THE CLEAR PATH TO THE FUTURE

ROGER SITKINS
None of us knows with any certainty what lies ahead in business or in life, and that includes me. However, I do have decades of observations and experiences that can help you and your agency navigate a clear path to the future. While I have concerns about our industry, I’ve always believed that wherever there are problems there are opportunities. Therefore, I think the issues we face today will create tremendous opportunities for the right agencies, and those that survive are going to thrive! This white paper is meant to help agents and agency owners identify and capitalize on those opportunities.

Please don’t expect this to be a formal, footnoted research paper. What I’m presenting to you is based on the culmination of my past 35+ years in the business, as well as input from other industry professionals. It’s a project that started as a learning experience for me and my team at Sitkins Group, Inc., but soon took on a life of its own. As a result, what started with asking a simple question rapidly morphed into a major project, from which this paper was produced/formulated.

My question: What are the greatest problems facing independent agencies today?

I asked a number of key contacts and friends in the industry this question, explaining that this research was part of my quest to continually improve. They represented large, medium and small agencies, and also included insurance company senior executives, plus other influencers within the business.

The 90%+ response rate I received was extremely gratifying and I really do want to thank everyone who responded to my request for research. I’m particularly grateful for their trust in me and their candor. Their insights helped confirm many of my concerns, prompting me to dig deeper in my search for answers.

Interestingly, senior executives of some of the largest insurance carriers were the first to respond. That indicated to me that our industry’s top influencers are concerned about their distribution system. They’re aware of the problems facing agents today and they’re increasingly concerned that they’re not being addressed. That promises to create a much larger problem for agencies down the road. After all, if you don’t design your future now, somebody else will.
Many independent insurance agency leaders struggle with low organic growth. According to the Organic Growth & Profitability Survey published quarterly by Reagan Consulting, the agencies they track had a 4.5% organic growth rate in 2017. It’s currently at 5.1%. Such a lackluster growth rate shouldn’t be cause for celebration, even if it’s slightly greater than the previous year’s growth. It’s definitely not impressive for agencies that should be growing at two or three times that rate, and it certainly won’t land anyone on Inc. magazine’s annual list of fastest-growing companies. If they continue as is, they’ll probably see similar organic growth again this year. In fact, this “4.5% Model” maybe exactly what’s holding them back!

In addition to achieving this unexceptional 4.5% growth rate, many agencies are also struggling with staffing issues, insurance carrier demands, digital disruption, increased competition, client retention, and many other challenges. Certainly, these challenges present tremendous opportunities, but only to those who get ahead of them!

In spite of all the ongoing struggles in our industry, I want to emphasize that this is still a great business, which I expect it will continue to be in the future. Profits are at very high levels (approx. 25%), although operating profits (no investment or contingency/profit-sharing considered) are around 20%. This is clearly below the 25%+ operating profit we at Sitkins coach agencies to achieve and exceed.

Agency values and acquisition activity are at all-time highs, as (a) venture capital firms realize what a great and profitable business we’re in and (b) national, publically owned brokers must continually grow in order to enhance their value.
As I write this, valuations are at 8 X EBITDA with another 3.2 X EBITDA on the earn-outs, bringing the value to 11.2 X EBITDA. Some firms are getting even more than that!

One of my most widely-read Winning Strategies articles in Rough Notes magazine was “Stop Losing Millions.” In it, I pointed out that every $125,000 of unrealized profit is the equivalent of losing $1 million of unrealized agency value. This takes into consideration the multiples mentioned above.

And it all stems from having $125,000 of unrealized profit caused by not doing the right things. A common, recurring comment I often hear is, “It used to be a lot easier.” I can’t tell you how many times agency principals say that. Usually, it’s followed by, “Remember the good old days?” Well, you heard it here first: The good old days are good and gone! Having said that, let me add the good news: There’s a very exciting future!
At our live training programs for CEOs, sales leaders and producers, I always ask the following questions.

“How many of you are making more money than you thought you’d make?” (Every hand goes up.)

“How many of you are earning more than your parents or siblings?” (Again, most hands go up.)

“How many of you are making more money than you’d make if you had a real job?” (Everyone bursts out laughing as all hands go up.)

And finally, “How many of you would be fired if you had a real job?”

At this point, most people are laughing so hard they don’t even bother to raise their hands. They know that at a real job they’d have to follow the rules or be fired! So again, is this a great industry or what?

Despite the formidable challenges we face, the best agencies will continue to respond to them and build great companies.

My question for you (courtesy of Dan Sullivan):

“Is your past greater than your future, or is your future greater than your past?”

At the best agencies, their future is greater than their past — and their past was pretty great!
Differentiating in a Crowded Marketplace

There have always been a lot of independent insurance agencies in the marketplace, just as there are today. But the competition seems to be increasing by the hour, thanks largely to the proliferation of digital technology and online marketing.

Consequently, most agents hear the following comments quite frequently:

✓ “You insurance people are all the same.”
✓ “Sure, you can bid on my business insurance; we shop it every three years.”
✓ “Can you give me a quote on my business insurance? I’m just trying to keep my current agent honest.”
✓ “I’d like a quote on my automobile insurance.”
✓ “I noticed my homeowners insurance increased $25. Could you shop it around?”

And those are just a few examples. There are so many others because consumers have so many additional purchasing options that didn’t exist until recently.

Whether it’s personal or commercial lines, consumers are constantly being educated that insurance is all about price. So if you sound like, look like and act like every other insurance agent or agency, people will assume that’s who you are — like everyone else. This leads to price-only selling, practice quoting and unpaid consulting.

One of the reasons the marketplace is so crowded is that most agencies have not differentiated.
They simply do not have a compelling story of differentiation. When asked, “Why should I do business with you/your agency?” most will respond with the same standard, boring, “Generic Five” lines.

1. “We give great service.”
2. “We’re local.”
3. “We represent all of the major insurance companies.”
4. “We’ve been in business for 100 years.”
5. “We have the best people.”

That last one annoys me. Really? Is there a vortex in the universe that sucked all the best people in our industry into one agency?!

Now don’t get me wrong. I find that most agencies provide excellent reactive service, represent a slew of great companies, have been around a long time and have some great people. There’s no doubt about that. There’s just not a compelling reason why I should even consider you. You’re just not different.

Furthermore, the vast majority of agencies simply have no formal, systematic selling and marketing process. For most, the “selling system” (or set offense as I like to call it), is still focused on the old way of selling:

**Look, Copy, Quote and Pray.**

I’ll look at your policies, copy the information, give you a quote and then I’ll pray that the premium I present to you is less than what you’re paying today. I’ll continue praying that you don’t take my quote, give it to your current agent and tell them, “Match it and you get to keep the business.”
Do you have an “agency’s way” of selling and marketing your products and services? As an agency owner and/or producer, how would you answer the following:

- What’s your 30-second commercial? What’s your two-minute infomercial?
- What’s your Unique Selling Proposition (USP) — the unique and appealing ideas and things that separate you from all other “me too” competitors?
- What’s different in your process of risk assessment, risk transfer and risk prevention?
- Do you and all of your team members know your top five PODS, or Points of Differentiation, and do you actually deliver on them?

Of course, I realize that changing the consumer’s perception remains a challenge when TV’s Flo and the gecko saturate the marketplace. They, and others, spend billions on advertising. It’s no wonder the consumer thinks it’s all about price! Plus, once you click through to a site, it has your data and therefore, tracks you indefinitely. And this is not just in personal lines. Small to mid-sized commercial accounts are getting the exact same message. That’s because it’s irresistibly easy for the consumer or business owner to call a toll-free number or “click here for a free quote” on hundreds of different websites.

Again, please don’t misunderstand my point. The reality is that when properly utilized, digital marketing can help aggressive independent agents fill their pipelines (although I fear that most are filled with suspects, not Future Ideal Clients). But while digital marketing can provide you with opportunities, it’s up to you to seize them. Once you get an email, phone call or online alert, what do you do with it?
When I talk to agency owners about the number of clients they’ve gotten from online contacts, I hear vastly different stories.

What is one doing to get the prospect’s business that the other one isn’t? When an opportunity arrives, what are you/your producers doing and saying to connect with the prospect and close the deal? What’s your process and how do you follow up on it?
Embrace Technology Before It Replaces You

I’m a huge fan of Dan Sullivan’s Strategic Coach program. Many years ago, he said something that initially, I didn’t fully appreciate or understand.

“What you currently get paid for you, may do for free, or be totally taken out of. What you currently do for free may be the only way you get paid!”

Although he was referring to the advent of the microchip, his message is just as applicable to the digital disruption occurring today.

Primarily, agencies get paid for the risk-transfer mechanism they provide (e.g., insurance). They transfer the risk from the individual or business to the insurance carrier. Once the insurance is purchased and placed, the service they provide is reactive. So in essence, most agencies are pass-through middlemen that respond to the needs of the insured but that otherwise add no real value.

These days, digital technology is rapidly assuming many of the functions and responsibilities for which agents used to be compensated, namely the purchase and placement of coverages, along with reactive service. This makes it easier than ever for customers, especially personal lines and small commercial lines, to buy and service most of their needs via their desk top, lap top or other digital device, with little or no human contact. This trend continues to accelerate at lightning speed.
So what are agencies doing now “for free” that may be their primary source of compensation in the future? I believe the answer lies in so-called value-added services and tools. These mainly involve providing risk advice that outlines ways to control the client’s true cost of risk, improves their risk profile with the marketplace, and protects their assets.

According to reliable sources in the industry, the insurance carriers themselves are spending hundreds of millions of dollars on digital platforms. Why? For one thing, today’s consumers are demanding it. Furthermore, it costs the carriers less to do business digitally than personally. As one research respondent revealed, the staggering cost difference between transactions handled on the phone vs. online.

The use of insurance carrier service centers is also altering the way agencies operate. Originally, I wasn’t a fan. However, the carriers have invested significantly in technology and training, and I now urge agencies to put 25% – 50% of their personal lines and small commercial lines into a service center.

By the way, the bottom 50% of your customers probably generate less than 10% of your commission income. This frees up resources so that you can provide a great customer experience to your best customers. I’m referring to your A and B accounts, the top 20% that generate 80% of your revenue – not the bottom 50%.
I realize this isn’t for everybody, but if you don’t know your 80/20 numbers (discussed in depth in Chapter 4), you can’t even begin to make a valid decision about which accounts to place with a service center.

It’s also crucial to remember that once the account moves to the service center, it’s moved! It’s gone. It’s no longer in your agency. One of my research contacts said that if he were an agency owner, he’d transfer as many transactions and expenses as possible to the carriers. And I agree with him. This frees the resources, agents and agencies needed to focus exclusively on risk assessment and transfers, asset protection, and risk management planning.

In my discussions with insurance carriers over the years, I’ve found that 54% of incoming phone calls to the service centers are agency personnel calling on behalf of the client. Keep in mind, the client either has been given the service center’s toll-free number to call directly for assistance or their call is automatically routed to the center. And yet many agencies continue to service the accounts they’ve moved to a service center. This makes no sense! Once the account is moved, it’s moved. You need to be focused on the clients you’ve kept in-house.

Embracing technology also means getting serious about using all of the capabilities of your agency’s automation system. My content partner in The Better Way Agency program is Angela Adams, CEO of Angela Adams Consulting, Inc. She’s unequivocally the best in the industry when it comes to the internal operations of agencies and maximizing their automation systems. I’m constantly questioning her about the use of technology and automation within agencies.
Recently, she shared with me that the average agency uses only about 20% of the capabilities of their internal and carrier-provided technology. That’s about the same percentage of agencies that are active in an automation vendors user’s group. I find that incredible! Learning from others is one of the best and easiest ways to maximize your system. How else — and when — are you going to do it?

If you’re behind the technological curve, your time to catch up is rapidly running out. With the proliferation of ever-evolving technology, more and more of the routine service items and transactions that keep everyone “so busy” are being handled digitally, outside of the agency. Therefore, in order to stay relevant and not become obsolete, agencies and their teams will need to pivot from handling transactions to providing risk advice and insurance solutions.
The Power of the 80/20 Rule

In 1897, Italian economist Vilfredo Pareto was conducting a study on land ownership and wealth when he discovered that 20% of the people owned 80% of the land and had accumulated 80% of the wealth. Basically, he discovered that there is a predictable imbalance in the universe (or at least in our world), by which everything seems to follow the 80/20. Yet despite the evidence to support it, this law of nature is largely ignored in our industry.

Over the years, I have conducted literally thousands of studies on total agencies and their producers' books of business. Historically, I have found that agency-wide:

![80/20 Rule Diagram]
A closer look reveals:

<table>
<thead>
<tr>
<th>Top 2% of Customers</th>
<th>33% Commission</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bottom 50% of Customers</td>
<td>&lt;10% Commission</td>
</tr>
<tr>
<td>Bottom 25% of Customers</td>
<td>&lt;4% Commission</td>
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In working with a large Midwestern agency with about $10 million of commission income, we found that the bottom 50% of its customers generates only 6% of the commission income. Does this mean that profitable accounts are subsidizing unprofitable accounts? The answer is pretty obvious.

Several years ago, I was invited by a great regional carrier to present to the CEOs of their best agencies. As we delved into the 80/20 of agencies, an insurance company senior manager began to wonder if the rule applied to his organization. He left the room and about two hours later, he confirmed that the top 20% of their agencies generated 80% of the company’s premiums!

Conversely, based on studies I completed in 2016-2017, we find that for agencies, the top 20% of their insurance carriers write 80% of the premiums they generate. Furthermore, after also applying the 80/20 Rule to the Best Practices agencies, I discovered some startling information.

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1 The Best Practices Study is the industry’s premier benchmarking report for high-performing insurance agencies and is produced annually by Reagan Consulting and the Independent Insurance Agents and Brokers of America (IIABA).
### 80/20 Analysis
$5-$10 Million Dollar Agency

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Top 5%</th>
<th>Mid 15%</th>
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<td>Average Gross Revenue</td>
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<td>Contingency &amp; Investment Income</td>
<td>$731,089</td>
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<td>Operating Revenue</td>
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<tr>
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<td>100%</td>
<td>50%</td>
<td>30%</td>
<td>20%</td>
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<tr>
<td>Revenue/Relationship</td>
<td>$1,071</td>
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<table>
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<tr>
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<td>Gross Revenue</td>
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<td>% of Revenue</td>
<td>38%</td>
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<tr>
<td>Revenue/Relationship</td>
<td>$20,530</td>
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### 80/20 Analysis

$2.5-$5 Million Dollar Agency

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<td>Operating Revenue</td>
<td>$3,163,649</td>
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<tr>
<td>Revenue/Relationship</td>
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### 80/20 Analysis
$1.25-$2.5 Million Dollar Agency

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<tr>
<td>80/20 Analysis</td>
<td>$1,796,547</td>
<td>$183,248</td>
<td>$1,613,299</td>
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<td>Accounts</td>
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<tr>
<td>Operating Revenue</td>
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<td>$806,650</td>
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<tr>
<td>% of Revenue</td>
<td>100%</td>
<td>50%</td>
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<tr>
<td>Revenue/Relationship</td>
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<td>$6,402</td>
<td>$1,284</td>
<td>$160</td>
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<table>
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<tr>
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<tbody>
<tr>
<td>Accounts</td>
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<tr>
<td>Gross Revenue</td>
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<tr>
<td>Revenue/Relationship</td>
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Using the power of the 80/20, we coach agencies and their producers exactly how to implement The Ultimate Marketing Strategy, which is to Round Out, Retain and Replicate your best clients. More specifically, you want to Round Out your accounts so that you have full-time clients only, and Retain and Replicate your A & B clients. At the same time, you want to systematically “trade down” your C clients. The bottom line is that you’re going to replicate something, what do you want it to be?

Let’s say it takes you four years to implement this strategy. What if, by embracing technology and focusing on your top 20% during those four years, every A & B client gave you two (well-deserved) referrals? You know that your closing ratio on referrals is over 75%, but let’s just use 50% for example. If every A & B client were to give you just one referral that you sell over that four-year period, what sort of impact do you think it would have on your revenue growth? Here’s a hint: Because A & B customers tend to associate with other A & B customers, they’ll be referring like-kind accounts to you. By replicating them, you could grow your revenue by 80% over four years!!

Ignoring the power of the 80/20 rule will cause agencies to experience horizontal stagnation versus vertical acceleration. Horizontal stagnation means you are simply replicating what you’ve done in the past (The 4.5% Model). You’ll write/order-take a lot of C accounts, pursue and write a handful of B accounts, and get lucky on a few A accounts. Vertical Acceleration is the core of the Ultimate Marketing Strategy. You grow vertically by replicating your A and B accounts.
As an agency owner or agent, have you ever wondered why 90% of your accounts renew but fewer than 5% refer? One of the main reasons for so few referrals is that we’re not focused on providing the Ultimate Client Experience. While we believe that every customer should receive excellent service, it should be commensurate with the size of the account or the value they bring to the agency.

Accordingly, you should put in place service standards that clearly define what your agency will do for its A, B & C customers. What coverages are non-optional? What is your fiduciary responsibility to your clients? Should you do an annual Risk Survey or yearly review on every customer? Absolutely! You owe it to them.

The Client Experience is all about how they feel after dealing with you and your agency. When your customers talk to a member of your staff, do they feel like a valued client or an inconvenience? If you want them to feel appreciated — not just tolerated — you must have team members who love what they do and understand the importance of their roles in the agency. This applies to everyone who has any contact with customers.

Team members should provide prompt, accurate and courteous service to their clients. This brings to mind the service-focused mantra of one of our Sitkins clients: “In everything we do, we’re quick, kind and correct.”
So much of the client experience comes down to Promise Making and Promise Keeping. However, Promise Exceeding is the key aspect of the Ultimate Client Experience. You’ll notice I didn’t say anything about “exceeding expectations.” It really irks me whenever I encounter that vacuous phrase because it’s meaningless. “We exceed your expectations!” Really?? Have you ever — even once — asked a customer to elaborate on what they expect from you?

I often tell the story of a producer who walked in to one of our training camps wearing a golf shirt embroidered with his agency’s logo and the words “Exceeding Expectations.” Seeing those two words compelled me to ask him, “What’s the name of your largest customer?” After he told me, I couldn’t resist following up with, “What are their expectations?” He responded with a blank look, so I repeated the question. At that point, he realized what I was getting at and admitted he didn’t know.

We believe that the key to the client experience lies in knowing your customers’ expectations. The best way to find out is to ask your A & B customers directly what they expect from you. Ask them,

“What has to happen over the next 12 months to ensure that you’ll continue your relationship with me again next year?”

Remember, you cannot exceed that which is not documented!

Have you ever documented a customer’s expectations? If not, then how can you exceed them?
Once you know what the client expects, be sure to enter that information into your automation system and also bring it to the attention of your service team that is handling that account. They should also be aware of the promises you’ve made. Remember, the producer makes the promises, the service staff makes sure those promises are kept. However, the best agencies strive to exceed those promises by always doing more than what is expected of them. Their producers and service partners are constantly asking The One Thing Question: “What is the one thing we/I could have done differently to better service your needs in the last three months?” The desired response: Nothing, you’re doing a great job.

That’s also the response your staff should hear at the conclusion of any customer service transaction. At the end of a phone call, for instance, the service person should always ask, “What else can I do to help you today?” or “Are there any other questions I can answer for you or any issues I can assist you with?” This is one time you want to hear “No!” It tells you the customer is satisfied.

Creating a positive client experience starts with hiring great people and continues with great training. Is the client experience something you talk about at every sales meeting and every agency meeting? Do you share examples of outstanding customer service on a regular basis?

It really comes down to the reactions you receive from your clients. Are you creating WOWs or WHOAs? Satisfied customers will say, “Wow, that was really great!” and tell all their friends about you. Customers who receive poor service from rude staff members are also apt to share their experience with friends. However, their comments are more likely to be, “Whoa — that was terrible!”
Getting to know your clients personally is essential to providing the Ultimate Client Experience. That’s because the more you know about your clients, the better you’ll be able to meet their needs and retain their business. The best agencies understand this and maintain comprehensive profiles on every customer. These profiles should contain as much information as possible about the client’s life, including where they were born and raised, their educational background, the names of family members, hobbies, birthdays, anniversaries and much more.

Maintaining any ongoing relationship requires give and take, or as I like to call it, “deposits and withdrawals.” In our business, the more time and effort you invest in a client (deposits), the more withdrawals you can take (e.g., they’ll continue as a client and provide a referral or introduction).
Producers Who Actually Produce

At one of my private client group roundtables, I'll never forget when a client of mine said, “You've got to define the job of a producer and then don't let them fake it.” Too many producers are faking it! At best, most of them are actually part-time producers. Their full-time job seems to be servicing clients—which they are not uniquely qualified to do—and hiding behind activities. In other words, they are busy being busy! Busy should not be a badge of honor, and yet for too many producers it is.

Because it is such a great business, producers can achieve personal income of $100,000 to $250,000 relatively quickly. But once they start getting “semi-successful,” many of them get stuck (or hide) behind The Service Trap. This is when you'll start hearing them complain, “I’m too busy to get out and sell or even see my clients.”

The first step to becoming a great producer is “buying back” selling time by unequivocally separating sales from service responsibilities. As a result, they can then spend 80% of their time, energy and effort on the four key money making activities:

1. **Sales**
2. **Relationship Management**
3. **Continuation Process (not Renewal Process!)**
4. **Pipeline Building.**

The service team should be solely responsible for handling all day-to-day service needs.
The reality is, the average producer spends less than 6% of their week in sales and sales-related activities. Now I can almost hear you saying, "What?! No way!" Yes, way! Keep in mind I said your "week," as in your total week.

<table>
<thead>
<tr>
<th>168 Hours Per Week</th>
<th>Total</th>
<th>100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>40 Hours Per Week</td>
<td>Work</td>
<td>24%</td>
</tr>
<tr>
<td>Evenings &amp; Weekends</td>
<td>Free Time!</td>
<td></td>
</tr>
<tr>
<td>20 Hours Per Week</td>
<td>Clients, Future Ideal Clients, Centers of Influence</td>
<td>12%</td>
</tr>
</tbody>
</table>

Accordingly, if the average producer is spending half as much time — fewer than 10 hours per week — face to face with clients, future ideal clients and centers of influence, that's less than 6% of the total week.

Due to The Service Trap and an addiction to distraction, producer productivity is going to be very low. Just getting producers back in the game, even if they're simply winging it, will increase production. But that's a short-term fix. Long-term success requires a strategy and a system of accountability to keep producers actively engaged and playing at the top of their game. In the game we know as insurance, producers at the best agencies rely on a Sales Playbook.

A well-developed Sales Playbook consists of three sections:

- **Prepare** – The relentless preparation needed to create the highest version of your producers.
- **Play** – How to pivot from B2B Marketing to ABM (Account Based Marketing), better known as flipping the funnel.
- **Stay** – How to move to 100% Effective Retention.

It shows the best strategies to Prepare to play the game; the best way to Play the game; and how to Stay in the game. It becomes the foundation for the much needed culture of accountability.

The reality is that less than 10% of agencies and their producers have any form of a Sales Playbook.
Leaders Who Actually Lead

The underlying theme of almost everything we talk about here is developing leaders who actually lead their organizations. Leaders plot their future in a very purposeful, intentional way. They're the ones with a playbook they live by. Their leadership approach is, "Here's where we're going and here's how I'm going to guide you."

However, we find that far too many agencies postpone their success because they lack clarity on their Future Great Agency. They simply haven’t designed their future. Rather than be the architects of their success, they allow outside influences and time to dictate where they are going. Essentially, they’re sitting on the sidelines wondering what’s going to happen and waiting for the game to play them!

I’ll concede that most of them still do very well, even though they’re just coasting along. But like I always say, you can only coast in one direction! Oddly enough, it wasn't always like that. There was a time in our business when it was possible to coast uphill. No more. Like gravity, the changes in our industry no longer allow you to defy the laws of nature and coast uphill. You must know where you are going and how you will get there.

Incidentally, do you know how to tell if you’re a leader? Turn around and see who’s following you! It's lonely being a leader of one!
Signs of a Great Leader
The best leaders possess the 3 C’s: Clarity, Confidence and Capability.

- **Clarity.** Top leaders are clear about where they are going and the results they expect. They know exactly what they’re looking for in their Key Performance Indicators.

- **Confidence.** The best leaders are confident about how they will get where they want to go. Their belief structure is unshakable. As Fort Myers winter resident Henry Ford once said, “Whether you think you can, or you think you can’t, you're right.”

- **Capability.** In order to lead, leaders must have the capability, which consists of products, people and processes. Do you have the right products, the right people and the right processes?

All of this ties into a culture of accountability, which is noticeably absent in most agencies today. The best leaders hold themselves to a higher standard by committing to personal accountability. They often ask themselves,

"Did I do what I said I was going to do?"

Of course, they always do – and they expect the same from others. There are no hypocrites among the best leaders!

Hypocritical behavior doesn’t work. You can’t say one thing and do another. You’re a role model, whether or not you choose to be. That’s why it is so critical that you lead by example. In fact, some of the best agencies we work with have actually amended their strategic plan to include a pledge to not be hypocritical. Their leaders will never ask their people to do something that they’re not doing. This applies to everything from attending networking events to rehearsing presentations. If you’re not doing it, why should they? The best leaders won’t allow the wrong behaviors from anyone in the agency, including themselves.
One of the overriding themes of true leadership is the concept of Knowing vs. Guessing. True leaders know their Key Performance Indicators, they know their people, they know their processes and they know everything else that’s really important. They’ll never answer a question with, “I think it’s about...” or “My best guess is...” The best leaders know the vital few statistics; they know the numbers. There's no guesswork involved.

The best leaders continuously invest in their people and in their company. The most profitable professional services firms with the greatest growth spend an average of 2% of revenue on training each year. And according to a recent Best Practices study, the average Best Practices agency spends only 0.4%.

What gives you an unfair competitive advantage? Based on my experience, agencies that have the greatest competitive advantage have a business coach. Why would you attempt to make a decision for the first time when you could have the help of a coach who has made the same decision a thousand times? Why would you want to deliberately make a costly mistake if you knew that the right coach would keep that from happening? Okay, that was self-serving, but true!
Summary

As I said at the beginning of this white paper, I don’t expect you to agree with everything I’ve written here. Furthermore, there are hundreds of additional topics I could broach on this journey to the future. However, I’ll refrain from doing so, as I strongly advocate Simplicity vs. Simplexity (taking that which is simple and making it so complex that the intended message is lost). Apparently, I’m in good company. To quote Leonardo da Vinci:

"Simplicity is the ultimate sophistication."

I believe that the agencies of the future will focus exclusively on these three things: How do we Sell More? How do we Retain More? How do we Earn More? If you’d like to Learn More, visit Sitkins.com.