



Systems for Success Keeping the Right People

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Research Objectives

◆ From the Producer's Point of View:

- How do field leaders and the home office add value?
- What are the leadership and personal attributes of field leaders that build loyalty?

◆ From the Producer's and Field Leader's Points of View:

- What business supports (*structure, services, specialists, etc.*) help to retain top producers?
- What personal supports (*culture, norms, corporate behaviors*) build loyalty among top producers?
- What leads high-producing associates to leave a firm?

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Participating Companies

- | | |
|---|---|
| AIG American General (American General Life and Accident Insurance Company) | Missouri Farm Bureau Insurance Services |
| AXA Advisors, LLC | Monumental Life Insurance Company |
| American Family Mutual Insurance Company | The MONY Group |
| American National Insurance Company | North Carolina Farm Bureau Ins. Group |
| The Baltimore Life Companies | National Life Group |
| Beneficial Financial Group | New England Financial |
| Country Insurance & Financial Services | New York Life Insurance Company |
| Farm Bureau Financial Services | Northwestern Mutual |
| Farmers Insurance Group | The Penn Mutual Life Insurance Company |
| GenAmerica Financial Corp. | The Principal Financial Group |
| Guardian | Prudential Financial |
| Jefferson Pilot Financial | Securian Financial Network |
| Lincoln Financial Advisors | State Farm Insurance Companies |
| MassMutual Financial Group | Thrivent Financial for Lutherans |
| MetLife Financial Services | Waddell & Reed - a financial services company |
| | Western & Southern Financial Group |

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Keeping the Right People

“There are three things a high-performance sales associate needs from the firm: the right compensation package, the right product and tender loving care.”

- Field Leader



Keeping the Right People

“I question the value of managers in general in this business. The goods ones are worth their weight in gold. The bad ones are just living off your production.”

- Associate



Major Topics

- Why High-Performing Associates Leave
- Sequence of Events that Leads to Departure
- Business Supports that Aid Retention
- Developing and Coaching the Successful Associate



Major Topics (Continued)

- Personal Supports that Build Retention
- How the Field Leader Adds Value
- How the Home Office Adds Value



Why High Performing Associates Leave

Money
Change in Company Emphasis
Changes in Field Leadership
Unsolicited Offer
Outgrew Their Local Firm
Departure of Another Top Associate



Why High Performing Associates Leave

Unsolicited Offers:

- Don't try to control access to your people.
 - Industry meetings were never cited as a source of unsolicited offers.
 - Children's school functions were.
- They get them all the time.
The offer is unimportant. Mentioning it is.
- Seek to understand and resolve the real issues.



Sequence of Events

Period of Vulnerability
Triggering Events
Separation Behaviors
Formal Notice
Post Separation



Sequence of Events

- ◆ Formal Notice
 - The last step
 - May come as a surprise
 - Internal resistance to change is long past
 - Possibly salvageable, but it will take a counter-offer



Business Support

- Relieves top associates of distractions from what they do best: selling
- Is most effective when it focuses on income generating activities



Business Support

Make it easy for me to do business with you. The hard part is getting someone to write a check for \$1 million to their 401K or write a check for a \$100,000 life insurance premium, that's the hard part. But once I get that check, it should be downhill from there. And if it's not easy to do business, that's the number one reason to leave.

- Financial Services Associate



Business Support

Marketing Support
Sales Support
Service Support
Technology Support
Physical Facilities



Business Support

Technology Support: Two Categories of Findings

1. Research & Supply Appropriate Levels of Equipment and Systems
2. Provide In-House Technical Support



Business Support

In-House Support—Voice from the Field:

We have a solution center, the tech center. If I'm having problems with my LAN or server or programs, within 60 seconds they will walk me through it. They have fixed my computer 15 times.



Business Support

Service Support: Three Categories of Findings

- 1. Encourage Underwriters to Work Closely with High-Performing Sales Associates**
- 2. Create a Dedicated Support Staff**
- 3. Serve as a Personal Troubleshooter**



Business Support

Create a Dedicated Support Staff—Voice from the Field:

We help associates select a support person. Then our team, not the agent, trains that person. We want to make sure that from a compliance point that the training was accurate, in line with what the corporation requires. We want a trainer who does training on an ongoing basis to do the training, as opposed to a producer who would rather not touch that piece of business doing the training.



Coaching & Developing The Successful Associate

Training & Development

Coaching



Coaching & Developing The Successful Associate

Coaching: Two Categories of Findings

1. Align Support with Career Stages of a Top Performer
("middle-top" and "top-top" associates)
2. Offer a Comprehensive Planning System



Coaching & Developing The Successful Associate

Middle-Top Producers:

- Often at a plateau
- May have a psychological barrier
- May lack skills, marketing, specialization, etc.
- Often left to their own devices
- May feel neglected and be at risk



Personal Support

Collegiality

Partnership

Recognition



Personal Support

Partnership: Two Categories of Findings

- 1. Recognize Top Associates As Partners & Independent Entrepreneurs**
- 2. Provide Opportunities for Input Into the Growth & Direction of the Firm**



Personal Support

Recognize as Partners—Voice from the Field:

“I build a personal plan for myself. It is 2 inches thick. I take their plan and integrate it into mine so we move in the same direction. I integrate technology, staffing, planning, space, all those issues. It tells the senior associate I respect and value what they are doing before I make my own plans. I won't make any plans without considering them. I want them as partners. Partners keep each other's thoughts in mind.”



How a Field Leader Adds Value

Leadership Characteristics That Earn Loyalty

Building a Relationship with Top Associates

Managing the Relationship Through
Communication



How a Field Leader Adds Value

Leadership Characteristics:

1. Integrity
2. Credibility
3. Visionary
4. Considerate



How a Field Leader Adds Value

Credibility—Voice from the Field:

“We have a standard that you have to make Million Dollar Round Table to make management team. Everyone has to be in that deal, even myself. People don’t think they will outgrow me. It’s important. If you used to make Round Table and five years later you don’t, they think you are a fogey. It can’t happen, so we all have to be members of MDRT.”



How the Home Office Adds Value

Product
Contract & Compensation
Commitment to Distribution
Branding & Reputation
Underwriting
Recognition



How the Home Office Adds Value

Product—Voice from the Field

“There was a point in time when my company didn’t have the right kinds of products. They have come a long way in the past three or four years. If you go back a few years, maybe I did \$500,000 in commissions with them. Last year I did about a million fifty.”



In Summary...



A High-Retention Culture Is Possible

**Agencies participating in this research
had an average 4-year retention rate
of 57%.**

**Several had retention rates
above 80%.**



A High-Retention Culture Is Possible

It's about developing a relationship based on trust. My top associates know I care, they are not a number. We try to be friends, I know about their families, husbands, wives. I learn what's important to them, what stage of their life they are in, what drives them, their goals and what motivates them. I try to get into their heads and understand the issues on both personal and professional levels. Once I understand that, then I know how I can add value.

- Field Leader
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Wrapping Up

The important things are very *simple*.
The simple things are very *hard*.

*from
Murphy's Laws from Vietnam*
