

Creating a Sales Environment

By Chris Burand

A recent, unpublished study of young and good producers discovered that at least half left their jobs after a short time due to their agencies' poor sales environments. These were certifiably good producers, the kind of people this industry critically needs. I think it is safe to say a new producer costs a minimum of \$150,000 the first three years with minimal production, so these are very costly losses and all because of a poor sales environment. What a waste.

How can agencies turn this around? A desperately important key, is to understand the difference between being producer friendly and creating a good sales environment. I find that most agencies with poor sales environments are overwhelmingly lax in making their producers accountable for sales – or anything else. A common assumption is that because producers are paid commissions, that commission-based compensation should take care of everything else. It doesn't! Creating a good sales environment requires some amount of discipline, not necessarily a lot, but some.

Producers must follow agency rules and procedures. They must provide staff and companies adequate information. Producers must offer customers all the coverages they need, not just the coverages the producer thinks the customers might buy. This is not asking for too much. These are the basic requirements of the job.

If a producer protests these very reasonable requirements because it takes him or her away from making sales, take a look at how much the producer is really selling even without these requirements. I'll bet it won't be much. So, does their argument has any merit? I doubt it. I find good producers, and especially good young producers, usually have no problem with these requirements. They expect accountability. On the other hand, when a new producer sees other producers that do not produce and are not accountable, do you think they perceive the agency has a good sales environment?

When producers lack accountability for following agency rules and procedures, especially when these same producers do not produce, then successfully developing young talent is virtually impossible. New producers will not respect their coworkers for long, nor will they respect management. Management will soon lose respect for the producers and the remaining employees will eventually follow. Loss of respect for coworkers and management will flow through the agency like a virus. In addition to the poor environment, the new producers are not able to get the help and guidance they need because the staff is too busy fixing the other producers' problems, and resenting them for it.

Producers without accountability sap the energy out of an agency. I've had the opportunity to visit software firms full of motivated people. The energy levels are incredible, the environment is overwhelmingly positive even when things are not going well, a team spirit exists, and the can-do attitude is obvious. This is what we should want in our agencies and letting producers run willy-nilly is not going to get us there. Those agencies that create a strong sales environment and successfully develop new producers will be in the catbird's seat.

A good sales environment is further enhanced by good mentoring of young producers. We should not expect success simply by giving them the a few tools, pointing them in the right direction, and saying, "Go get'em Tiger!" I have had the good fortune of reviewing quite a few producer development plans and examining their results. I have seen plans so good a monkey could seemingly succeed if the monkey would only follow directions and even producers with this advantage usually fail because management was lax. It was reactive, not proactive. Success in these situations was almost 100% dependent on the producer being an incredible self-starter with overwhelming initiative. Agencies rarely hire people of this caliber so it does not make sense to create a plan based on a personality characteristic that does not usually exist.

For new producers to succeed, agency management must help these young people find their own style, confidence, and provide pro-active guidance to succeed. Nothing beats success for paving the way for more success.

Young people are still growing and are eager to learn. Nothing is more stifling than being in an organization where no one else is growing. When all the other producers have built books of an adequate size to support their living standards, who is a young producer to look up to as a guide for building a book?

Developing good young producers and growing an agency through new account sales is the key to an agency's future, and both are dependent on having a good sales environment.

Chris Burand is president of Burand & Associates, LLC, an insurance agency consulting firm. Readers may contact Chris at (719) 485-3868 or by e-mail at chris@burand-associates.com.

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