

# Effective Communication & Training of Technology Issues to Independent Agencies and Brokers



## A Report of the Agents Council for Technology<sup>1</sup>

September 26, 2005

This report is focused on assisting carriers, vendors, user groups, and agent associations with strategies that have proven to be effective in convincing independent agencies and brokers to implement new technologies and in providing agency technology training. We present several “best practices” that have been successful in influencing agent behavior, along with several “success stories” that demonstrate these best practices. Both the best practices and success stories also contain powerful examples and arguments that will be useful in convincing agencies to take action now to implement these new technologies and workflows. These examples demonstrate the benefits of implementing real-time interfaces, commercial lines download, and eliminating paper wherever possible.

The work group encourages organizations to employ multiple methods of communications and training that take into account the differences in agency and carrier preferences, as well as the particular requirements for given technology implementations.

We invite readers to submit additional best practices and success stories so that we can continue to build on this report.

### Inspiring Agents to Implement Real-Time and/or Download

#### BEST PRACTICES

- Focus on the business benefits to the agency, rather than on the details of the technology, when communicating with agency principals and other agency business leaders.
- Explain how the technology will enable agents to make more money—in less time and with less effort—using their current systems. Agents care about improving the bottom line, increasing sales time, responding on a timely basis, reducing service and processing costs, and avoiding unnecessary expenses.

#### SUCCESS STORY

**One Texas agency with six branches and a seventh office for franchise business has been able to eliminate several processor positions by implementing commercial lines download and going paperless wherever possible. The agency is currently downloading 5500 commercial policies from 8 carriers. It also has implemented automatic invoicing**

<sup>1</sup>The Agents Council for Technology (ACT) is an association of agents, brokers, users groups, carriers, vendors, and industry associations dedicated to encouraging and facilitating the most effective use of technology and workflow within the Independent Agency System. ACT is a part of the Independent Insurance Agents & Brokers of America, Inc. (IIABA). See the ACT web site at [www.independentagent.com/act](http://www.independentagent.com/act) for more information about ACT and its initiatives.

## **SUCCESS STORY (continued)**

**for direct bill downloaded policies and has turned off the agency policy paper for all downloaded policies. As a result of taking these steps, the agency has eliminated the backlog in its processing department, all of its information is current, the need for paper handling in the mailroom has been greatly reduced, and the agency has been able to reduce its processing and accounting staff by seven. Taking the same steps in personal lines, where the agency is downloading with 10 carriers, has enabled it to go from three personal lines processors to one, and it estimates the accuracy of its download at 98%.**

- Demonstrate to agency principals that the new technology deserves their attention because of its strategic component—that it is more than an “operations” and expense issue to be relegated to the technology and service staff. Explain how the new technology will enhance the agency’s professional image and position the agency to meet the evolving expectations of its clients to provide high quality, accurate answers in real-time.

## **SUCCESS STORY**

**One carrier has been quite successful communicating to agency principals that the ability to respond to clients immediately in real-time is a critical service component; it differentiates the agency competitively and reflects importantly on the agency’s overall professionalism in a world where most other financial services entities now are able to provide immediate answers.**

- Craft a message that specifically responds to the problems faced by agency CSRs. This message should focus on how real-time will allow them to respond to clients immediately, eliminate senseless duplication and multiple workflows, and free up time to eliminate backlog and focus on more proactive contacts with customers. Illustrate how the new workflow is a decided improvement over the old.

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- Demo the actual technology wherever possible working on particular agency management systems, so that agents can visualize the benefits in their system and workflow environment.

### **SUCCESS STORY**

**When introducing a new technology implementation to its agencies, one carrier has found greater success by showing the agency how the new technology fits in with the agency's workflows, and by providing the agency with modified workflows and procedures it can use incorporating the technology.**

- Agents like to learn from other agents, so the specific successes agencies have experienced with real-time and download should be included in communications wherever possible. Also, successful agent implementers should participate in demos and presentations made to agencies when feasible.
- Quantify the monetary value of the time savings. For example, saving one hour a day for a \$50,000 CSR translates to \$6,000 annually. Aggregate the savings across the entire agency plant. For example, real-time billing inquiry alone, if implemented throughout the industry, could save six million agency employee hours annually (based upon the ASCnet study, extrapolated to the full agency force by ACT). Consider the savings that could accrue from real-time rating through the agency management systems and comparative raters, given that it can take an agency as long as one to two hours to generate a personal lines quote to present to its client today from its carriers' websites.

### **SUCCESS STORY**

**Three agency principals were having a heated discussion on the subject of upgrading all of their "PCs". One principal looked at the "cost" of the PCs as a "dollar and cents" issue, calculating how many CSRs times the number of new boxes, determining they could not afford such a cost. One "techie" principal argued that the new machines had value with faster processors, more RAM, and larger drives which were all needed to run the new applications that would be available soon. The third principal waited, listened and then suggested that both had made good points but that he saw it in different terms. If a CSR wastes about two minutes during each transaction for the machine to catch up along the way, times 50 transactions a day, the new "tools" return their initial "investment" in about a month, calm the staff, improve service—and as a result, contribute to the "income" side of the balance sheet. The two other agency principals ordered the new PCs, as well as faster network hubs, that weekend.**

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- Demonstrate that implementing the new technology is a manageable process for the agency to undertake, with assistance readily available if needed. In this vein, provide the agency with easy-to-follow steps to implement the particular technology, including an available contact person should the agency encounter problems in its implementation.
- When speaking with agent groups, carrier executives can have a powerful influence if they extol the value and importance of agent implementation of real time and download.
- Carriers, vendors, user groups, and associations should use all of the communications vehicles available to them to repeatedly reinforce the importance and value of agency implementation of real-time and download.
- Do not let trade names for a particular carrier's real-time interfaces confuse agencies and possibly deter them from implementing the technology. Explain how this real-time technology complements what other carriers are offering, so that agencies can achieve consistent workflows through their agency management systems working with several carriers.
- Additional benefits of real-time to agents include that logons and passwords are handled automatically by the agency management system. Data is transmitted directly to the carrier's system or web site from the agency system when needed and does not have to be re-keyed, and requested information and quotes are returned in real-time to the agency. Employee training is greatly simplified because of the consistent workflow provided by the agency management system.

### **SUCCESS STORY**

**Best Practices agencies are demonstrating the significant gains in employee productivity, profitability, and value that agencies can achieve. In 1994, the Best Practices agencies producing an average of \$3.7 million in revenue required an average of 50 employees. In 2004, that number was 27 employees, for an improvement of 46%. The profitability (Pro forma EBITDA) of these Best Practices agencies (\$2.5—5 million in revenue category) has jumped from 17.8% to 29.5%. As a result of these gains, coupled with greater demand in the marketplace, the top performing agencies in this size category are commanding 2.0 times revenue in a third party sale, up from 1.5 times revenue a decade ago. (Kevin Stipe, Reagan Consulting, National Underwriter, July, 2005)**

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### The Role of User Groups & Agent Associations

#### BEST PRACTICES

- User group meetings, at the national and regional levels, provide time for carriers to demo and discuss with their agencies the real-time and download capabilities they have available for the particular agency management system(s), along with ways the carrier can improve the interfaces and downloads that it is currently providing to its agents.
- User group and agent association leaders place real-time and download on their advocacy agenda for discussion in agent and carrier meetings.
- User groups and agent associations enlist specific groups within their organizations who are regular adopters of their initiatives to implement the technology and spread the message to additional agents.
- User groups, ACT and AUGIE work together to develop a “message in a box” for their regional and state affiliates so that the real-time and download messages are delivered consistently throughout the country. The kit should include PowerPoint presentations, leaders’ materials and scripts to be used at these meetings.

#### **SUCCESS STORIES**

**A state agent association hosts a panel at its management conference on real-time, where the officers of several user groups and a carrier’s chief technology officer all extol the importance of real-time, the difference it has made to their agencies, and what real-time capabilities are available from particular vendors. This event was focused on agency principals. Two other associations hosted a similar type of event featuring agents, vendor representatives, and regional carrier representatives aimed at convincing regional carriers to implement real-time.**

## Achieving Internal Carrier Understanding & Support

### BEST PRACTICES

- Carrier adopts an overall corporate strategy to be “easy to do business with” and identifies real-time and download as two components in that strategy. Carrier then communicates that strategy throughout its employee force.

#### **SUCCESS STORIES**

**One carrier produced an internal video concerning real-time for the entire company staff and included articles and case studies on the subject in its internal publications. Several other carriers use live-meeting technology over the Internet to inform and train their employees on the new technology. Another carrier makes successful agency implementation of its real-time interfaces a performance criterion for its sales and marketing staff.**

- Carrier has a mechanism to get regular input and feedback from its agency force on its current technology and its technology plans.

#### **SUCCESS STORIES**

**One carrier established an agency technology council to supplement its regular agency advisory council. These agents are very knowledgeable about industry technology issues and the company’s current interfaces, downloads, website, etc. This council provides a great sounding board for the carrier on its current and planned technology. A second carrier has found it very helpful to communicate these issues to its agency CSR councils which are connected with each of its branches. The carrier seeks to have CSRs representing the various user groups participate in these councils, so that the messages also can be disseminated to the user groups.**

### Carrier/Vendor Training

#### BEST PRACTICES

- Virtual, interactive demos and meetings over the Internet are an efficient training tool for carriers and vendors and are being well received by agents. These sessions should be recorded and put on the vendor's or carrier's website, so that they can be viewed by additional agencies. Agents need to be encouraged to provide sound at their employees' desktops or within a common training area, so that their employees can benefit from these training opportunities.
- It is most effective when carriers and vendors demonstrate their new technologies working within the agencies' particular agency management systems, so that the agents can visualize the specific workflow benefits to them.

#### **SUCCESS STORY**

**One carrier created a virtual tour and demo on its website to help agencies see how easy real-time is to implement.**

- Carrier marketing representatives are conversant with the business benefits their company's real-time capabilities offer the agency; and in meetings with agency principals, urge them to implement real-time.
- On-site trainers and live training classes continue to be very effective for the agents and constitute a definite "value ad" to the agent from the carriers in a position to provide these services. Some of these on-site trainers help agencies with a whole host of technology issues that go beyond the carrier's specific technology implementations.

#### **SUCCESS STORY**

**One carrier has achieved particular success in getting agencies to implement real-time by employing a "three touch" strategy. First, the carrier goes on-site to train the agency employees in the implementation. Second, the carrier follows up with the agency shortly thereafter to ascertain if there have been any problems. Third, the carrier does a visit to make sure the agency employees are using the new technology.**

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- Given the limited resources for training, carriers and vendors offer a “blended approach” to agency training and support, including instructor-led agency and group training, virtual classrooms, online tours and demos, quick reference guides, telephone support, etc.

### **SUCCESS STORIES**

**One vendor concluded that he has over-funded development and under-funded agency training. Now he makes two calls with each agency: the first to convince senior management to use the technology; the second to train the agency staff and to show them the new workflow and how it makes their work easier. A lot of individual hand holding is required, but this approach has resulted in dramatically improved usage. A second vendor has found success convincing agents to implement real-time by using hands on, grassroots calling of its users (for marketing) and hand holding (for installation). Strong consistent messages to the agents from their user group and implementing carriers reinforce and amplify the direct messages from the vendor. The vendor also provides carriers access to its staff for carrier-sponsored webinars, sometimes for specific agencies.**

- Successful agent implementers should be featured in presentations to agents when feasible, because of the credibility these agents have with the other agents.

## **Agency Tracking & Surveying**

### **BEST PRACTICES**

- Vendors provide capabilities in their systems for agency managers to audit employee use of real-time.
- Carriers track agency usage of real-time and download and follow up with agencies regarding their usage, as well as ascertain the reasons for non-use and desired improvements.

## **SUCCESS STORY**

**By tracking employee usage, one agency was able to determine that most of its employees were not using the agency's new real-time capabilities. The agency then had its vendor conduct an online training session for the agency's employees on the benefits of real-time and how to use it. This training has completely turned around employee usage of real-time, and the agency has seen its overall real-time usage numbers dramatically increase.**

- Vendors, carriers, user groups, and agent associations conduct online surveys to determine the levels of agency use of real-time and download, the points of satisfaction and dissatisfaction with such use, and the reasons why agencies have not implemented these technologies.

## **Industry Resources Available to Assist Agencies**

The ACT Real-Time Interface DVD found at [www.independentagent.com/act](http://www.independentagent.com/act) focuses on the benefits of real-time and provides an independent source that encourages agents to implement this new technology. Another useful tool on the ACT site (under "Technology Reports") is "The Real-Time Revolution; Redefining How We Work," which defines real-time, explains its benefits to agents, and includes definitions of the various technologies associated with real-time.

ACT has created another tool, the ACTtech website ([www.ACTtech.org](http://www.ACTtech.org)), to give agents a single place to go to ascertain the specific real-time and download capabilities available from their carriers for their particular system. In addition, agency management system vendors and user groups offer very helpful information on real-time. To access links to this information, go to the ACT homepage at [www.independentagent.com/act](http://www.independentagent.com/act) and click on the icon "Real-Time Interface Links."

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