see sales as part of their job function.

When surveyed about why underwriters feel that way and underperform in their production role, MGA owners made the following observations:

- Underwriters have a negative perception of "sales"
- Sales is not part of most underwriters' "natural wiring"
- Underwriters lack confidence when it comes to selling
- Underwriters lack selling skills

Developing underwriters' production abilities might sound daunting. The good news is you can now use both science and psychology to create this powerful sales culture within your organization. Progressive wholesalers and MGAs are using these five steps to organically grow their businesses by significant percentages despite the flat market:

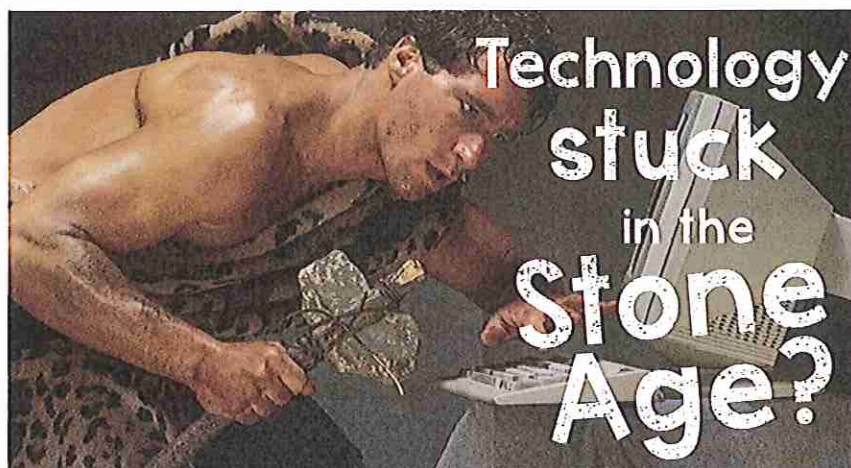
1. Actively Track New Business Goals
2. Objective Assessment of Their Team
3. Management Development
4. Improve Underwriters' Mental Conditioning and Sales Skills
5. Measure Prospecting Metrics

#### 1. ACTIVELY TRACK NEW BUSINESS GOALS

As simple as it seems, having specific revenue goals for each program or person is a practice that has fallen by the wayside after years of declining revenues. Either goals are not set and graphically tracked throughout the year, or the staff doesn't believe they're possible, so they "set 'em and forget 'em." Visual presentation of "the numbers" helps keep them foremost in people's minds and helps achieve measurable results.

#### 2. OBJECTIVE ASSESSMENT OF YOUR TEAM

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Group (OMG) effectively determines the sales "DNA" of production underwriters. Having your current staff evaluated will reveal who possesses the four crucial elements for success: desire, commitment, outlook, and responsibility.

Additionally, you will identify their current inventory of selling skills . . . and individuals' hidden weaknesses. Depending on the severity, these weaknesses will negate the strengths of not only the underwriters but full-time producers as well. The five weaknesses are:

- Need for approval—The desire to be liked gets in the way of asking tough questions and being willing to hear "no."
- Emotional discipline—An individual lacking this gets "happy ears" or the opposite, becomes despondent. In either case, the individual stops listening to the potential client and loses objectivity.
- Money weakness—Discomfort talking about money will prevent a person from uncovering budgets, selling value and quoting higher prices.
- Buy Cycle™ – If a person is a value/price/comparison shopper in his personal life, he'll subconsciously allow the same behavior from potential clients.
- Self-limiting beliefs—Dozens of negative beliefs will get in the way, preventing them from generating new business.

The OMG evaluation tool is also used pre-hire, to enable you to hire only underwriters who have a natural comfort and affinity for production.

### 3. MANAGEMENT DEVELOPMENT

The third and most important step in improving your new-business results is developing your first-line underwriting managers. While they are adept at managing an underwriting group, most have no idea how to manage a "sales" organization.

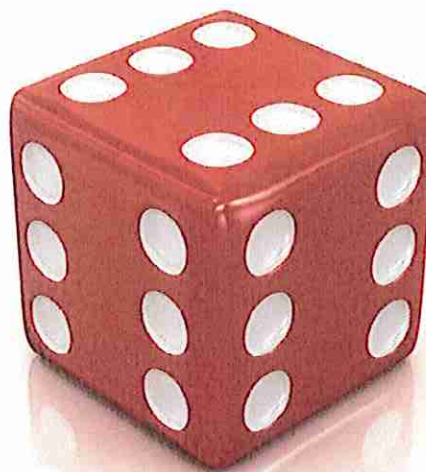
In addition to uncovering sales DNA, the OMG assessment provides supervisors insight into the following critical sales-management skills.

- Motivates—differentiates between intrinsic and extrinsic motivational styles among the staff
- Coaches—helps staff achieve success beyond their current level
- Holds people accountable—daily accountability gets results
- Mentors—team development is their primary goal
- Recruits—can identify overachieving production underwriters and is willing to upgrade the team when necessary

Once they've developed these skills, managers are able to build much more effective organizations beneath them, and possibly allowing them to transition to higher levels of responsibility.

### 4. IMPROVE UNDERWRITERS' MENTAL CONDITIONING AND SALES SKILLS

Production underwriters, despite their natural tendencies to be reserved and analytical, can become



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excellent producers. Because they are the technical expert the retail agent wants information from, they are uniquely positioned to ask qualifying questions before quoting.

Many have become top producers within their organizations after growing their ability in three primary areas: mental conditioning, tactical skills, and prospecting.

However, before they'll try new concepts, the production underwriter

(all people, for that matter) must understand "What's in it for me?" So, you must help them set personal goals that will require change from their current results. In one case, a production underwriter determined she wanted to help pay for her daughter to attend college, and she was willing to try new things to become more successful in her job. She is now the top producer in her MGA.

The information exposed within the OMG evaluation becomes the springboard for developing the mental toughness to be more effective in a production role. Managing the five hidden weaknesses listed previously takes awareness, understanding, acknowledgement, and effective coaching to overcome.

Additionally, skill development in the areas of relationship building, asking questions, listening, and following a systematic sales process must become an ongoing process.

## 5. MEASURE PROSPECTING METRICS

Lastly, the most important skill your production underwriters must develop is to learn how to continually prospect for new business. This will only happen if their managers hold them accountable to it.

By asking every agent they receive an application from these questions, your underwriters will develop a consistent incoming stream of submissions:

1. What expiration dates are coming up in the next ninety days?
2. Are there any insureds in your marketplace we can go after together?
3. Who is sitting next to you that we can also help?

Are "Super Underwriters" born, or made? The answer is, "Yes!" In some cases, people with the analytical skills to be effective underwriters also naturally possess the ability to produce. Some of those might already be lurking in your company. "Super Underwriters" can also be made. Begin the process of helping your underwriters develop skills and confidence in their production roles this year, and you will enter 2014 knowing organic revenue growth is no longer a matter of chance.

Mike Shannon is the founder and CEO of AAMGA member Axiom Development. He is also the author of *Hooked on Hopium*, an inspiring parable about the impact of professional development in the life of an insurance producer. Contact him at [www.AxiomDevelopment.com](http://www.AxiomDevelopment.com).

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