

Getting Salespeople Back on Track

By Chris Burand

Just because a salesperson is good enough to sell ice to an Eskimo doesn't mean that person is actually selling any ice to anyone. Plenty of people have the talent to sell, but they do not effectively use their ability.

If the underseller is a non-owner producer, the situation is relatively easy to resolve. Address the lack of results, identify the cause of the producer's poor results, and then determine if the producer is willing to try to improve. If so, design an improvement plan, monitor it closely, and fire the producer if the targeted goals aren't met.

If the underseller is an owner, resolving the problem can be very difficult. Often, underselling owners do not see the situation for what it is because they are too close to it. Listening to these owners without seeing their results, one would think they were selling \$1 million of new commissions a year! They can be very convincing.

Several years ago, I talked regularly with an agency owner for over a year before he finally hired me. By the time he did hire me, I was absolutely convinced his book was growing \$500,000 annually. I was thrilled to work with such an amazingly good producer. When I finally saw his financial statements, I realized his book was only growing \$10,000 to \$20,000 annually. When I inquired about this, he was shocked. He, too, thought he was doing better. He had even convinced himself!

The problem? He wasn't adequately considering retention. After factoring in retention losses, smaller accounts than anticipated, a somewhat inflated ego, and all the accounts he would soon get, the difference was clear. Often awareness alone is an adequate catalyst for owners to begin really selling again, as it was in this case.

Resolving an "underselling owner" problem can be more difficult if the owner is one of several owners in a partnership. It is common to see the partner who has historically been the top salesperson begin to slow down considerably over time, but true awareness of the problem often occurs quite suddenly. This owner's role in the partnership has been to sell while someone else managed. Now that the partner isn't selling, what is he or she contributing? Most likely, the partnership agreement doesn't address a partner not selling, and now the agency must pay that partner significantly more than deserved because the contract doesn't provide any resolution. (This example is so common that it should motivate all partners to check their shareholder agreements to ensure that this potential problem is adequately addressed.) An intervention of some kind is usually required in these situations.

A successful intervention will address the issue in a logical, helpful manner that gives the underselling partner another chance and motivates him or her to rediscover their talent for great salesmanship. No one wants a free ride, and hopefully the intervention will be a catalyst to improvement. Building this intervention structure into your operating policies is also a wonderful thing to do for your employees and partners. Some will respond positively to the motivation you

provide, but some will not. (These people often fall into a category best described by the old adage, “You can lead a horse to water but you can’t make it drink.”) What can you do about persistent non-performers?

These people are cancers in your agency. They may be great people, but unless they are truly contributing to the agency’s success, they likely are damaging the agency. Unfortunately, agency owners often want to be these people’s redeemers. They want to help these producers and partners find their way back to the path of profitable sales. After giving them so many chances, however, you need to let someone else redeem them. Either they are not redeemable; you are not the right person to try to redeem them; or they cannot be redeemed within your agency’s environment.

Your willingness to try to work with a nonperformer will be noted by everyone else in the agency and it will motivate them. Your ability to see a situation for what it is and to end a nonproducer’s employment or partnership will show people you are a leader, a person that has the agency’s best interest in mind. Your fair but decisive action, taken without malice or cruelty, will mean a lot to your insurance agency staff. They see often fellow staff members treated this way, but they do not always see the same consequences imposed on producers or partners. When everyone is treated the same, morale improves.

Hopefully, you can bring your best salespeople back on track simply by making them aware that their production is falling and by helping them overcome their difficulties. Most of the time, this is all that is needed.

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