

RETHINK YOUR AGENCY OPERATIONS

5

Levers for More Business Growth & Profitability



Position your business for more profit and growth with five key strategies:

- 1 Develop high-performing producers
- 2 Gain insights for better policy management
- 3 Optimize Certificates of Insurance requests for greater efficiency
- 4 Shift focus from servicing small business toward profitable accounts
- 5 Get the most from your contingency income

1 Become a Better Producer

Elevate Your Game with Professional Development

Today's demanding insurance buyers, complex business environment, and high-risk landscape necessitate a different sales approach – one that is disruptive and turns the typical quote-bind process upside down – to enable producers to win large accounts. This means that producer sales training should adapt to today's environment. You can no longer play by the old rules.

The increasing complexity of the marketplace requires skills that go beyond likeability, desire, and connections. It requires producers and agencies to recognize the needs of today's complex organizations, how they operate, and what resources and capabilities they seek from their business partners.

Understanding Buyers' Behavior

Effective sales training begins with understanding buyer behavior and how buyers make change decisions. This includes learning how to tap into their emotions and address their aversion to risk. Good training addresses individual needs and provides coaching customized to those needs. For example, new and inexperienced producers have different needs from mature individuals with established books of business. No matter the producer, however, the most useful training educates the trainee on benchmarking and measuring their progress.

About

50%

of taught content is not retained within five weeks.



Often, producer sales training is a one-and-done proposition—perhaps a one-day or multi-day workshop—but these limited programs are not effective. What is needed are targeted, long-term plans that maximize results.

You need your producers to become trusted risk advisors and stop viewing insurance as a commodity. They must grow professionally to help buyers discover significant risks that are not addressed by their current insurance program.

Measuring progress is critical to assess the success of the producer training. Look at both lagging (historical results such as revenue generation by the producer) and leading indicators (sales-lead conversion rates, conversion of leads to face-to-face meetings, the number of proposals presented, etc.).

In addition, all producers—no matter where they are in their career—require a robust pipeline of leads and predictable revenue. Sales training should incorporate lead attraction and nurturing, so there is a constant flow of potential customers. Producers simply cannot rely on referral networks to fuel new business opportunities.

Within 90 days of traditional sales training,

84%

of what was taught is forgotten.



Prospect Smarter, Empower Producers to Get More Right-fit Appointments

To generate more income, you need a strategy to cut through all the noise and get noticed. Inboxes are saturated with emails, phone calls are screened and redirected, and today's hybrid work-from-home/hybrid-office paradigm further complicates a producer's ability to reach his or her prospective buyer.

Getting and creating a consistent flow of right-fit first appointments involves taking the time to define the perfect client, curate ideal leads, develop a strong value proposition, create messages and cadences that speak to the potential buyer's pain points, and drive buyers to set appointments. An inadequate pipeline of ineffective messaging could be costing your agency millions in lost opportunities. Sales training should hone these skills.

ReSource Pro Agency Growth Solutions

Agency Growth Solutions is designed to help create additional revenue for your agency by developing high-performing producers. Our solutions include:

- Disruptive Prospecting Program
- Virtual Learning Courses
- On-Demand Lessons
- P&C Risk Advisor Training
- Coaching Support



② Turn Your Post-Bind Process Into a Strategic Advantage

Optimize Operations to Accelerate Agency Growth

Everything that happens between the handshake and delivering a complete, accurate policy is the post-bind process. The post-bind process for many agencies is a missed opportunity to deliver accurate policies to insureds faster, especially in today's environment where responsiveness and a positive client experience separate the best from the rest. It's also an opportunity to fuel agency growth by maximizing your account managers' focus on revenue-generating activities.

Policy checking is often seen as a tedious process to ensure that what was quoted and bound is reflected in the insurance policy and, of course, mitigate the potential for an E&O claim. Often there are discrepancies that need reconciling and require inquiries to ensure that the issued policy is correct. It may mean going back and forth with the producer who sold the account because something may have changed from the time the policy was bound. Other times there are errors that require updating and endorsements. Some errors, if not caught, can lead to E&O minefields for an agency.

Remove Client-Facing Account Managers from the QA Process

All of this takes time. Account managers, who are often pulled in many different directions, get bogged down in policy checking as they prioritize client-facing activities. As a result, the agency fails to provide best-in-class service and doesn't deliver up to its fullest potential.

ReSource Pro Policy Insights

An integrated human and tech-enabled solution, Policy Insights harnesses ReSource Pro's expert knowledge garnered from 15+ years of experience and millions of policy checks. Our industry-leading post-bind platform aggregates policy data and provides analytics designed to identify and eliminate patterns of risk that impact earnings. The user-friendly platform makes your job easy, reducing tedious follow up to simple mouse click corrections.

Policy Insights optimizes and analyzes the policy-checking process to deliver:

- An improved client experience, as you're able to confidently get an accurate policy in the hands of your insureds quickly
- Greater agency operational efficiency, as your account managers are no longer mired in the quality-assurance process
- The realtime central platform helps your team make decisions quickly, fix discrepancies, and modify endorsements in minutes
- A significant reduction of E&O risk, including hidden risks that could potentially cause financially damaging consequences if not rectified

With Policy Insights, there's always a human in the loop to ensure accuracy of the policy-checking process. You gain complete visibility into the type of policy errors occurring, in which product lines, and by whom in your organization. Insights into these data patterns enable you to strategically coach your personnel to improve operational efficiency and carrier relationships.

Policy Insights seamlessly integrates with all agency management systems, exchanging data and documents to maximize productivity, and it ensures your system is always up to date.



Policy insight account managers spend **50%** less time on policy checking.

3 Streamline Certificates of Insurance

Reduce Operational Costs, Expand Bandwidth for Revenue-Generating Activities

Certificates of insurance (COI) are high priority requests. This is particularly true in certain industries, such as construction, manufacturing, transportation, and real estate (just to name a few), where proof of insurance is an integral component in an insured's project bids, supplier and vendor contracts, lending agreements, and other types of business arrangements and transactions. Many insurance agencies are managing a high volume of COIs, with some averaging 1,000 or more per month. While issuance of COIs is often perceived as quick and easy and a seamless part of the agency operation, it can be disruptive and time consuming for your staff. It's also another point for potential E&O exposures when the COIs are tied to complex risks.



10%
of E&O claims

involve workers compensation.



21%
of E&O claims

result from misrepresenting coverage on the certificate that doesn't actually exist.

Entry-Level Staff Require Training, Supervision for COI Issuance

Mistakenly certifying coverage that doesn't exist or indicating incorrect limits are both huge E&O exposures. Your insured may miss out on business opportunities when the certificate process is mismanaged, and yet, at most agencies, this type of business-critical work is assigned to entry-level team members.

The costs of managing COIs grows as your agency trains individuals on the ins and outs of contract review as well as on what to look for in the actual policy, so that the appropriate information is transferred to the COI. It also means having an account manager oversee the work of the entrylevel staff. Supervision of entry-level staff is critical to mitigate the risk of E&O claims

In addition, after a certain period of time, most entry-level individuals are looking to either move on or up in the agency, so there is continued high turnover. This costs your agency money in recruiting, interviewing, hiring, and training. It also takes valuable time away from the account managers responsible for ensuring their clients' COIs are done right.

The description of the insured's operation, which is input into a free-form field on a COI, can end up including language not reflected in the policy. A novice employee may not understand the nuances of insurance policy language, which can lead to potential E&O exposures if an insured's operation is misrepresented. Adding to the complexity, on demand certificates need to be produced in a short timeframe. If certificates are not done on a timely basis, your agency's reputation will also suffer.



About **75%**
of E&O claims
involve a CGL policy.



36%
of E&O claims

result from failure to add or properly
identify additional insureds.

Account Managers Have a Lot on Their Plates

Because COIs require solid knowledge of the policy and the customers' needs, many account managers opt to handle their own clients' COIs, which can be disruptive and a diversion from other important work at hand. For example, an account manager may be working on a renewal submission, only to be interrupted to issue a COI. The renewal submission keeps getting put off as more COI requests come in.

People often minimize the impact of COIs, as they are typically a two-hour per-day issue, but this can add up to 40 hours a month and impedes an account manager's ability to help grow the agency. Certificates, while a vital client touchpoint, are a costly interruption.

A Better Solution: Redistribute Your Certificates

Having a trustworthy, reliable, and well-trained source to manage COIs will eliminate the need to hire, rehire, train, and retrain entry-level staff and will provide your account managers with additional capacity to perform more valuable client-facing, revenue-generating activities to help grow the agency. Think about the time your agency could save if you outsourced even 80% of your COI requests. This would allow your teams to tailor service to the most complex accounts which require in-house expertise.

ReSource Pro Certs Center

Our Certs Center offers best-practice certificate-specific tracking and management with white-labeled service. All service team members are provided with rigorous certificate-specific training to provide accurate and quick turnaround of COIs, and their work is regularly audited to ensure compliance. We work with you to determine appropriate turnaround times that meet your needs, and we can deliver certificates within two hours during U.S. business hours. You gain access to unrivaled insights your customers' experience, including turnaround times, costs per account, complexity of every certificate, and potential hotspots of E&O risk.

④ Make Small Business Accounts Profitable

Free Up Your Professionals to Focus on High-Value Opportunities

Small business is one of the most attractive segments for carriers yet for most agencies, small business accounts are not profitable. They involve many touchpoints and divert staff attention from focusing on larger, more complex risks that generate profit.

But the fact is most agencies have a substantial book of business of small accounts that require client servicing, renewal submissions, and general account management – from chasing down information to solving problems and answering dozens of questions. Pareto's Principle is alive and well in most firms. Except for agencies who exclusively sell small business, this segment typically generates 20% of an agency's revenue but represents 80% of the agency's accounts.

To tackle this challenge, agencies have employed various approaches, including using carrier service centers, selecting certain tasks to be performed by third-party vendors, utilizing insurtech platforms for “fast and easy” quoting and binding,

or some combination of these methods. Many agencies find these tactics generally make the situation worse, not better, through greater inefficiencies, a lack of standardization, and an increased exposure to E&O losses and reputational damage.

In addition, client expectations are changing fast, putting additional pressure on organizations, and threatening their brands. Business owners want to talk to experienced insurance professionals, and they demand seamless follow-through. When this is not met, the insured and your staff are both left frustrated and unfulfilled.

60%-70%
of commercial accounts
fall below the break-even
threshold for most agencies.

The Way Ahead

The most successful agencies execute a plan that, over time, puts 100% of their focus on the 20% of accounts that generate 80% of their revenue. These accounts drive agency growth and profitability. They do this by:

1. Extracting small business completely from their agency's workflow.
2. Moving producers upstream through proper alignment of training, goals, and incentives.
3. Utilizing a managed-services model that incorporates people, process, technology, and data analytics to protect their brand.
4. Regularly evaluating their business mix to avoid small business creep which deflates firm value.



ReSource Pro Express^{IX}

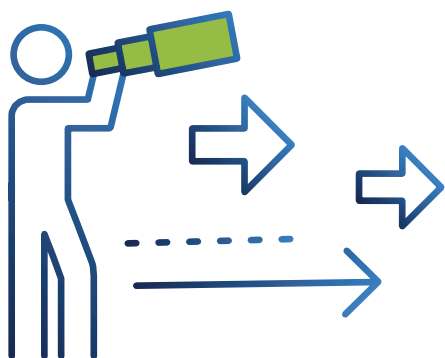
Express^{IX} serves as an extension of your organization and takes care of 100% of your small business accounts so you can focus on your higher-value, middle-market and large accounts. With this service, you have a white-label, one-stop service center handling the entire client lifecycle staffed with licensed insurance professionals, who typically possess more than 10 years of industry experience. Whenever a client calls, emails, and initiates contact, an Express^{IX} Customer Experience associate responds as a representative of your business to service the account and engage with your customers. We can also support growth through account rounding and mitigate exposures through risk assessments and timely client consultation. Plus, you will free up your talent to drive growth with more desirable mid-size and large accounts.

With Express^{IX} Customer Experience, the bottom line is that your margins improve, your profitability increases, and small business becomes a revenue generator for your agency.

5 Manage Carrier Contingency & Supplemental Income

Strengthen Carrier Relationships, Accurately Forecast Revenue

EBITDA growth for agencies involves three levers: cost reductions via operations optimization, revenue growth (production), and contingency/supplemental income. Contingency revenue is pure profit and has a direct impact on your bottom line. Six to 10% of agency income can be derived from contingency bonuses, which makes up 45% of an operation's overall profit.¹ However, with so many carriers, most agents don't take the time to understand and manage their carrier incentives and inadvertently leave significant money on the table.



¹ IIBA: 2015 Best Practice Study for \$25MM+ agencies

The Complexity of Carrier Contingency Contracts

You have many carrier relationships with contingency income contract provisions, based on performance. Each contract comes with different thresholds, calculations, and requirements (volume, profitability, loss ratio, renewal retention, etc.). The equations used to determine the contingency income may be complex and are typically difficult to track and manage. That makes it hard to assess whether you are meeting your contract goals and achieving the maximum benefits. In some cases, agencies need to assume carrier reports are accurate. Others, the tedious and time-consuming task of analyzing these contracts takes valuable time away from senior leaders.

Maintain Contract Visibility

With contingency contract analysis and insights, you can better manage your revenue and determine whether you're on track to hit your goals. Visibility throughout the year into your agency's progress provides you with an opportunity to align your production to the type of business your carrier partners want to write, providing a right-fit solution for your insureds while maximizing contingent income for greater profitability and growth.

Analytics generated from managing and tracking your contingency and supplemental income may be useful to negotiate improved partnerships with carriers.

ReSource Pro's Carrier Insights

Carrier Insights from ReSource Pro creates visibility into supplemental and contingency income contracts in order to understand, track and manage carrier incentives. Through an easy-to-use dashboard, managers see in near real-time how premiums and losses are trending within the context of multiple carrier agreements across business segments. ReSource Pro analyzes and organizes all your carrier contracts, develops payment models, and syncs data to an analytics engine so you can accurately forecast revenue, review results, chart course corrections if needed, and better negotiate with your carrier partners. You'll never leave contingency payments on the table again.



40% improvement in contingency income experienced by Carrier Insights clients.

About ReSource Pro

Your Operations, Our Focus

The success of our solutions is based on our experience with 400+ insurance clients and our philosophy that optimizing operations is central to growing an agency's business. We incorporate insurance best practices and best-in-class technology for accuracy and speed. All of our products, programs, and services are supported by individuals committed to delivering award-winning white-glove service, reflected, for example, by the Stevie awards we received for the service provided in our Express^{IX} Center. The analytics we provide with our platforms give our agency clients insight into their data to make informed decisions to leverage more opportunities and operate more profitably.

You will find that we take a holistic approach in the services we offer, with solutions that touch virtually all of the processes and operations involved in an agency. Our client retention has remained over 95% for over a decade.

Contact us to find out more about our solutions:

resourcepro.com

1-888-577-7552

