Top Ten Suggestions for Insurance Company Websites

Below are my Top 10 suggestions for an insurance company website, in no real particular order. This list is intended for a company that sells its products through agents. Your organization may have different website needs, depending on your sales model.

1.) Stop talking about yourself so much. Yes, you may be A+ rated and have billions of dollars in surplus, but you don't have to tell us that on every page. Constantly reminding the consumer of your surplus levels only reinforces the perception that insurance companies have all the money. Tell the consumer what you can do for them instead. Address the needs of your policyholders and agents. Leave the ego for the About Us page of the site, and nowhere else.

2.) Make your site consistent. You may run your personal, commercial, and life lines as separate businesses, but your website should look and feel the same across product lines. Choose a design and navigation scheme, and stick with it.

3.) Take it easy on the graphics. Just because you CAN turn every element of a page into a graphic, it doesn't mean you HAVE to. Keep page load times in mind when you design the site, and make your web developers dial-in to your site on occasion. That T-1 coming into your building can make you forget what it's like to be dialing in at 28.8k.

4.) Give clients access to their policy data. Why not save you and your agent's customer service people some calls.

5.) Design the customer screens so that agencies can link to and tie the screens to their websites. Your policyholders will most likely be accessing your site from their agent's site. Give your agents a way to seemlessly link to the client activity screens. Provide agency branding on these screens, and keep your own branding to a minimum.

6.) Put your marketing department online. Many of the things you send a marketing rep out to agents offices for could be accomplished cheaper, more easily, and more efficiently online. Agency stats, goals, marketing materials, supply requisition, new product announcements, etc would fit well here.

7.) Allow your agents to make changes and submit business online. Save us all some time in getting business issued and endorsed, and provide faster turnaround times for clients.

8.) Don't bog your agent down with security. You do realize that we write our User Id and password on a sticky note and keep it on the monitor, don't you? Agency stat code and a simple password should be sufficient. If you are terribly paranoid, consider Digital Certificates.

9.) Don't make your agents dial into a private network. There are ways to ensure security and identity without using proprietary dial-ins. Agents want to be able to access your site over a high-speed shared network internet connection, not dial-up accounts through third parties.

10.) Hire a Chief Net Officer. Give this person the authority and responsibility to cross departmental lines and make your site a true eCommerce driven project. Make this a Vice Presidential level position and supply this person with the resources they will need to get the job done.

That's it. The Top 10 suggestions for an insurance company website. I'm sure your Top 10 would look different than mine. Why don't you stop by the [bulletin boards](#) and let us know what your Top 10 looks like?

You can enter as a guest to read all discussions, or join as a member (it's free) and post your own comments. I look forward to hearing from you.

CAN you sell insurance online?

It's a question I've been thinking about a lot lately. The obvious answer is that, of course, you can, it's being done right now. But is it being done properly, and is this something you would want to do as an agent or a consumer?

First off, let me say that I think it CAN be done, but I've yet to see someone doing it very well. I hold the CIC (Certified Insurance Counselor) designation. I'm pretty proud of it, and take the "Counselor" part of the designation seriously. I feel that as a professional insurance agent, it is my duty to do the best job possible for my clients. That's not always what the client wants, by the way.

When I sit down with someone, or even talk to them over the phone, I am interviewing the potential client. I ask probing questions, and then listen to the answers. I propose situations and gauge the client's response to those situations. I sometimes pick up on offhand remarks that change the whole risk profile of the insured. I imagine you do the same. It's a part of the risk management process; identify all possible exposures.

What happens when you buy insurance online? The CLIENT tells you what they WANT. You've just become an order taker, and the risk management process is thrown out the window. You've jumped right into choosing a technique for managing exposures you haven't even properly identified or measured.

I've seen some sites that attempt to ask enough questions to get at the majority of potential exposures, but I've never seen one that does a better job than my CSR does on a daily basis. The problem can be summed up easily with one word: endorsements. If only one unendorsed policy existed to cover a particular exposure, then you are left with nothing but determining proper rating factors. But endorsements do exist, and not every policy covers things the same way even in their standard form.

As an agent, if I fail to offer the extended non-owned auto endorsement to someone who really needs it, then I have created a potential E&O lawsuit that I will lose every time. When was the last time you saw an online quote request form address this issue? I haven't seen one.

Another area where I feel online quotes is lacking is in ethics. I personally feel that it is unethical to offer someone a rate that they cannot qualify for, period. When someone comes in to my office for a life quote, I get a sense of their physical well being. If they are obviously overweight, puffing with the exertion of walking up the steps to the office after having put out their cigarette, you can bet I'm not going to give this person a quote with preferred, non-smoker rates. Yet this person might be tempted to "shave" a few pounds off their weight and "forget" about their two pack a day smoking habit when they enter their "quick quote" information online. A site that offers "quick quotes" had better make it clear, up-front, that a physical exam will be given. Full disclosure of the possible result of misrepresenting material facts on the application should also be given. I'm not talking about the 8 point fine print that most sites use, but a big, bold, up-front warning.

Now life insurance may be the easiest of all to sell online because the actual "underwriting" is usually done by parameds or from medical records. But properly rating a policy is not the only thing involved in the sale of life insurance. Most life policies are a part of a comprehensive financial plan (or at least they should be). Taking the agent out of this process leaves the insured flying blind. Some sites attempt to educate online purchasers of the uses and importance of life insurance, but with most it's a generic afterthought. Most life sites are "quick quote order takers"

and nothing more. A lousy little "life needs analysis" java applet does not a comprehensive financial plan make.

One last area of concern I have is that online sale of insurance will ultimately cause rates to actually increase for the consumer. This may result from improper rating. With auto insurance for example, there are many ways to lower your rate by "fudging" with the truth. Examples include: mileage to work, assigned drivers, usage, annual mileage, territory and others. As a local agent, I know whether the answers given to me by the client are truthful and can properly assign vehicles and territories and such. An online customer with free access to the rate engine most likely will "play" with the rating factors to see if the rate comes out lower. Which version of the truth do you think they'll use when they hit "Submit" to get their online policy? A professional agent tries to properly rate the exposures in a household. A computer program does what it's told. The only way to solve this is to factor in into the rates, in other words to raise rates to take into account that the online customer is not being as forthcoming in their rating exposures.

Can enough information be collected online to properly and adequately insure someone? I think it can, but it will have to be an extensive interview type process. It would theoretically be possible to ask about nearly every exposure, and actually do a better, more consistent job of evaluating your client's risk exposures than is sometimes done in person or over the phone. It could also be a way to lower your E&O exposures, as every client would have to respond to every question. No more missed exposures or failure to inform.

I've yet to see such a site. The sites you see today are designed for speed. The assumption (which may be true) is that consumers do not want to spend that much time to get a quote. The minimum required information to crank out a quote is asked, and the consumer pays the price for the shoddy coverage that results.

I do not have quote forms on my agency's web site. I may someday, but if I do, it will not be a "five minute quote" type process. It will be an extensive risk management questionnaire that delves into every possible exposure and explains every possible endorsement, enhancement or optional coverage available.

I would be doing my clients a disservice to offer anything less, and I might as well give up my designation. I may not get rich doing this, but I will not be an order taker. My clients may not appreciate this up front, but come claim time I think my clients will be happier with me than the quick quote web site of the month.

I fully expect to get a lot of feedback on this article. Fortunately we have a great bulletin board/forum where we can all discuss this further. You can jump right to the discussion board by clicking here. You can enter as a guest to read all discussions, or join as a member (it's free) and post your own comments. I look forward to hearing from you.

The Internet Enabled Insurance Agency

Everyone's talking about the insurance industry's move to the Internet. It's beginning to happen, and you need to make sure your agency is prepared for it.

This is the first installment of a multi-part article on how the Internet will affect insurance agencies, and the things you will need to do and consider to be a part of this brave new world.

First Things First

Internet Access. No, a dial-up account with AOL loaded on a single machine does not mean you are ready. You need to start researching high-speed, shared network access now. The options

today are much better than even six months ago. ISDN, DSL, ADSL, T1's, Cable Modem. These are all terms you need to get familiar with right now. It's going to impact your agency in more ways that I can count.

Sit down with your network administrator and start examining your options. Call your phone carrier and see what they have to offer. Most importantly, make sure you use a telecommunications savvy firm to plan and install your high speed access. The neighbor's kid who installed your Novell Network, or setup your WIN95/98 Peer to Peer network may or may not have the first clue how to design a high speed access system. If you use an outside firm for your telephone/PBX installations, they might be a good place to start.

Master Your Domain

Get yourself a domain name. Do it now. Even if you don't have a site up, you can still register one. Companies are paying BIG money to buy back their domain names because they were slow coming to the Internet. Make your domain name short as possible, but make sure it is memorable first. Avoid using initials, unless you market yourself that way. Don't use hyphens. If smithagency.com is already taken, do not choose smith-agency.com as your domain name. It will just confuse your clients. If you have a common name, and all the variations of it are already taken, try something demographic. For instance, I own The Moore Agency in Salem, OH. If mooreagency.com had already been taken, I might have tried something like saleminsurance.com or insuresalem.com as an alternative. Keep in mind that we'll be incorporating our domain name into our marketing plans later on, so make sure your domain name is marketable, and presents itself well in marketing materials.

Email for all

Make sure your hosting service provides enough pop3 (email) accounts for everyone in the agency. That's right, I said EVERY SINGLE PERSON IN YOUR AGENCY NEEDS AN EMAIL ADDRESS. You give everyone access to a phone don't you? Everyone is sitting in front of a computer. They all have access to the fax machine don't they? Give everyone in your agency an email account. It is a business tool no one should be without.

Some Links to help you on your way

Network Solutions

These are the folks that handle all the .dot, .net, and .org domain name registrations. From this site you can search to see if a domain name is available, and if it is, you can reserve the domain name online. Cost is $70.00 for the first two years.

High Speed Access

A collection of links from About.com's Internet for Beginners site. Spend some time here getting "up to speed" on the terminology of high speed access.

Email

Check out About.com's Email site to learn all about pop3, smtp, and all the other terms you will need to be familiar with in the connected world.

Future installments will look at Internet hosting services, marketing, underwriting considerations, online rating, interactive customer service and more. Stay tuned......

The Internet Enabled Insurance Agency, Part II

Everyone's talking about the insurance industry's move to the Internet. It's beginning to happen, and you need to make sure your agency is prepared for it.

This is the second installment of a multi-part article on how the Internet will affect insurance agencies, and the things you will need to do and consider to be a part of this brave new world. [Last time](#), we looked at getting high speed internet access, a domain name, and email accounts for all employees. Now that you've had time to take care of these items, let's move on to the next step: the actual web site.

The first question is always how much will it cost, followed closely by who do I get to design it? I don't have any definitive answers for these questions, but I can give you some pointers.

How much will it cost?

Plan to spend at least one to two thousand dollars for the initial graphics design and site layout. This is somewhat of a one-time cost, so it's not as bad as it sounds. If you already have your logo graphics designed and they are suitable for web use, then the costs may be lower.

Who do I get to Design My Site?

I recommend you find a web site designer the same way you would find a good lawyer or doctor. Ask around among family, friends, business associates and clients. Visit some of the local sites in your area and look at the bottom of the page to see who designed the site. Contact the business and speak to the person who oversaw the site design and ask them about their experience with the web site designer. Ask your local Chamber of Commerce for referrals, and speak to the local computer store employees. They usually know who is doing good work in the area, and may be capable of doing it themselves.

Develop a written plan of what you want the site to look like, how many pages it will contain, and what features you want. Send this to several web design firms and ask for a written proposal. Choose wisely, and don't just go with the cheapest quote. Ask to see online examples of other sites they have designed and what the costs were to design those sites. Make sure the designers are able to program in java, javascript, or have MS Frontpage experience. Make sure the designer is familiar with writing and/or installing cgi scripts. These are all talents that will be needed in order to implement your community and interactive features of the site.

Where Should I Host My Site?

Your site designer should be able to help you here. Not all hosting services are created equal. The cheaper services are usually limited in features, and may not have the options we'll need to implement a fully interactive web site. Things to look for are unlimited email aliases/forwarding, cgi-bin availability and the ability to execute custom cgi scripts, email auto-responders, list serves and mailing lists. We'll go into these features more next time when we talk about the interactivity of a well designed web site.

What's Next?

While your search for a designer and hosting service goes on, I would recommend that you start pulling together the information you'll want to include on your site. Gather bios and pictures of your key staff members, start putting together a list of links to all your carriers and partners, begin to search out insurance related resources that are relevant to your market that you can link to. If you have a print version of your newsletter, start pulling all your back issues and scan them into a digital format that can be used on your site.

In the next installment, we'll start to pull all this together and develop a picture of what your web site should look like and what it should be able to do. In the meantime, here's

Some Links to help you on your way

[Web Design](#)

About.com's Web Design guide has compiled sites, articles and more on the art of web design. Spend some time here to get up to speed.

[Graphic Design](#)

The web's all about graphics. About.com's Graphic Design guide can help you learn all about it.

[Ultimate Web Host List](#)

One of the best places on the Net to find a web hosting service. They list all the best, including a Top 25 list.

[Internet Enabled Insurance Agency](#)

Missed Part I of this series? You can find it here.

The Internet Enabled Insurance Agency, Part III

Building Online Communities

Everyone's talking about the insurance industry's move to the Internet. It's beginning to happen, and you need to make sure your agency is prepared for it.

This is the third installment of a multi-part article on how the Internet will affect insurance agencies, and the things you will need to do and consider to be a part of this brave new world.

[Last time](#), we looked at finding a hosting service, web design firm, and discussed some of the costs. This installment we'll look at some actual web site features you should be considering. One of the main complaints you hear about most agency sites is that they are "brochure ware". That means the site is nothing more than the agency's brochure in web enabled form.

To take your site to the next level, let's talk about some specific things you can do to add some interactivity to your site.

Mailing Lists

Mailing lists are nothing more than a newsletter sent online through email. If you have a print newsletter, you know how expensive and time consuming that can be. Imagine typing up your newsletter, clicking a button, and sending your message to all of your clients and prospects immediately, and free. That is what a mailing list can do for you. You get instant, free, convenient access to your clientele.

You're web hosting service will need to support mailing lists. Most already do, but make sure you ask. You will need to start gathering your clients email addresses. One way to do this would be to put a newsletter subscription box on your web site. Once your site is ready to accept submissions, send out a print version of your newsletter with your web site address. To make it fun, and improve response, you might hold a contest with the winner of the prize being drawn from new subscribers to your online newsletter.

Mail Forms

Mail forms are easy to implement. They use a simple cgi script on your hosting service. You design your form on your site and then link it to the cgi script. When the visitor presses submit, the contents of the form are emailed to you.

Some common uses of forms are:

- Quote Forms
- Change Requests
- Claim Forms
- Comment and suggestion
- anything you can think of, really.

You'll need to think this one through though. Will you accept changes online? What kind of policyholder verification will you require? Will the changes have to be followed up with written signatures? What lines of business will you accept quote requests for, and from whom?

You'll need to make sure you disclose your policy up front on the web site. If you are only licensed in certain states, then you'll need to make sure you make it clear on the form that you can only quote business in those states.

Auto-Responders

Auto-responders work like this. You, the agency, create a document that you would like to share with your clients and prospects. In order to receive the document, the client or prospect simply sends an email or fill out a form on your site that is sent to a designated email address. When the email is received, the email system on your host machine automatically sends the document to the client by email. No intervention on your part is required, and the client/prospect gets near instant gratification.

A possible use: You've written a nice summary of the In-Home Business endorsement, and you want to use it to write more of that market. A simple form on your site could capture the prospects name, address and phone number. When they submit the form, a copy of your In-Home Business article is emailed to them, and a copy of their information is sent to you for follow-up. This is a self-generating, targeted, and motivated lead that you didn't have to do anything to develop once the auto-responder was setup. Best of all, it keeps on working for you, 24 hours a day, 7 days a week, for free!

Links

Yes, nearly every site has them, and not everyone likes them. They do, after all, send people **away** from your site. This would seem counter-productive after all the hard work you've done to get them there in the first place.

Here's a few ideas on links that may make sense to your agency, or not. It's your call.

- Company Sites. Don't just link to your carriers home pages though. If your carrier offers it, link to their online policyholder status information page. Your clients can view their policy info online, and maybe save your CSR a phone call or two.
- Your State Department of Insurance
- A page with links to your clients' web sites. Your clients will probably appreciate it, and you may send some business their way. One possible drawback, you're essentially putting your client list online. You may not be comfortable with that.
- An online quote service. What you say? Have I lost my mind? Well maybe, but if you don't write life insurance, then perhaps you would be better off if your client bought their life insurance from a Life Only quote service in Butte, Montana, than from the agent down the street who offers all lines (unless of course you're in Butte, Montana).
- About.com's Insurance Industry Site (http://insurance.about.com) OK that's a shameless plug, but I promise to be nice to your clients if they visit.

Bulletin Boards/Forums

These are great for building a sense of community among your clients. I wouldn't recommend implementing a forum until you've built your client mailing list. Once your mailing list is fairly complete, you can start promoting your forum in your mailing list. This will drive traffic to your forum and keep it from looking empty. Use your forum to post recent news, coverage issues, etc. Yes, it's possible that clients could say less than complimentary things about you on your forum. I would not recommend deleting these posts (unless they contain vulgar language or are completely

irrational). Use this as an opportunity to show your other clients that you are willing to resolve problems.

Allow your client to talk to each other and share business tips and stories. As the community builds, your clients will see this as a valuable part of the services you offer.

In the next installment, I'm going to look deeper at some of the issues surrounding selling and servicing insurance on the internet. In the meantime, here's

Some Links to help you on your way

Online Community Report

Free newsletter with back issues available on building online communities.

Internet Enabled Insurance Agency

Missed Part I of this series? You can find it here.

Internet Enabled Insurance Agency, Part II

Part II of this series.

Careful growth and hard work are keys to success at Boen & Associates
AUTOMATED MARKETING WORKS IN SMALL MARKET AREA
By Dennis H. Pillsbury

In October 1969, Don Boen, CIC, established Boen & Associates in Sioux Falls, South Dakota, counting on 10 years of experience in the agency business to help him "start all over again from scratch." In that first year, "I wrote a couple hundred thousand in premium," Don notes, pointing out that he accomplished this the old-fashioned way--through hard work. He admits that it helped a lot that he was known in the city, which today boasts about 110,000 people and is continuing to grow. "It was cold calling, but cold calling to people that I knew and who knew me. I had a good reputation and that made it easy to develop business."

Once the premium level was sufficient, Don began adding people to the agency and that's been a philosophy that he has followed up to today. "We've always tried to create a need for another person before we hired anyone," he says. However, about three years ago, he did break with that rule to establish a life, health and financial services division within the agency. "I recognized that expansion was necessary," Don notes. "The property/casualty market was extremely competitive and is getting more so. By writing everything for our clients, we are able to have a very high retention rate. We very seldom lose an account."

Today, Boen & Associates has 23 people working at the agency and revenues of approximately $2 million. The life, health and financial services division has a staff of four. About 85% of the agency is commercial lines business, comprising around 600 accounts. "We've been in business for 26 years and have been in the black every year," Don adds proudly.

Although the relatively small population in the agency's marketing area (there are only 200,000 people in the county; 700,000 in the entire state) makes niche marketing difficult, Boen has developed some specialty areas--particularly construction. "I kind of got started years ago when I had some personal experience in road construction as a kid," Don points out. "We do a real good

job on the bonding end of the business and that has helped our reputation which, in turn, helps us to attract more business to the agency. Word spreads so that when you write one account, you eventually write more." Boen belongs to the Association of General Contractors of South Dakota and the Land Improvement Association in order to keep up to date on what is happening in the contracting field.

Boen & Associates has tried radio and television advertising to develop new business, but its principal marketing method today is an automated direct mail program. "We have the AIM (Automated Insurance Marketing) system on our computer and use that to reach businesses that employ 10 or more people. That's our target."

Boen & Associates purchases lists of businesses that match this profile from AIM and includes the name of a contact person at the business. The list comes to them on a disk that plugs the list right into the system. Personalized letters go out to the contact person. These letters are reviewed by a group of commercial lines agents who may rewrite them to fit a particular business. In addition, information about the agency and biographies of the agents also are included.

About five days later, the recipients are contacted by phone and "we try to set up an interview where we will review their current insurance program." The agency sends out about 10 letters per producer each week and, of those 10, an average of about six are interested in a review. "Over the course of a year, we probably write about 10% of those businesses for which we provide a review." Don goes on to note that "it really helps that we've been around. We did a lot of institutional advertising in the past and these people usually know our name."

Don adds that "you have to write a lot of new business today just to keep up with the price cutting. Growth is only going to come from new business. There just aren't any premium increases to help fuel growth."

Cross selling also is an important ingredient in helping to expand revenues. Here too, the computer is an important tool. The system identifies which coverages the agency writes for each client. The agent responsible for that client then will attempt to cross sell other coverages or, in the case of life, health and financial services, to get the life people in the door.

Boen & Associates soon will be on a station near you (if you live in eastern South Dakota or northwestern Iowa). "We're going to start advertising on cable TV to target areas," Don says.

Although personal lines represent a small percentage of the agency's business, it still is a very important part of the agency's overall marketing plan. "We are aggressively seeking personal lines business," Don notes, adding that "we are convinced that we can write that business profitably. We are continually updating our computer and now that we have download and transactional filing, we are able to be more productive in that area. Right now, we're reducing paperwork significantly. Our fax server sends 400 to 500 faxes every week straight off the computer. I am convinced that the computer will let us write more personal lines business without significantly increasing the work load for our people."

Don goes on to point out that the average personal lines account is around $750 in premium a year, thanks to one of the lowest auto rates in the country, so efficiency is key. In personal lines, "we don't gauge success on premium but on number of accounts. If we can write large numbers efficiently, then we'll be successful." He adds that personal lines business also provides another opportunity for cross selling life, health and financial services products.

Don concludes that the real reason for the continuing success of Boen & Associates is the employees it has been able to attract. "Hiring the right people and educating them about the business has always been key." He points out that the agency boasts 10 CICs, one CPCU, two

CLUs, one of whom is also a CPA. In addition, everybody who doesn't have a designation is in the program leading to one. Education is especially important today because the agency now focuses on bringing in people who show a strong aptitude for sales, but don't necessarily have an insurance background.

"When I first started out, I looked for insurance expertise, because I needed that," Don notes, "but today, sales is the name of the game. The last person I hired is a college graduate who has started on personal lines."

Don notes that he emphasizes to the people at the agency that there is no set way of doing things. "We try to provide an element of freedom so each person can do things the way that works best for them. Insurance today can be very frustrating. We let them venture out and make mistakes. We never second guess them, but give them lots of reinforcement when an idea works. Others see that and are willing to take chances."

Don also has encouraged his people in another way--with ownership in the agency. "Agency perpetuation is very important so I'm beginning to sell off to a select group of people in the agency. I'm 62 and I'm not planning to retire any time soon, but I realize that perpetuation planning is very important." The ownership is paid for out of earnings. "These people are responsible for the growth of the agency and deserve this," Don concludes. It adds to the feeling of empowerment that Boen & Associates has tried to instill in all of its people.

The author
Dennis Pillsbury has more than 20 years' experience in insurance journalism, both as an editor and freelance writer.

Agency Marketing Technology

HOW TO PUT YOUR MARKETING ON AUTOPILOT
By Steve Anderson

When I started working with the agency where I am today, I began with nothing. I had lived in the Fort Worth area less than two years, and had not been actively selling during that time. I had no contacts and no book of business to bring with me. To build a book of business, I had to start

from scratch. Even though I am not a great salesman, I built a $1.1 million book in less than 24 months, not because of any natural ability, but due to the marketing system I developed that provided me with a disciplined, organized approach to the selling process.

Successful selling takes more than natural talent. New technology is available so you too can put your marketing on autopilot. You can create a powerful new marketing system designed with one sole purpose in mind . . . to help you increase sales!

To understand how the system works, it is first necessary to understand the underlying philosophy which undergirds your current method of selling. You already have a sales system whether you realize it or not. Almost all selling efforts can be simplified into these steps:

Step 1: Identify a prospect and obtain a policy expiration date.

Step 2: Call 60 to 90 days before the expiration date to try to quote the coverage.

Step 3: If the prospect doesn't want you to quote this year, put them into a follow-up file to call next year at about the same time.

Step 4: If you do provide a proposal, try to close the sale. If you are not successful, put them back into your follow-up file to call again next year.

While this sales system can break down at any step, in most agencies the most common point of failure is in the follow-up activities required in steps three and four.

Why are the follow-up activities so important? Marketing research continues to confirm:

* 80% of all sales are made after five or more customer contacts.
* 48% of all producers give up after the initial sales call.
* 25% more give up after the second call.
* 12% more give up after the third call.
* 5% more give up after the fourth call.

Only 10% of all producers continue past this point. If this is true, it means the persistent 10% of all producers are making 80% of all sales.

While there are many reasons why producers do not follow up consistently with their prospects, the most common reasons are:

They don't like to. There are many producers who are great at prospecting, presenting and closing, but who don't like writing letters or making phone calls. These producers see this kind of follow-up activity as a waste of time, so they don't do it. They prefer to work with people who are willing to talk to them right now. They will worry about their other prospects when their expiration date gets closer.

They are too busy. Many producers are focused on short-term opportunities, and feel that they can't spend the time to cultivate long-term relationships with prospects. They move from crisis to crisis and their time is filled with the urgent problems of the day. The important long-term activity does not get done.

They are not well organized. Some producers allow things to simply "pile up," and have no system to remind them when it is time to get back in touch with someone. They may have a suspense or diary system, but they always seem to be days behind in handling the reminders they receive.

They leave the agency and no one else continues their efforts. When a new producer takes over, a transition is usually made with the "good" customers. Any prospects which the prior producer was cultivating, are frequently dropped. Sometimes, when the prior producer leaves the agency, he or she continues to cultivate the prospects, but for your competitor.

There is no formal plan. Most agencies have not developed a formal plan for how the marketing and sales activities will take place. They leave the details of how prospects are to be cultivated over the long term up to the producer to do, or not do, as the producer sees fit. If the agency does have a plan, it is not managed day by day to make sure it is being followed.

All of this means that:

* A few prospects are well cultivated, according to the individual producer's personal strategy.

* Most prospects are poorly cultivated, also according to the individual producer's strategy.

* Only a small percentage of the agency's prospects ever result in a sale or achieve their full income potential to the agency.

In an attempt to address this problem, many agencies have begun to use a computer system to retain client and prospect information. While this may help a few producers become more productive, it will not, by itself, achieve the desired results of increased sales. These systems are designed to gather customer, policy and accounting information, not to help you sell insurance.

Using your automated agency management system still leaves the following problems:

* Producers who don't like to write letters, still don't write letters.

* Producers who let things pile up, still let things pile up.

* When a producer leaves the agency, the new producer still loses continuity with the prospects. In many cases, the exiting producer may actually take the "contact database" with him.

* There is still no formal plan to be followed. Each producer is in control of his own prospects, in the way that he sees fit.

To achieve steady growth, your sales system must address each of the problems I have listed here by meeting the following three objectives:

1. The agency must have a formal plan. Agency management (that's you!) must be able to design a plan for how, when, and where prospect (and customer) follow-up is to occur.

2. Your sales system must automatically manage the activities pertaining to each prospect. With such a system in place, you are assured that nothing and no one "falls through the cracks."

3. The letters and reports for all producers are automatically produced by the computer, without any effort by the individual producers.

The producer then has three responsibilities:

* To sign the letters so they can be mailed;

* To make phone calls listed in the follow-up reports; and

* To communicate with the system operator the future course of events that should be taken for each prospect by selecting from the options presented to them.

The heart of the marketing system

The integrated marketing action plan (IMAP) is the heart of a marketing system. The IMAP defines each individual step that is part of the overall marketing plan. These steps follow the plan and move the prospect throughout the sales cycle for each prospect situation. The IMAP is automatically processed daily by the system, assuring that each prospect is handled according to plan.

Creating a computer aided marketing system means more than just using your computer to send sales letters to prospects. It requires a new way of thinking about the sales and marketing process. Let's now look at the specifics of how you can create such a system for your agency.

In any marketing system there are four possible ways for a customer or prospect to respond to each contact a producer makes. These are: yes, no, wait or no response, and unavailable. Let's look at each more closely.

Yes Your prospect wants to take the next step with you. This response will initiate a positive action from your system. The prospect wants to proceed to the next step in the marketing plan and may be ready for a face to face appointment with a producer. Or you may want to send a thank you letter. If all steps have been completed and the prospect has purchased, the next action will be a "success" to tell the system that it scored a hit.

No This response is a definite "no" from the prospect and should initiate a negative action from the system. The prospect wants no further information from you about this marketing campaign. The next action will be to "stop" any further steps at this time.

Be careful about accepting a "no" from one of your prospects. If the prospect is qualified and you want to do business with them, put them on a long-term contact series so your name will be in front of them in a polite and non-obtrusive way over the next several months. You will be surprised how many of these "no's" will come back to you when they have a problem they think you can help them with.

Wait or no response This response may happen one of two ways. First, there has been an actual contact with the customer, by phone or in person, and they have indicated some level of interest but are not ready to move forward. The next action should be entered as usual for the particular marketing plan being used, but a specified number of days to wait before proceeding will also be entered. Second, and a more likely scenario, the prospect does not respond at all to your contact (probably a letter). The system would know there has been no response and automatically take the next step as you have outlined.

The "no response" is the same as a "wait." The system will wait the maximum number of days specified in your plan and then proceed with the next action step (probably another letter or a phone call). This will keep your agency's name in front of the prospect on a regular basis. Eventually, the name recognition factor will have its effect. The prospect will come to respect your agency for its persistence and commitment to good customer relations.

Unavailable This response will probably be the result of a death, divorce, the prospect moving to another address, a telephone disconnection, etc. Depending on the circumstances, the most likely action for this type of response is to cease marketing to this person.

Combining these various action steps based on how your sales system works in your agency will create your marketing system. Since every action has only four possible responses, and the system will automatically take the next step for you, it will be impossible for a prospect to fall through the cracks. Once your prospect has been started on a marketing campaign, he will either end up as a new client of yours or you will know he is not a high quality prospect and you can stop trying to sell to him.

An "autopilot" marketing system is self-administering, that is, the system always knows what the next step is for each and every prospect in your marketing database for the particular marketing campaign you are running. The system will proceed with the specific steps you have designated with a minimum of effort on your part or on the part of your agency personnel.

Your system will automatically take care of everything in between so you can spend your time selling--not marketing!

Once a marketing plan is defined and several campaigns run, marketing reports will help you analyze which plans are most successful. Since each action can have an associated cost, it is possible for the computer to tell you exactly how much it costs to generate each new customer!

Designing the flow

Before your clients can be targeted for a particular marketing plan, the plan itself must be conceived and set up. You must decide what series of actions you wish to take place in marketing your particular product to a group of selected prospects.

A good place to begin is to write down the steps you would take if you were going to contact each prospect individually. Perhaps you would begin with a letter of introduction about your agency, followed by another letter explaining the particular coverage(s) you are trying to sell. Next, you may wish to follow up with a phone call to try to set up an appointment. If you are successful in getting the business, you will probably want to send a thank you letter.

Once you have the basic plan outlined, you are ready to take your sales actions and create your integrated marketing action plan.

There are a number of different modules that make up a complete system. The purpose of these modules is to automate and centralize all of the marketing activities. This allows your producers to spend more time in front of prospects, while your system is making sure relationships are cultivated and no prospect falls through the cracks.

You begin developing your integrated marketing action plan by creating an individual module. This is a plan which defines the steps that are to be taken, and when they are to occur for a specific type of follow-up activity. Let's look at what one module would look like.

New prospects module

This will be a portion of a scenario for handling new prospects. In this example, we will address prospects which meet the following conditions:

* We have never had contact with them before.
* We do not have a specific referral to them.
* They have not contacted us.

Before we call on one of these prospects, we will send a series of three short letters, five days apart, to create some basic familiarity with our agency, with our products and services, and with the producer who will be calling them. Five days after the last letter, we want our producer to receive a report indicating what has transpired, and that it is time to contact the prospect. (See accompanying table.)

Once we have created this module, we must write the letters and create the report format that go with it. From then on, any time we start a new prospect on Event #l, the system will print our first letter on Day #1, our second letter on Day #6, our third letter on Day #11, and on Day #16 a report will be printed for the producer instructing him to call the prospect.

But what happens after the producer makes the phone call? Referring again to the table, on Day #21 we are scheduled for this contact to appear on a management exception report, and to reappear on a report every 7 days. This report tells agency management that the producer has not told the computer what to do next with this contact.

Ideally, the producer contacts the prospect, and then makes a decision regarding the appropriate course of action to be taken. To accomplish this, we will create four alternative responses the prospect can make to the producer's initial phone call.

Response 1

The prospect says he is interested in a meeting with the producer, and the producer sets a specific appointment. Now we want to immediately send a letter confirming the appointment, and then create another producer action report which reminds the producer of the appointment.

Response 2

The prospect is not willing to see us now, but is interested in talking to the producer at some point in the future.

Now, we wish to send a thank you letter, telling him we will be back in touch in the future. When the future time comes, we want to send a letter reminding the prospect that we will be calling him, based upon our prior conversation.

Response 3

The prospect is not interested, and is emphatic that he never will be.

Here we send a letter thanking him for his time, and ask for referrals. What have you got to lose?

Response 4

The prospect is not taking our calls, or returning them.

Here we send a letter saying that we've been unable to reach him as we promised; we understand he's been busy, and ask him to please expect our call or to call us if it's more convenient. After that, we prepare a producer action report to tell the producer it's time to make another call.

Once the producer makes his initial follow-up call, he will check one of the boxes on his action report which will be used by the system operator to update the computer system. This will cause the management exception report to be by-passed. If the contact record is not updated within the 5 day time frame allowed, the management exception report will be printed, notifying the sales manager that this producer is falling behind on this prospect.

This is just a small sample of what can be done with a system like this one. To expand this simple example into a full integrated marketing action plan, we can add several more modules that would handle:

* new contacts;
* requests for referrals;
* names of people we met at trade shows;
* names of people who call us;
* after an appointment;
* after a new sale; and
* client maintenance to increase our retention.

The key to the success of this type of system is the flexibility available in the individual modules. Each module is built for your agency, for the way you want to do business. There should be nothing in the system that can't be changed to conform with the way you want it done!

Once a prospect is placed on your plan, the system will automatically manage the process and prevent your prospect from ever falling through the cracks.

This type of system can process literally thousands of prospects, all at different points in your marketing plans, all getting different letters from different producers each and every day-- automatically! And when a producer begins to slip behind, a management exception report is generated to bring it to your attention; all according to your plan.

Summary

Successful selling does take more than natural talent. A marketing system, such as what I have described here, will provide you with a disciplined, organized approach to selling. With this you will outperform the greatest producer who doesn't understand this process.

This marketing system is what is responsible for my personal success story. It is market tested and proven successful. It will give you a place to start so you can put your marketing on autopilot.

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