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RESEARCH REPORT

Retail Agency Workforce Management

HOW AGENCY LEADERS CAN CREATE GREATER EFFICIENCY AND PRODUCTIVITY

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Steve is an experienced strategic leader with demonstrated operational acumen and a history of success delivering significant measurable outcomes. He has a proven ability to analyze processes and trends to deliver innovative sales and service solutions, ensuring optimal outcomes and customer satisfaction. He is adept at leading large teams to achieve business goals while also enhancing employee engagement. He brings a depth of experience and valuable knowledge in operational efficiency, call center management, continuous quality improvement, strategic planning, and operational redesign in the insurance industry.

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ReSource Pro Insights offers a broad range of research and observations on the insurance industry. We provide substantial studies, analysis and perspectives on business and technology strategies and plans across the P&C ecosystem, covering retail agencies and brokers, MGA/ wholesalers, carriers, and tech vendors. Our coverage includes distribution, underwriting, policy servicing, billing/payments, and claims business areas, as well as cross-enterprise areas such as strategic initiatives, digital transformation, innovation, customer experience, and talent.

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Use of our reports

About this research report

This research report is based on our experts' observations of workplace management in the property and casualty insurance market, informed by our many strategy sessions with clients as well as a survey of agency and broker executives.

All diagrams in this report are based on the 2024 Talent and Productivity: Retail Agencies and Brokers survey (n=155). "Small/midsize agencies" refers to agencies with the equivalent of 1-100 full-time employees. "Large agencies" refers to agencies with the equivalent of 101+ full-time employees.

More expert insights on retail agencies can be found in the following research reports:

- Agency and Broker Talent Strategies in 2025 and Beyond: How Technology is Reshaping Key Agency Roles and Responsibilities
- Data-driven Success for Retail Agencies
- The State of AI in P&C Insurance
- The AI Advantage: Unlocking New Opportunities for Retail Agencies in Marketing and Sales
- The AI Advantage: Unlocking New Opportunities for Retail Agencies in Servicing and Operations

Contact us to learn more.

State of the retail agency workforce

The retail insurance agency landscape is undergoing significant change, driven by shifts in workforce demographics, technological advancements, changing customer expectations, and evolving business demands. To navigate this transformation, agency leaders must stay ahead of trends that are shaping how agencies attract talent, adopt technology, and optimize their operations. Recent ReSource Pro research has identified the following key themes that are shaping the retail agency workforce:

- **Workforce dynamics are evolving**
  The dynamics of the insurance workforce are continually evolving amid several converging trends, including competition for talent, an ongoing wave of retirements, the rebalancing of remote, hybrid, and in-office work, and changing employee expectations. Agency leaders continue to adapt their workforce strategies to attract and retain their top talent.
- **Agencies and brokers are in the early days of AI adoption**
  While the potential of artificial intelligence (AI) is widely recognized, most retail agencies are still in the early stages of exploring its capabilities. For example, AI-powered tools are emerging in key areas such as lead generation, risk assessment, and policy/quote comparison. However, widespread integration and utilization of AI largely remain on the horizon.
- **Technology is set to transform roles and responsibilities**
  AI and automation are poised to reshape insurance agencies' operations. These technological advancements are automating routine and repetitive tasks, enabling employees to prioritize activities that require human expertise. As a result of this shift, agencies will need to rethink training, upskilling, and how they define roles and responsibilities.
- **M&A activity is driving an era of optimization**
  The retail agency segment has experienced a significant number of mergers and acquisitions in recent years, resulting in a need for more consistency and efficiency across these organizations. Agency leaders seek to optimize their workforces by standardizing processes, streamlining operations, eliminating redundancies, and maximizing resources.
- **The insurance industry is becoming more efficient**
  Recent technological advancements, flexible workplace models, and a renewed focus on standardizing/optimizing processes have enabled retail agencies to boost efficiency and productivity across various functions. This increasing efficiency enhances operational performance and empowers teams to dedicate more time to value-added activities like improving client relationships, expanding service offerings, and driving growth.

One of the challenges arising from these wide-reaching shifts is how to effectively manage productivity and performance in an era of constant change. This report aims to guide agency leaders in measuring and tracking efficiency and productivity to ensure they have the right talent strategies in place. Additionally, we explore how agencies are currently approaching workforce and performance management while also introducing new considerations and models for tracking productivity and adapting performance strategies to help leaders stay agile and positioned for long-term success.

Self-evaluating efficiency and productivity

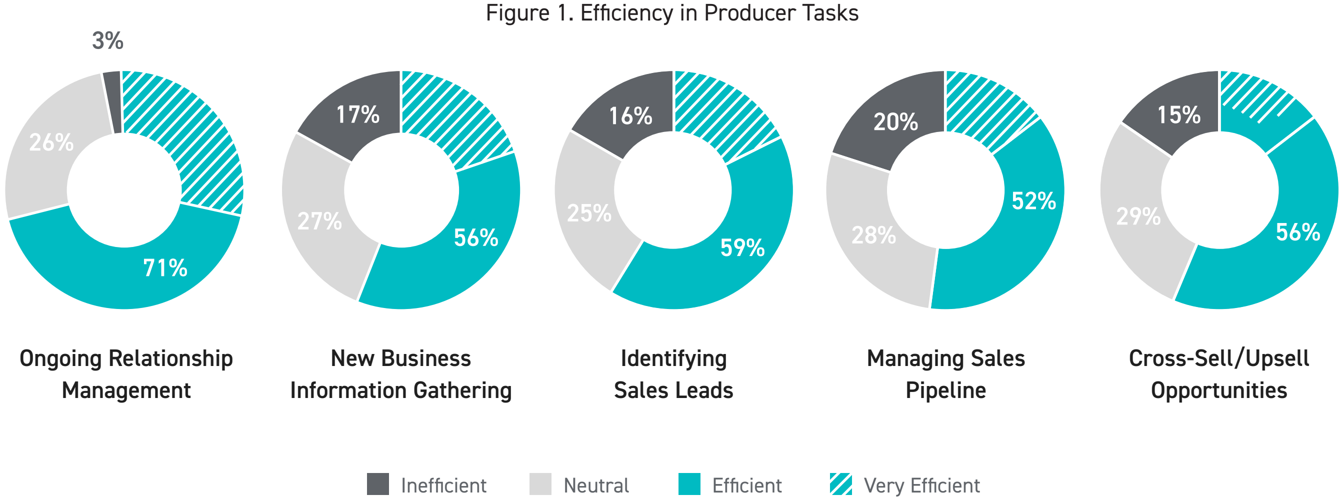
How do agency executives perceive efficiency and productivity within their organizations? In this section, we assess efficiency in key producer, account manager, and CSR tasks and then examine how company-wide productivity has evolved for agencies over the past three years. These insights set the stage for discussions on capacity assessment, productivity measurement, and effective workforce management.

Efficiency in producer tasks

Producers are responsible for new customer acquisition, the primary driver of growth within retail agencies. They develop and nurture leads and manage ongoing client relationships. Given the critical role producers play in agency success, the importance of efficiency cannot be understated. To better understand this essential role, ReSource Pro asked agency executives to assess how efficient their processes are for key producer tasks, with the results illustrated in Figure 1 below.

Executives broadly perceive their processes for key sales functions to be efficient. This is particularly evident in ongoing relationship management tasks, where over 70% of respondents rated themselves as efficient or very efficient. Additionally, more than half of executives reported efficiency for other critical sales tasks. These figures are notably high, raising an important question: how are leaders assessing efficiency?

Figure 1. Efficiency in Producer Tasks

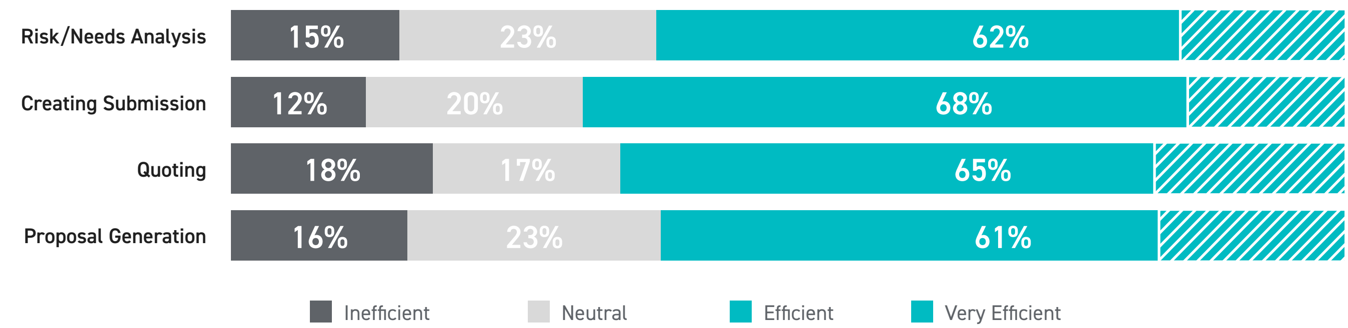


Often, leaders rely on gut instinct or a single business outcome to evaluate efficiency without establishing clear metrics or baselines. This can create a potential mismatch between perceived efficiency and actual performance. To better assess efficiency at the task level, agency leaders must first identify which tasks are the biggest drivers of producer success. Then, they need to examine the corresponding processes, including time to completion and bottlenecks. Without these insights, efficiency assessments may not reflect reality.

Efficiency in CSR and account manager tasks

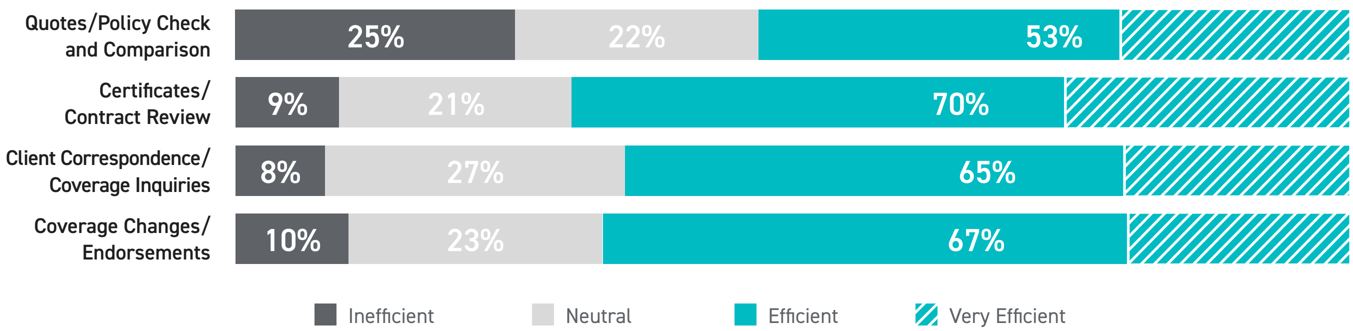
As seen with producers, agency leaders largely believe their processes for critical servicing tasks are either efficient or very efficient. However, a closer review is warranted. Looking first at account marketing functions, outlined in Figure 2a below, executives broadly view their processes for functions such as submissions and quoting to be efficient. However, only 14-17% of respondents indicate their processes are very efficient, and one-third or more don't consider them efficient. These results suggest that most agencies have room for improvement.

Figure 2a. Efficiency in Account Marketing Tasks



The data in Figure 2b reveals similar trends in day-to-day servicing tasks, with most respondents indicating that their processes were either efficient or very efficient. Quote/policy check has the highest inefficiency score among servicing tasks, which is unsurprising given the complexity and traditionally manual nature. Conversely, certificate/contract review processes scored the highest, with 70% indicating efficiency in this area. Across all servicing tasks, however, only 20–27% of executives indicated high levels of efficiency.

Figure 2b. Efficiency in Servicing Tasks



Interestingly, there were significant differences across all tasks between small/midsize agencies (<101 employees) and large agencies. For example, 75% of small/midsize agencies report being efficient or very efficient in handling certificates and contract reviews, compared to only 59% of large agencies that said the same. Similarly, 72% of small/midsize agencies consider their quoting processes efficient versus 52% of large agencies. These findings run counter to the narrative of economies of scale. But again, as was asked with producer tasks, how are leaders assessing their process efficiency? Do they have an established baseline and metrics? Or is their assessment based on gut feeling and informal staff feedback?

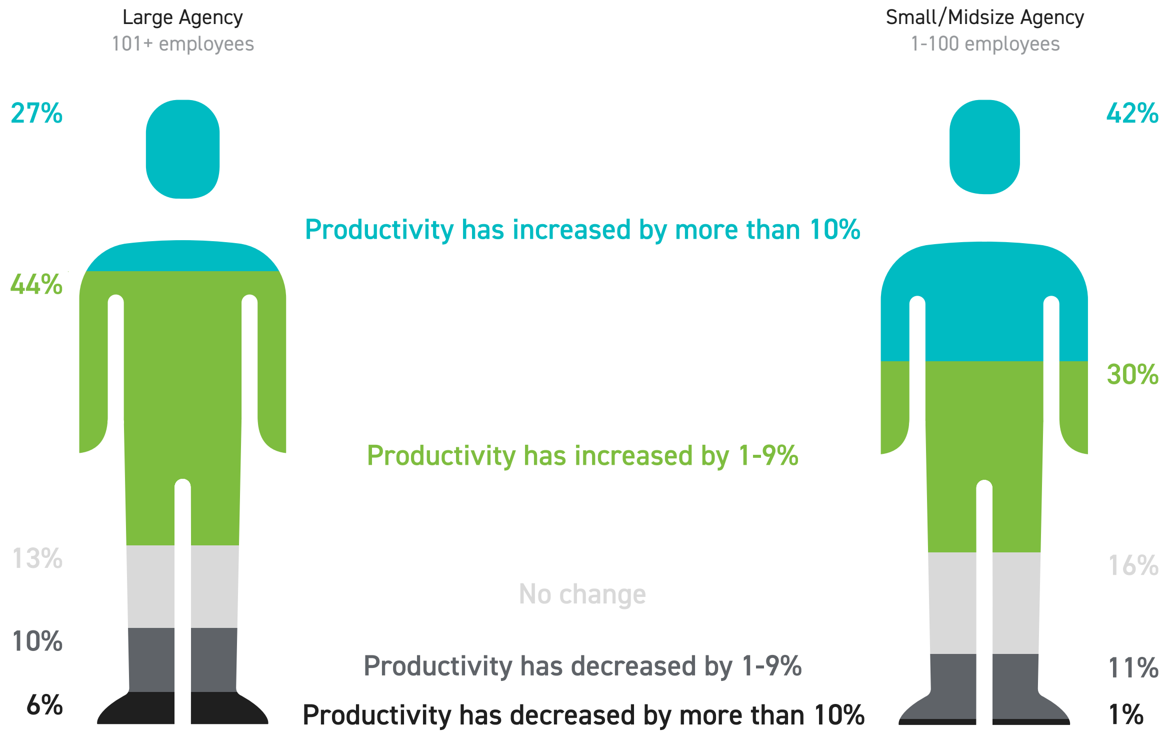
Lastly, account complexity significantly impacts efficiency across producer, account manager, and CSR roles. Broadly speaking, personal lines processes are more streamlined and efficient compared to commercial lines. Within both industry segments, as risk and account complexity increase, so does inefficiency.

Shifts in agency productivity

In addition to process efficiency, ReSource Pro asked executives how their company's productivity has changed over the past three years. Before exploring these results, however, let's examine the relationship between efficiency and productivity. Efficiency – how effectively processes are executed – is foundational to productivity, which measures the overall output generated by those processes. While improving efficiency often drives greater productivity, the relationship is not always linear. Efficiency and productivity do not exist in a vacuum. External challenges such as competition for talent, changing workforce dynamics, and a hard market can limit productivity growth.

Figure 3 below illustrates how agency executives perceive changes in productivity over the last three years, comparing trends between small/midsize and large agencies.

Figure 3. Shifts in Productivity



Over the past three years, productivity trends among retail agencies have shifted, with many agencies reporting measurable improvements. More than two-thirds of all agencies indicate that their productivity has increased during this period. Interestingly, smaller agencies, defined as those with 100 or fewer employees, are leading in self-reported productivity gains. As highlighted above, 42% of small/midsize agencies report productivity increases exceeding 10%, compared to only 27% of larger agencies. Regardless of agency size, a 10% productivity increase over three years is modest and could be considered business as usual. With advancing technology, retail agencies have the opportunity to achieve far more substantial productivity gains.

A key question remains: how are agencies tracking and measuring productivity? While most agencies claim to know their productivity trends, a different truth may exist. As we will discuss later, many agencies rely on informal or non-existent tracking methods, suggesting a gap between perception and reality.

Productivity and automation in retail agencies

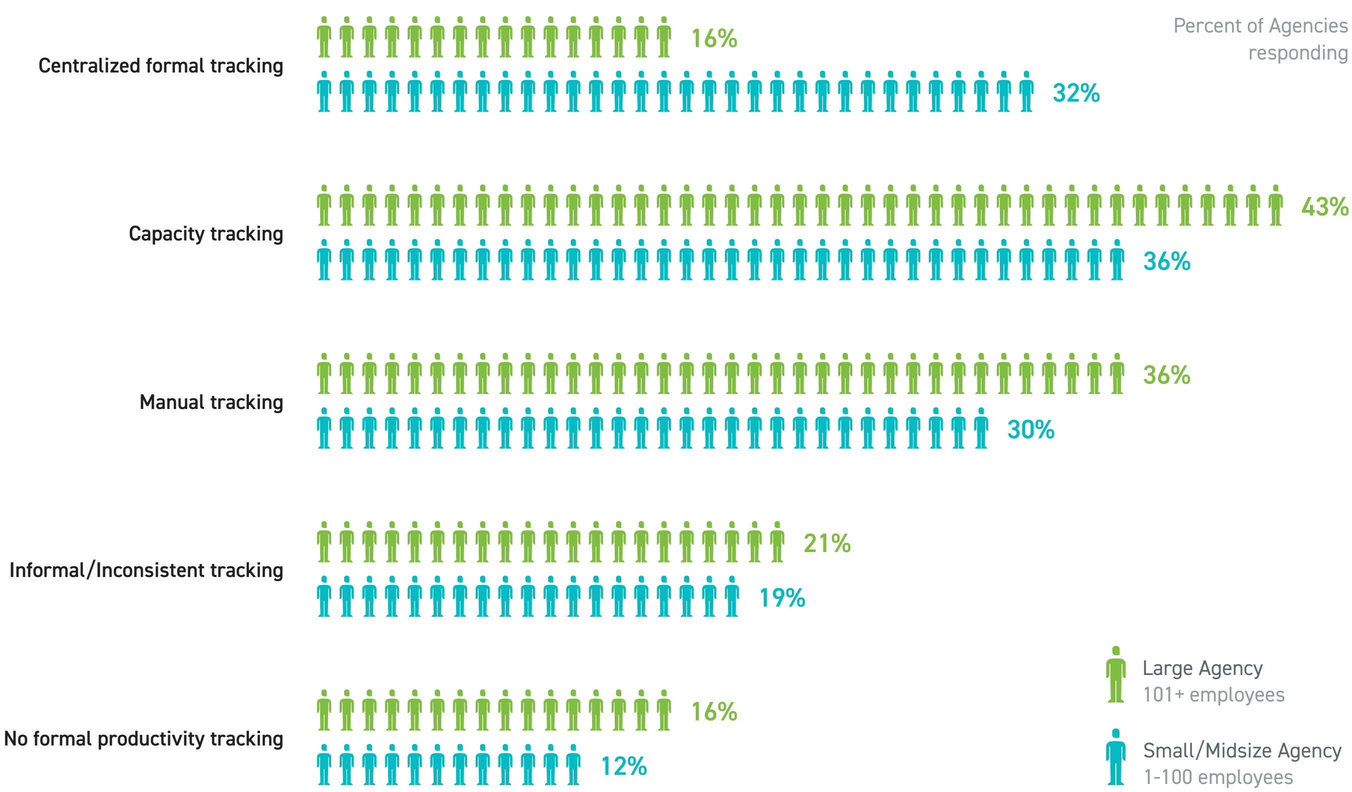
Agency leaders' broad view of process efficiency and increasing productivity offers encouraging signals for retail agencies. However, continued success relies on understanding how productivity is tracked and measured. Without clear metrics and consistent methods, it becomes challenging to identify inefficiencies, monitor progress, and make informed decisions. In this section, we delve into how agencies currently track productivity and explore how automation will reshape key agency roles.

Current approaches to productivity tracking

How are agency leaders measuring and tracking productivity today? As previously noted, many rely on gut instinct, anecdotal evidence, and qualitative insights rather than clearly defined, real-time metrics. To better understand current practices, executives were asked how they track and measure productivity. The findings show how agencies utilize metrics and systems to monitor productivity. Figure 4 ranks each approach from most to least formal.

Agencies have varied methods to track productivity, often combining multiple processes. Most executives report tracking productivity to some degree, with only 12% of small/midsize agencies and 16% of large agencies having no formal tracking mechanisms. About 20% of all agencies rely on informal or inconsistent tracking mechanisms. Among those with more structured systems, approaches are divided between manual, centralized formal, and capacity tracking.

Figure 4. How Agencies Manage Productivity Today



Companies using manual tracking may rely on self-reported mechanisms such as tick sheets. In contrast, companies using capacity tracking measure productivity based on workload/backlogs, with a backlog equating to non-productive and no backlog equaling productive. Lastly, with a centralized formal tracking approach, agencies have a well-established process for tracking productivity with consistent definitions and calculations, and it plays a central role in all performance discussions.

Surprisingly, a higher percentage of small/midsize agencies reported having centralized formal tracking methods than large agencies, which were more likely to use manual or capacity tracking. Often, larger agencies have more formal processes in place. Still, with the recent wave of M&A, many larger agencies are navigating operational challenges. When smaller agencies are acquired, the primary objective is to retain existing accounts and production. As a result, these agencies are often allowed to operate autonomously, leading many "large" agencies to operate as multiple small agencies without realizing the efficiencies of scale. Eventually, this becomes unsustainable, prompting consolidation, integration, and standardization.

Regardless of an agency's approach, the ability to reliably track changes in productivity over time depends on having systematic and measurable methods in place. Additionally, leaders must clearly define the metrics that align with their business objectives. By doing so, they can more effectively identify trends, make informed decisions, and adapt to evolving workforce dynamics.

How automation will impact key agency roles

With automation and AI poised to reshape how retail agencies operate, ReSource Pro surveyed executives on how automation will impact three key roles over the next five years: customer service representatives (CSRs), account managers, and producers. Figure 5 illustrates the anticipated percentages of tasks expected to be automated within these roles over the next five years, offering a glimpse into the future of work within retail insurance agencies.

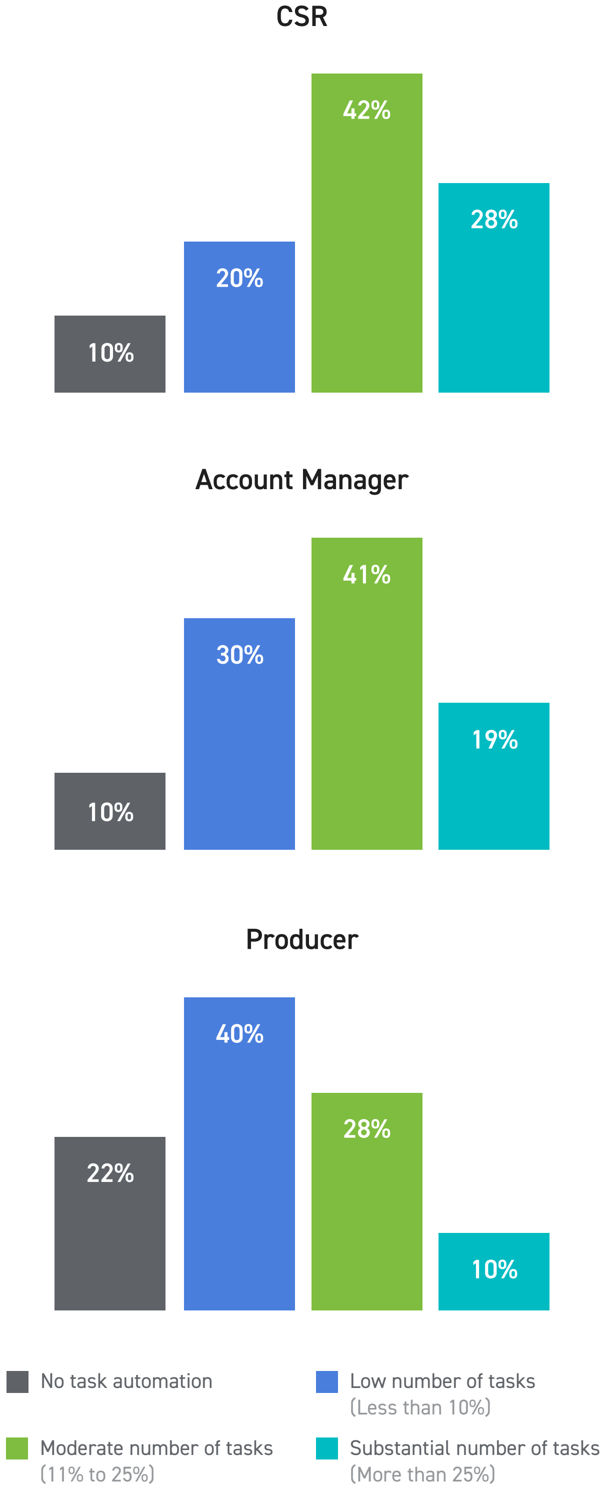
Most executives anticipate some level of task automation. Unsurprisingly, automation is projected to impact CSR tasks the most. More than a quarter of executives predict that over 25% of these tasks will be automated in the next five years, with another 42% anticipating moderate levels of automation.

Executives have more mixed views on the future of task automation for account managers. While three-fifths of executives anticipate moderate to substantial automation, 40% expect little to no automation over the next five years. AI tools are already streamlining key account manager tasks such as customer data capture, submission generation, coverage inquiries, and policy/quote checking.

Lastly, executives are less bullish on the producer role. While 40% of those surveyed anticipate low task automation (1-10% of producer tasks), one in five anticipates no automation. These are markedly high percentages, given the wide availability of AI and automation solutions targeting sales tasks such as lead generation, relationship management, and retention analytics. Only 38% of those surveyed indicated they expect moderate to substantial automation in the producer role.

Across all roles, human expertise will remain vital, but automation offers an opportunity to enhance the customer experience by freeing up teams to focus on delivering greater value. Rather than replacing key positions, automation is designed to enable CSRs, account managers, and producers to work more efficiently and strategically.

Figure 5. Percentage of Tasks Executives Expect to be Automated Over Next Five Years Based on Role



Workforce and performance management

In an industry where competition for talent is high, client expectations are rising, and automation is reshaping roles, effective workforce and performance management are critical to long-term success and can be an important differentiator. Below, we explore agencies' strategies for staffing and workforce planning and how capacity management can help leaders align their workforce plans with business goals. We conclude with a look at performance management, and how agency leaders approach individual and team performance.

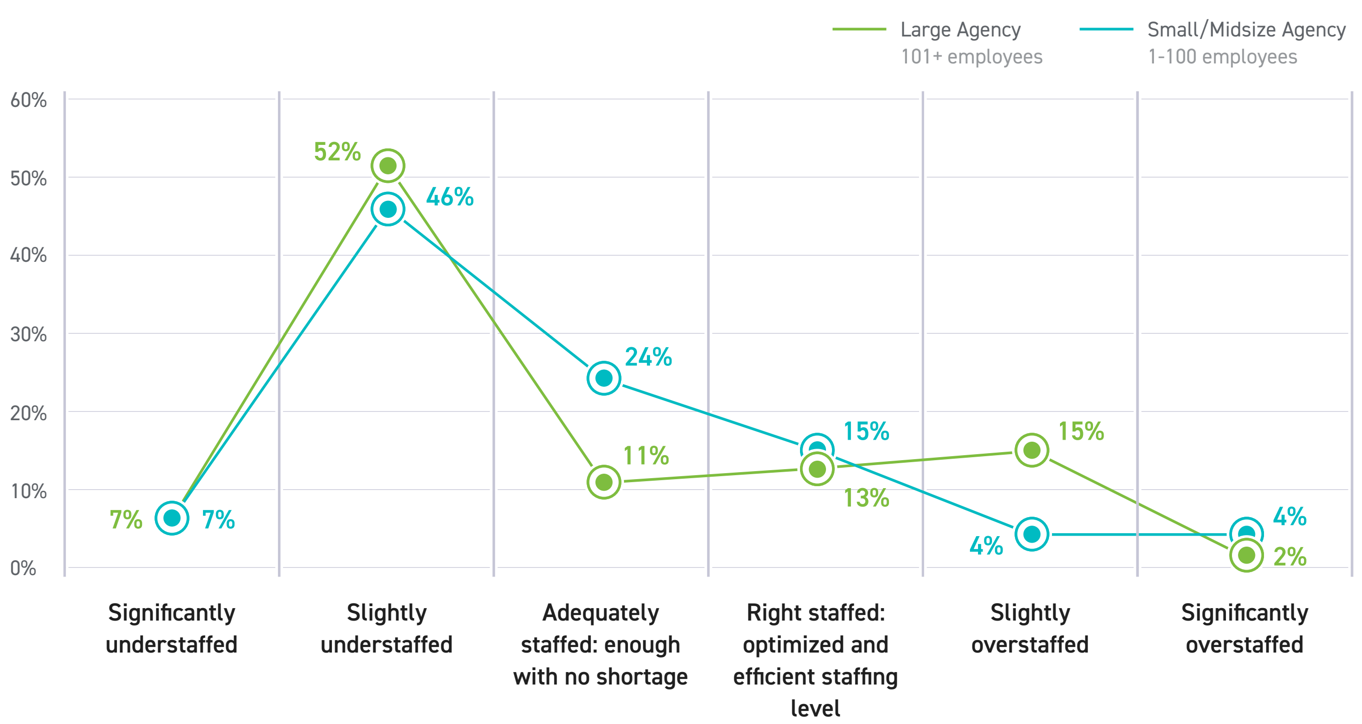
Agencies' current staffing strategies

According to survey feedback, the reasons for hiring for small/midsize and large agencies reflect a mix of strategic planning and operational necessity. Both indicate that an anticipated increase in business volume and understaffing issues are their top two drivers for hiring. However, they diverge on the third reason, with smaller agencies pointing to adding a new industry niche or segment as a key driver, while larger agencies indicate geographic expansion.

Interestingly, the primary driver – anticipated business growth – may not be the most reliable determinant. For example, while the recent hard market has increased premiums and account revenue, has it also increased workload at the same rate? Similarly, when the industry returns to a soft market, will potential reductions in revenue translate to lighter workloads? Maybe, maybe not.

In addition to understanding key drivers for hiring, it is also crucial to know if agencies have the resources to meet their current workloads. To this end, survey respondents were asked about their perceptions of current staffing levels. Figure 6 below provides a comparative view of how small/midsize versus large agencies evaluate their staffing adequacy.

Figure 6. Agency Executives' View of Their Current Staffing Levels



The majority of agency leaders report being understaffed, with 7% of both small/midsize and large agencies indicating they are significantly understaffed. For retail agencies, hiring plans are often based on anticipated growth, which can be unpredictable, resulting in maintaining lean staffing levels and hiring only in response to actual growth. This approach can place leaders in a reactive position, with overwhelmed staff struggling to manage workloads and cover gaps caused by turnover, leaves of absence, or other disruptions.

On the flip side, a comparably small percentage of agencies report being overstaffed, 8% of small/midsize agencies and 17% of large agencies. Interestingly, agencies with more than 100 employees were wice as likely as smaller agencies to report being overstaffed despite having more staff to absorb increased workloads. There are many reasons an agency may intentionally choose to overstaff, including anticipated growth, high service levels, leaves of absence or turnover, and to create a more scalable team. It's also important to remember that larger agencies often have more flexible budgets, allowing them to absorb higher operating costs more easily.

Smaller agencies are more likely to indicate they are adequately staffed compared to larger agencies (24% versus 11%). They have enough staff to cover the current workload without it being over-taxing. Lastly, 15% and 13% of small/midsize and large agencies, respectively, indicate they are right-staffed, meaning they have an optimized and efficient staffing level. These companies clearly understand what it takes to complete the work, including successfully defining metrics.

How capacity management can help

The variability in how agencies approach staffing underscores the importance of thoroughly understanding staff workloads and capacity when making hiring decisions. Without a clear view, agencies risk overburdening employees or underutilizing resources, both of which can hinder efficiency and morale. A data-driven approach such as capacity management can help agencies align staffing levels with business needs, ensuring teams are properly resourced to meet both current demands and future growth opportunities.

Consider the following questions:

- Has your team experienced work backlogs?
- Have you had to implement special incentives to get caught up?
- Do you struggle to determine the correct staffing levels?

If you answered "yes" to any of the above questions, there is likely confusion about staff capacity. Without an established capacity baseline, organizations often find themselves under or overstaffed. Understaffing can lead to overwhelmed staff, increased turnover, work backlogs, and unhappy customers, whereas overstaffing can result in wasted resources and higher costs. Neither is conducive to delivering a strong customer experience and optimizing internal operations.

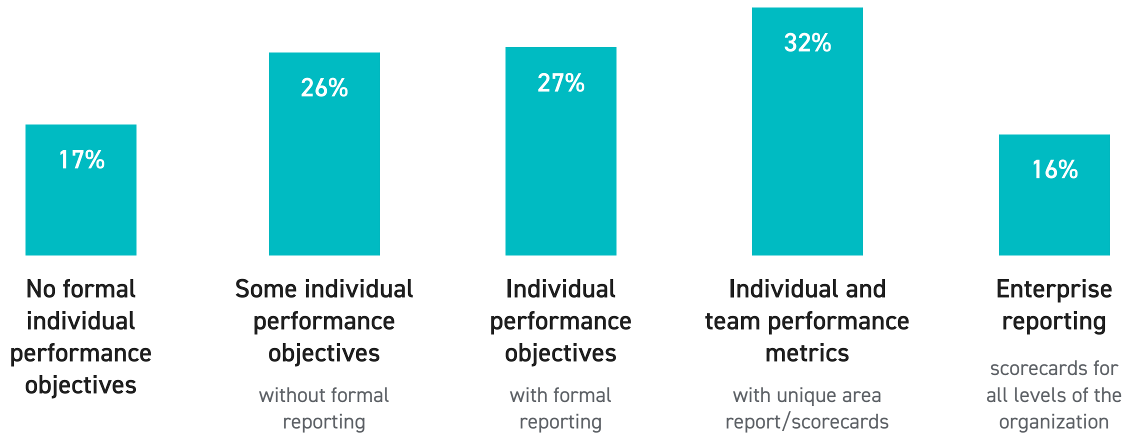
The key to avoiding the pitfalls of understaffing and overstaffing is capacity management, which entails using concrete data to fully understand the key business drivers and associated activities for each role in your organization. With these insights, managers and executives can confidently determine their current and future workforce capacity needs. For example, handling renewals is a key business driver for an account manager role. When assessing their capacity, a manager should consider associated activities such as obtaining renewal updates from the insured, creating the submission, quoting, and generating the proposal, as well as the time each takes. An important caveat: base capacity estimates on an average, well-trained account manager, not a new employee or top performer. Why? You want to establish a realistic baseline from which you can allocate resources.

When executives hear "capacity management," they often think of cutting headcount or micromanaging staff. Both are common misconceptions. The true purpose of capacity management is to assist leaders with allocating resources, encouraging staff's PTO usage, the timing of new hires, balancing workloads, and delivering optimal customer service. Furthermore, it allows managers to pinpoint opportunities and capacity for projects, cross-functional training, and employee development. The ultimate goal is to have the right people with the right skills in the right place to complete the work.

Approaches to performance management

Proactively managing team and individual performance is essential for agencies aiming to enhance efficiency and productivity. ReSource Pro surveyed executives about their approaches to setting and tracking individual performance objectives to gain insight into their current strategies. The results are summarized in Figure 7 below.

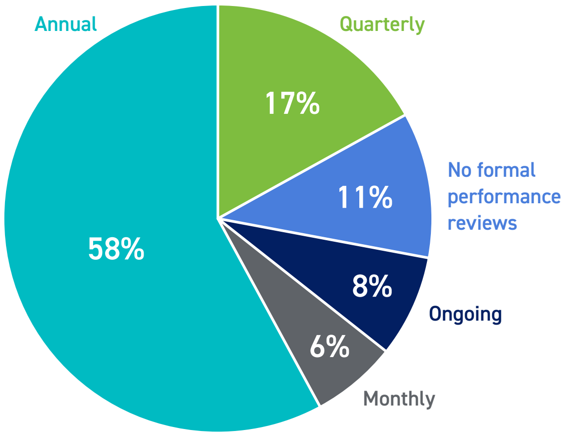
Figure 7. How Agencies Manage Employee Performance



While one in six executives indicated that their employees have no formal individual performance objectives, the majority of leaders report managing performance at the individual level. Among those that do, however, approaches vary. Just over one-fourth said they lack formal reporting, while others track performance at varying levels: individual, team, and enterprise-wide. Agencies with robust performance management programs frequently integrate reporting across all three levels (individual, team, and enterprise), providing more comprehensive insights for leaders across the organization.

There is also significant variability in the frequency of performance discussions, as evidenced in Figure 8. Less than 15% indicate they have ongoing or monthly discussions; the majority (58%) only have these discussions annually. Effective performance management is critical to fostering accountability and transparency within organizations. By providing clearly defined goals, regular feedback, and employee development opportunities, agencies can better ensure alignment between individual efforts and team and organizational objectives.

Figure 8. Frequency of Performance Discussions



Conclusion and questions to consider

In this report, we challenged you to reflect on how your organization measures, tracks, and manages task efficiency, staff capacity and productivity, and employee performance. Agency leaders cannot afford to be complacent and must be willing to reevaluate their longstanding tactics and take a new approach. As you proceed, it's also important to remember the following:

- **One size does not fit all**
  No two retail agencies are exactly alike. There may be similar roles and functions and even business drivers. Still, various factors such as industry segments, niches, technology resources, and operations will impact capacity and productivity.
- **Move from "I think" to "I know"**
  A primary goal of capacity management is maximizing resources and optimizing costs, and success requires more than a qualitative assessment. Manager instincts, market observations, and business volume changes will continue to be important indicators, but leaders also need concrete data to rely upon.
- **Right people, right place, right time**
  Capacity and productivity management enables you to align staff strengths and internal resources to maximize effectiveness and efficiencies throughout the organization. And this is a win-win for all – employees, managers, and customers.
- **Consistently deliver optimal customer experience**
  At the end of the day, we are in business because of our customers. This remains true despite shifting workplace dynamics, advancing technology, and a changing industry. Proactively managing capacity, productivity, and performance will better equip you and your teams to serve your customers.

Ultimately, productivity and performance can be key in amplifying your growth. However, it is essential that you have the necessary resources to maximize their potential. A well-established technology ecosystem, efficient processes, and comprehensive training are vital for achieving optimization. By leveraging these resources, you can surpass your current capabilities and drive increased efficiency and effectiveness throughout your organization, further differentiating yourself in a highly competitive market. For leaders wondering where to begin, consider the following questions on the following page to begin productivity tracking and data-driven capacity planning as you continue to build a solid foundation for growth.

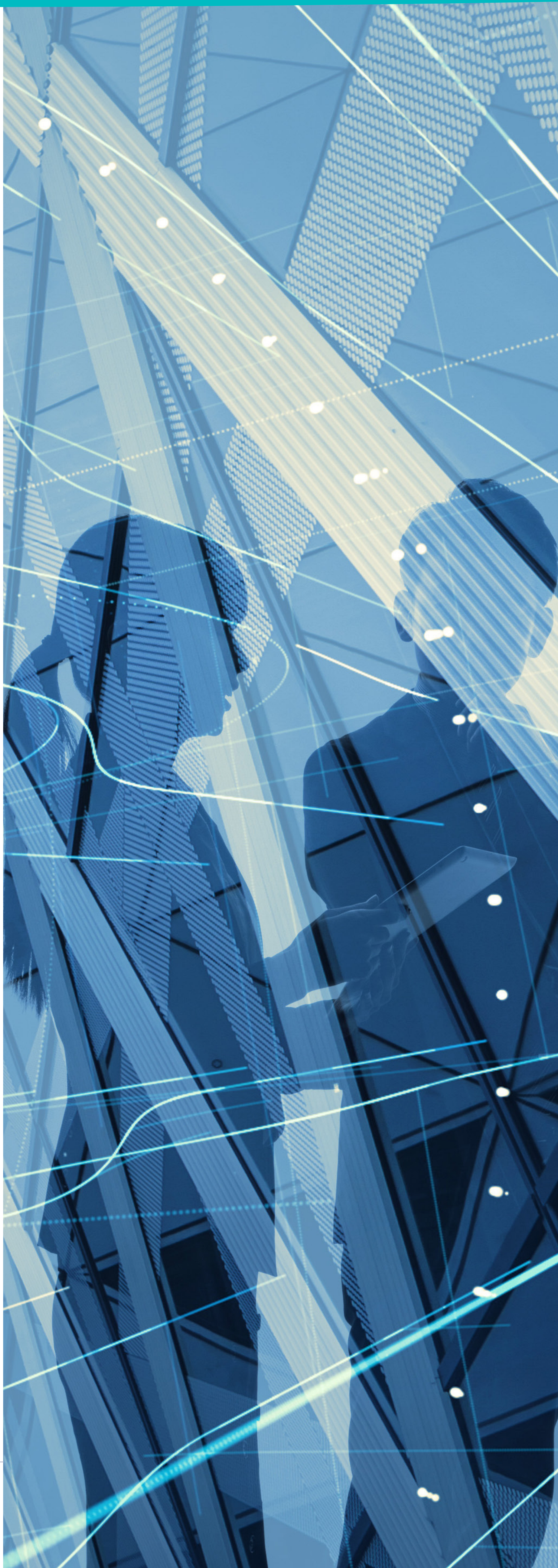
QUESTIONS TO CONSIDER

Assessing efficiency and productivity

- Do you have clearly defined metrics for self-assessing productivity by department and role? Or do you have a more ad hoc process?
- Has your productivity increased, stayed the same, or declined in the past three years? More importantly, how do you know? Is this your gut instinct, or can you point to specific metrics?
- Are there teams and/or departments that struggle with efficiency and productivity? Have you been able to determine why?
- If your organization consists of multiple agencies or groups, have you assessed the relative efficiency of each and identified how to leverage best practices?

Assessing capacity and performance management

- Do you have clear metrics for determining current and future capacity needs? What information and data are you relying on?
- Have you mapped out the primary business drivers and associated activities for each role in your organization? If not, start with mapping out 1-2 key roles within your organization.
- Based on this assessment, what is the capacity of the average employee to complete the associated activities? Have you made any changes at the team or organizational level that may have impacted capacity?
- How are you currently managing performance? Are your processes consistent across teams and roles?



ABOUT RESOURCE PRO

Focused exclusively on the insurance industry, ReSource Pro is a trusted strategic operations partner to insurance organizations seeking to increase their productivity and profitability. With a global team of more than 10,000 employees, ReSource Pro operates at the critical intersection of people, process, technology, and data to serve more than 1,800 clients across the carrier, broker, and MGA segments – consistently earning a +96% client retention rate for over a decade. It offers expert advisory services, proven business process management optimization and transformative data and technology solutions. It was recognized in 2024 by Inc. 5000 as one of the fastest growing companies in the US.

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