

The Value of Trust

By Chris Burand

I recently had dinner with a mortgage banker. I had always wondered what competitive advantages separated one mortgage banker from another so I asked him, "Why should people go to you for a mortgage instead of someone else?" He replied, "Because people trust me."

What a great answer! A true salesman!

Trust is a critical factor in so much of our success. Trust affects a salesperson's success and an agency owner's management ability. It also affects how and what we sell.

Having worked with hundreds of insurance salespeople and having met thousands, a key factor most successful salespeople possess is that people quickly trust them. Yet when I have asked those same successful agents their key to success, they usually talk about hard work and working hard for the customer. They do work hard but so do thousands of less successful agents. The key is that people trust them more quickly and more deeply.

Recognizing one's true competitive advantage is key to maintaining that advantage. For example, many, many agency owners have this "trust factor" but they do not completely recognize or accept it. They attribute their success to hard work and they often (to the detriment of their agency) attribute the lack of their producers' success to the lack of hard work. No matter how hard some producers work, they will never achieve the same level of success because they do not possess the "trust factor." Not understanding this, the owner never lets up on the producers, causing dissension, and decreasing the agency's success.

The opposite also happens. People whom others inherently trust often trust others inherently. The result is that some agency owners simply trust their producers will work hard and so refuse to closely monitor their work. After all, the owners did not need close monitoring and they succeeded, so why should their producers need it? Many owners' trust is poorly placed given so many producers' poor productivity.

So what price tag can you put on trust? For example, maybe you are the most trustworthy agent but will your customers pay, say, 10% more? What if there is more than just price at stake? What if the competition offers a better package at lower rates? As the smart agencies begin offering truly world class service such as 24/7 availability, automatic certificates upon request, policy information on the Web, loss control, and the like, and all at lower prices, customers will question the value of going with someone just because they are trustworthy. Trust will no longer be enough. Many agents have made a very good living by selling trust, like the mortgage banker, because for years, few discernable advantages existed between agencies. In effect, these producers have been selling trust, not insurance. Times have changes though. Differences now exist, such as companies offering better prices to preferred agencies, preferred distribution channels, and some agencies now sell trust *plus* competitive advantages. The bar has been raised.

In fact, as the bar gets higher, agents that do not keep up may be perceived as being slick rather than trustworthy. For example, would you trust an agent who is not offering as good a product, as good service, and/or as good prices but is otherwise trustworthy? Might a customer start thinking that a truly trustworthy agent would offer his or her customers the best? Might they think that without substance, the salesperson is selling nothing but hot air?

To me, the essence of selling is establishing trust quickly on an individual basis. Too often, especially in the past, our products and prices did not differ enough for anything but trust to be the defining factor in a sale. Going forward though, selling will not be enough in and of itself. We will have to sell *and* market. Marketing is the creation of competitive advantages. Competitive advantages can be better service such as 24/7 availability. Every agent I've ever known has claimed they provide great service, but it is not important to provide great service. Providing *better* service than the competition is important. It's like having a wide receiver who can run a 4.0 40 yard dash. That's a great advantage if the cornerbacks all run a 4.5 - 40. The receiver is faster, better. If the cornerbacks run a 4.0 - 40 too though, the receiver is still fast, but not fast enough. He doesn't possess a competitive advantage. What can you prove your agency does better than the competition?

When agents create competitive advantages and combine them with their trustworthy personalities, their achievements can be mind boggling. Revenues per person in excess of \$150,000 is one example. Combine trust with services you can demonstrate are better than the competition and you will make profits like never before!

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March 2001