


5 STEPS TO CREATE A PRODUCTION CULTURE THAT ADVANCES YOUR BUSINESS

BY MIKE SHANNON



A SURVEY OF dozens of industry leaders over the past year revealed that the production skills of their staffs will ultimately determine their businesses' fate. Even more revealing is that three-quarters of respondents said 60% to 80% of an underwriter's success will be based upon their

sales-marketing-production competence rather than their technical underwriting ability.

While insurance has historically been a consultative business, that approach began shifting in 2004 with 30 quarters of declining rates. A soft market continues today. Insurance has become an auction.

Recognizing that when you live by price you die by price, insurancee

businesses have been struggling with how to update the consultative mind-set of underwriters.

Imagine a company where everyone sees revenue growth as their personal responsibility and knows they are held accountable for performance. Now envision the result of such a production culture—an organization with the best chance of not only surviving but thriving.

What is a production culture? A production culture is an organization where everyone knows their purpose is to:

- Solve insureds' problems
- Satisfy agents' needs
- Achieve their carriers' goal of profitable growth

Finally, visualize that this culture is based on validated systems, processes and behaviors that result in continually increasing revenue.

That aspiration has become reality. Since 2008, MGAs, wholesalers and program administrators have created sustainable, overachieving production organizations. They have each done so by following these five steps introduced by TriFit Business Development:

1. Perform a "sales DNA" assessment of their current team
2. Help underwriters become more comfortable and competent regarding sales
3. Train leaders to run a production organization
4. Recruit new staff who have the natural "sales DNA" to succeed
5. Introduce prospecting accountability to the underwriting staff so that asking for new business becomes habit

1 PERFORM A "SALES DNA" ASSESSMENT OF THEIR CURRENT TEAM

In most organizations, only about 25% of the staff are overachievers defined as being "above average." Due to an assessment tool pioneered by Objective Management Group (OMG), we now have the ability to determine why the remaining 75% perform less effectively.

This 45-minute online evaluation determines the "sales DNA" of producers, underwriters and assistants. By understanding their strengths, motivation, skills and weaknesses with regard to sales, we

can estimate the growth potential of each person, predict those who will struggle to improve, create a customized development plan for the whole group, and calculate a return on investment (ROI) from investing in formal training.

This process is akin to doing an MRI on your organization from a sales perspective and can save years of frustration doing rehab on folks who will never improve in your specific sales culture.

2 HELP UNDERWRITERS BECOME MORE COMFORTABLE AND COMPETENT REGARDING SALES

Underwriters are uniquely positioned to be highly effective at production, because they are the technical experts from whom retail agents want information.

However, due to underwriters' natural tendencies to be reserved and analytical, there are three primary areas that need development: mental conditioning, tactical skills and prospecting. The information gathered in the OMG evaluation becomes the springboard for developing this mental strength.

The Coaching Competency

Debrief Efficiently

Handle Joint Sales Calls Effectively



Asks Questions



No Need for Approval from Salespeople



Controls Emotions

Doesn't Rescue the Sales People

Has a Sales Process

Knows Why People Buy



Knows How People Buy



Effective at Getting Commitments

Consistently Coaches and Debriefs

Beliefs Support Coaching

42%

IMAGINE A COMPANY WHERE EVERYONE SEES REVENUE GROWTH AS THEIR PERSONAL RESPONSIBILITY AND KNOWS THEY ARE HELD ACCOUNTABLE FOR PERFORMANCE. NOW ENVISION THE RESULT OF SUCH A PRODUCTION CULTURE—AN ORGANIZATION WITH THE BEST CHANCE OF NOT ONLY SURVIVING BUT THRIVING.

Other skills, such as building relationships, asking qualifying questions, listening and following a structured approach to sales transactions, can all be learned. Prospecting can be accomplished by asking four questions at every opportunity:

1. Are there any insureds you don't write in your marketplace whom we can go after together?
2. Who is sitting next to you that we can also help?
3. Did you know that we also offer ___? (fill in your cross-sell opportunity)
4. What expiration dates are coming up in the next 90 days?

Sales training provided in the right context and coached by engaged managers can turn desk underwriters into true "production underwriters."

3 TRAIN LEADERS TO RUN A PRODUCTION ORGANIZATION

Virtually all underwriting managers are promoted to their position based on performance as underwriters. When asked about running a production organization, the silence is deafening! But experience has proven that the most important person in creating your new production culture is the first-line supervisor. He or she is the 1) coach, 2) accountability master and 3) motivator who must support this change, and this supervisor must be developed!

In addition to uncovering the supervisor's "sales DNA," the OMG assessment provides insight into the above three critical sales-management skills. A detailed list of skills exists for each area, and the assessment provides a road map for skill development.

For example, here is a manager's assessment in which he was determined to have only 42% of the necessary skills to be an effective coach:

Obviously there are significant areas that need improvement. These can be accelerated by coaching the coach!

4 RECRUIT NEW STAFF WHO HAVE THE NATURAL "SALES DNA" TO SUCCEED

The single biggest challenge facing the insurance industry is the retirement of as many as half of the industry over the next ten years. Most companies only recruit when forced to replace someone. Hiring managers' lack of experience results in their settling for less-than-stellar performers with or without experience.

Using the OMG assessment and other tools, we can accurately identify those who will succeed in their production role based on their natural gifts and how those gifts will fit your specific sales culture. This approach enables you to recruit the right staff for your company, every time.

5 INTRODUCE PROSPECTING ACCOUNTABILITY TO THE UNDERWRITING STAFF SO THAT ASKING FOR NEW BUSINESS BECOMES HABIT

"If you don't inspect it, don't expect it!" Truer words were never spoken, and when it comes to prospecting you must hold people accountable. Try measuring three things daily:

1. Attempts they make to talk about new business
2. Actual conversations held
3. Number of promised submissions that resulted

Shifting to a production culture is not for the faint of heart. It will involve change throughout the organization, and unless you have the required expertise in-house, there will be an investment cost involved.

Are you ready to advance your business, and to continue to for years to come? Then shift to a production culture of accountability with the right sales DNA among your team.

Mike Shannon is the founder and CEO of AAMGA-member TriFit Business Development and the author of Hooked on Hopium, an inspiring parable about a successful insurance producer. For ten years TriFit has been helping AAMGA members to grow organically through the process described in this article. Contact Mike at mike@TriFitBD.com.

**It's like this:
You're David. We're the sling.**



With CloudMGA from Synchronet, you don't need to be intimidated by the Big Guys anymore. We let you expand your business without incurring the high IT costs that come with outsourcing or supporting an internal IT staff. No more large servers or storage systems and your IT costs are covered with one low monthly rate. So march into battle with confidence. We've got your rocks.

CloudMGA.com
1-877-952-0104




E&S
INSPECTIONS

Susie Ramirez
President of Operations/Marketing

Loss Control Property & Casualty Insurance Inspections
Residential and commercial loss control property and casualty insurance inspections.
Over 25 years of experience in industry.

Phone: 888-265-6704 | Fax: 888-265-3186
susie@esinspectionsinc.com
www.esinspectionsinc.com
P.O. Box 222525
Newhall, CA 91322

