



YOUR ESSENTIAL GUIDE

Maximizing Producer Productivity



The insurance industry is experiencing a transformation. New business models. New products. New demands. New expectations. New technology. And, lots of new producers.

The statistics speak for themselves: the average age of an insurance agent is 45.9 years old, with only 11% falling in the 20-30 age group, and a significant 66% at 40 or older. *(Source: Zippa, 2022)*

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The Challenge

As the insurance workforce edges up in age, with many producers nearing retirement, there is a critical need for more producers; and they are hard to find. Plus, as we struggle to fill roles, many new hires are also new to the industry. How these fresh individuals perform in these key agency roles can make or break a business.

In addition to the challenge of a large influx of new producers with little or no experience, the demands that are being added to the role can be heavy. Buyers no longer seek just a friendly face; they demand value, credibility, and thought leadership. Relationship-based selling is no longer sufficient. That is a tall order for the new wave of producers. Agencies need reliable ways to ensure producers are given the best chances for success.

Q. What can you do to ensure producers are successful?

- A. Agencies must be able to support and develop producers with predictable models and consistent processes to help them navigate today's complex insurance marketplace.

Did you know? Across agencies of all sizes, 58% of producers validate.

(Source: 2022 Best Practices Study from the Big "I" and Reagan Consulting)



The bad news: Talent acquisition and onboarding will remain challenging, with over 50% of agencies struggling to find and retain talent, and a disheartening 90% of new insurance agents quitting the business within the first year.

The good news: Developing a structured producer validation program can help develop successful producers and boost the long-term health of the agency.

The Opportunity Ahead

Despite these challenges, there's immense opportunity for growth, driven by a renewed focus on consistency, processes, and sustainable growth. To seize this opportunity, insurers must deliberately concentrate their efforts on enhancing producer productivity. This whitepaper outlines the essential strategies and levers to achieve this goal. We'll dive into the following:

- Talent Acquisition
- Success Standards and KPIs
- Producer Planning, Pipeline, and Sales Process
- Leveraging Technology

Talent Acquisition

HOW CAN YOU FIND HIGH-POTENTIAL PRODUCERS?

Successful talent acquisition requires an "Always Be Recruiting" (ABR) mindset. This means that recruitment efforts should be ongoing, involving not just HR but everyone within the organization. Consider utilizing various channels, such as LinkedIn, referrals, and local knowledge, to find high-potential producers. Additionally, establish a predictable Learning and Development (L&D) program that encompasses insurance, general business acumen, industry knowledge, and sales skills.

Finding people to fill the role of producer is hard. Finding qualified individuals is even harder. To make sure you are ultimately hiring the best candidates for the job, it helps to have a defined producer profile.

So, what does a good producer look like?

THE PRODUCER PROFILE

Of course, there are many items that can go into your producer profile build, such as sales experience, insurance industry acumen, education, networking ability, and more.

But, if you had to break it down and select **5 critical traits** that a producer needs to be successful in your agency and market, what would they be? Are certain characteristics more important than others? Are there areas where training opportunities could make a difference? Opening up your way of thinking and looking for individuals with strong transferable skills and traits could uncover additional talent. Finding individuals that are primed for growth and industry education could yield producers that you may not have considered in the past.

When it comes to traits of successful producers, here are 5 that always rise to the top:

Coachability: The willingness to learn, accept feedback, and adapt.

Curiosity: A natural inclination to explore and understand.

Prior Success: A solid history of achievements in (or out) of the industry.

Intelligence: The ability to grasp complex concepts and apply them.

Work Ethic: A strong commitment to hard work and effort.

TECHNICAL EXPERTISE AND TRAINING IMPORTANCE

In addition to having the right character composition, producers today also need to layer in a competent level of insurance acumen. While training on products and services is good, agencies need to train producers to take more of a consultative role in helping prospects and clients to self-discover business risks and needs. Producers who develop strong technical skills are able to identify business threats that may have been missed and use them as a way to build trust with the buyer. Producer development programs must prepare producers to embrace complexity, data analytics and the technical insights necessary to help buyers identify and address business risks.



ONBOARDING WITH CARE

Creating and managing an effective onboarding program for young producers is critical for agency success. Spoiler: It's more than just providing insurance training on terms and industry info. Of course, that's a big part of it, but there is much more to consider. When you have a structured onboarding process with checkpoints and success markers, you will be able to identify weak producers before things go too far.

Onboarding checkpoints will vary by agency, but could include markers such as:

- **Can they set first appointments?**
- **Can they identify risks with prospects?**
- **Can they manage their time efficiently?**
- **Can they create relationships?**

Determine what is important for your organization and set reviews to check in on new producer progress. While revenue is always an indicator of success, measuring overall success goes beyond initial sales. Producers need to develop all the core skills for a sustainable future of value for your agency and clients.



MENTORS CAN HELP

A mentorship program for new insurance producers can provide invaluable support, guidance, and resources to help them succeed in their careers. It accelerates their learning curve, fosters personal and professional growth, and ultimately benefits both the individuals and the organization. Here are a few ways a mentorship program can provide significant value.

1

Skill Development: New producers often lack experience and may be unfamiliar with the intricacies of the industry. A mentor can provide guidance, share knowledge, and help new producers develop the skills to excel in their roles. This includes understanding insurance products, sales techniques, underwriting processes, and customer relationship management.

2

Product Education: Insurance can be complex, with various policies and coverage options. A mentor can help new producers gain in-depth knowledge about the company's products, making it easier for them to explain options to potential clients and match policies to clients' needs.

3

Sales Process Knowledge: Mentors should coach based on the established sales playbook of the agency, ensuring that all producers are following the same process.

4

Networking and Business Development Opportunities: Mentors can introduce new producers to valuable industry contacts, including clients, other professionals, and experts. Building a network is crucial for business development and can open doors to new opportunities.

5

Retention: New producers who feel supported and mentored are more likely to stay with the company and succeed in their roles.

6

Career Growth: Mentorship programs can offer insights into career development, helping new producers set goals and plan for their future in the industry. This can include advice on advancement opportunities, specialization, and continued education.

Success Standards and KPIs

HOW WILL YOU MEASURE AND REWARD PRODUCER SUCCESS?

When producers operate on a shared system of expectations, including the same standards for success and KPIs, an agency can rely on this predictable process to determine what is working (or not).

When it comes to goals for producers, you want to make sure they are challenging, but also realistic. These goals should align with the agency's objectives and should be communicated to producers early and reinforced often.

MEASUREMENT MODEL

To measure producer success, establish clear Key Performance Indicators (KPIs) and standards. This may vary slightly by agency, but focusing on these three crucial metrics can set your standard: First-Time Appointments (FTA), Win Rate, and Average Deal Size (ADS). These suggested categories are areas that should be defined and collectively worked on by your agency. You should be measuring these areas weekly, allowing for continuous adjustments and learning to meet organizational standards.

First-Time Appointments (FTA)

- How many FTAs per week?
- FTAs per source (e.g., networking, inbound leads, etc.)
- FTA quality – must be defined

Win Rate

- What is the expected win rate?
- How can you improve the win rate?
- Analyze where the wins are coming by lead source

Average Deal Size (ADS)

- What is the expected ADS?
- What methods can be used to enhance ADS?
- What considerations need to be made (e.g., product bundling, discounts)?

Revenue per Producer

- Differentiate by producer tenure and market
- What strategies can drive improvement?
- Set budgets based on producer type

By focusing on these KPIs, producers can take ownership of their performance and contribute to organizational growth. Additionally, predictive growth models can be developed to forecast future success.

WHAT IS YOUR PRODUCER SUCCESS EQUATION?

What is the formula your agency needs? Include key metrics like FTA, Win Rate, # Deals, ADS, and Revenue. This formula can serve as the base for producers but can be personalized as needed. When one area goes up or down, it's easy to determine what other areas need to adjust.

	FTA	WIN RATE	DEALS	ADS	REVENUE
Per week	4	25%	1	\$50K	\$50K
Per year	200	25%	50	\$50K	\$2.5M

Producer Planning, Pipeline, and Sales Process

NOW, HOW DO YOU MAKE THOSE METRICS COME ALIVE, IN A POSITIVE WAY?

Effective planning and time management are essential for producer success. Insurance producers often juggle multiple tasks, from prospecting and client meetings to policy quoting and administrative duties. With stringent deadlines and a constant flow of inquiries, staying organized and prioritizing tasks is essential to ensure productivity and client satisfaction.

A well-structured schedule combined with strategic planning enable insurance producers to maximize their efficiency, build strong client relationships, and achieve long-term success in an industry where every moment counts. In this competitive field, those who master time management and planning gain a distinct advantage in delivering top-notch service and consistently meeting their business goals. It all starts with setting annual and quarterly goals, which are then broken down into weekly and monthly plans.

DEFINE A “WINNING WEEK”

When setting annual, quarterly, and other “big picture” goals, it can be beneficial to break these down into measurable, actionable chunks. Consider the “winning week” planning model. For each week, producers determine what a good week could look like, encompassing various revenue-producing functions, including accountability, communication, learning and development, deal reviews, field time, and coaching. Of course, the key to the winning week is accountability. Take time each week to review the results and see where things hit the mark or fell short and adjust future weeks accordingly.

PIPELINE

Another key area of planning for producers is pipeline building and management. Traditional methods like cold calling have given way to a more diversified approach, including a wide mix of inputs and variables. When planning pipeline efforts, it is important to identify and itemize each detail that goes into developing the pipeline. Define lead sources, set goals per producer, and understand win rates and optimal mixes.

Thematic planning can be a powerful tool when it comes to pipeline creation. Consider organizing campaigns and learning sessions by industry to optimize pipeline development and increase win rates. And, don't forget to collaborate with the marketing team to disseminate this themed information effectively.

Just as with the winning week, pipeline accountability is necessary. Hold cross-functional accountability meetings and regular reviews to measure progress and make corrections as needed.

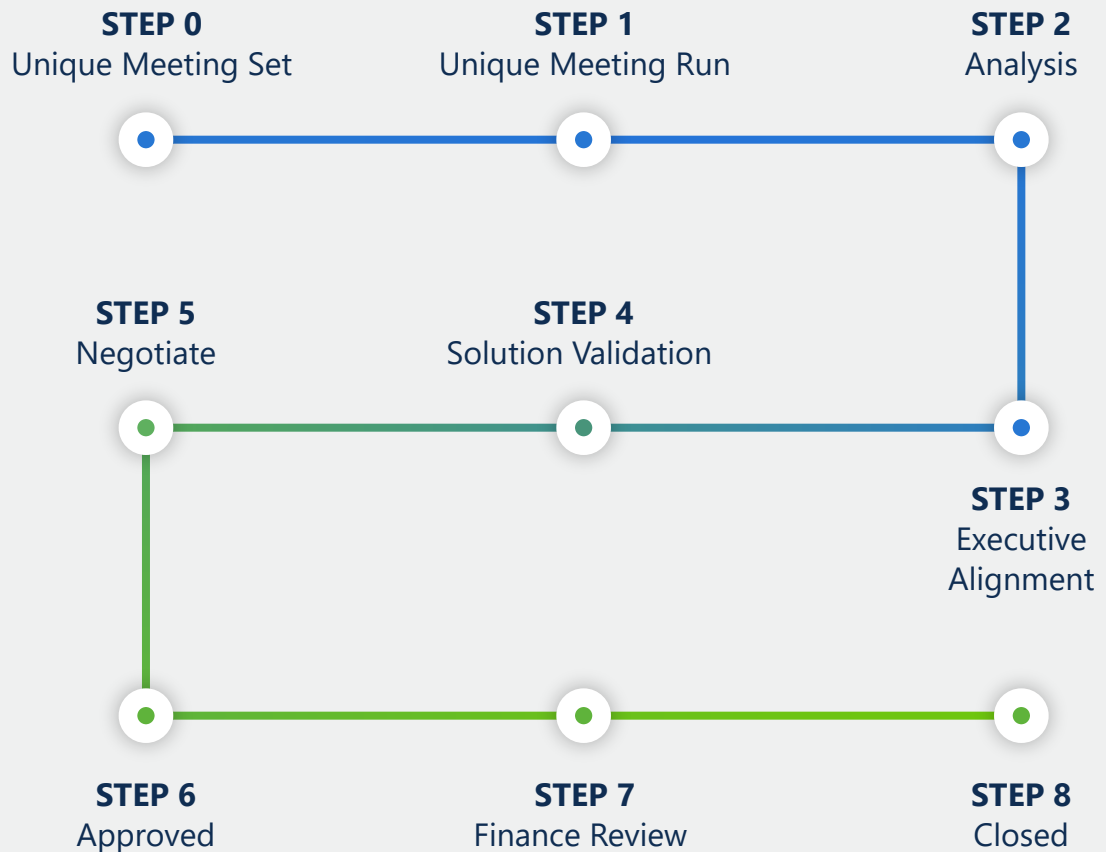
STRATEGIC SALES PROCESS

A strategic sales process is an invaluable asset for a producer, offering a structured roadmap to navigate the complexities of the insurance industry lifecycle. Having clear definitions of each stage of the sales process is the first step. Everyone needs to know the stages and be intimately familiar with what happens in each stage. Agencies must then provide coaching and learning resources to support conversions at each of those defined stages. Diagnosing problems and course correcting becomes easier when everyone understands where they are in the sales cycle.

Q. What are the keys to a winning sales process?

A. Consistency, reinforcement, and review are key elements of a winning sales process. When everyone in your agency follows the same process, including things like using the same words and definitions, it makes it easy to figure out where things are working well or not working at all.

SALES PROCESS EXAMPLE



Leveraging Technology

Technology plays a significant role in enhancing producer productivity. And we're talking more than just a Customer Relationship Management (CRM) System. While adopting a CRM is a valuable step, it's only part of the equation. It doesn't automatically create a sales culture. Combining technology with a focus on people and processes is essential. Create producer playbooks that outline how to use technology in the sales process and support individual improvement. Having technology is one thing - effectively adopting and using it makes the difference. Make sure all producers are well-trained in every aspect of your technology. Also, consider building in producer KPIs for adoption when you first implement new sales technology or processes.

Q. What types of technology can help producers?

- A. Insurance producers can leverage technology to increase productivity and provide better service to their clients. Some of the most common tech includes:
- **CRM:** Can help producers organize client information, track interactions, set reminders for follow-ups, and segment clients for targeted marketing efforts. This improves client communication and retention.
 - **Digital Marketing:** Can help producers reach a broader audience and generate leads. Social media, email marketing, and online advertising can be effective channels for insurance producers to connect with potential clients.
 - **Client Portals:** Provide clients with secure online portals where they can access policy information, make payments, and submit claims.

Increasing Producer Productivity is a Process

Maximizing producer productivity requires a comprehensive approach that encompasses talent acquisition, defining success metrics, strategic planning, and leveraging technology. By being deliberate and focused on producer development, agencies can pave a course for success. When agencies embrace strategies to improve producer performance, the net result is a win for all, including your clients.

The process is worth it.



For more information on how Zywave can provide tools to boost producer productivity, contact marketing@zywave.com

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