



## Best Practices for Agency Operations Webinar Series

# 2019 *BEST PRACTICES STUDY* OVERVIEW

Tom Doran / Reagan Consulting  
September 2019



# Foundations – Laying the Groundwork

## Foundational Best Practices Elements

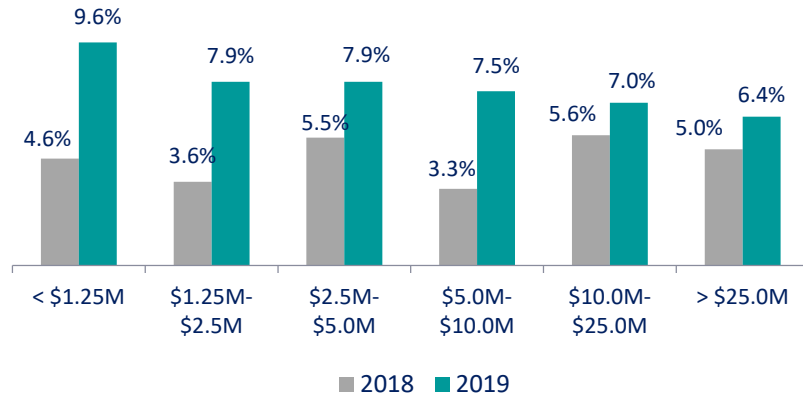
Growth	Financial	Operational	Compensation	Perpetuation
<ul style="list-style-type: none"> <li>•Organic Growth</li> <li>•Sales Velocity</li> <li>•New Business per Producer</li> <li>•Acquired Growth</li> </ul>	<ul style="list-style-type: none"> <li>•Pro Forma EBITDA</li> <li>•Pro Forma Operating Profit</li> <li>•Debt &amp; Leverage</li> <li>•Current Ratio</li> <li>•Tangible Net Worth</li> <li>•Rule of 20</li> </ul>	<ul style="list-style-type: none"> <li>•Revenue per Employee</li> <li>•Renewal Business</li> <li>•Book Serviced per Producer</li> <li>•P&amp;C Revenue per Support Staff Employee</li> <li>•L/H/F Revenue per Support Staff Employee</li> </ul>	<ul style="list-style-type: none"> <li>•P&amp;C Producer Compensation</li> <li>•L/H/F Producer Compensation</li> <li>•P&amp;C Support Staff Compensation</li> <li>•L/H/F Support Staff Compensation</li> <li>•Net Unvalidated Producer Payroll (NUPP)</li> </ul>	<ul style="list-style-type: none"> <li>•Weighted Average Shareholder Age ("WASA")</li> <li>•Weighted Average Producer Age ("WAPA")</li> </ul>

## Process Improvement Cycle

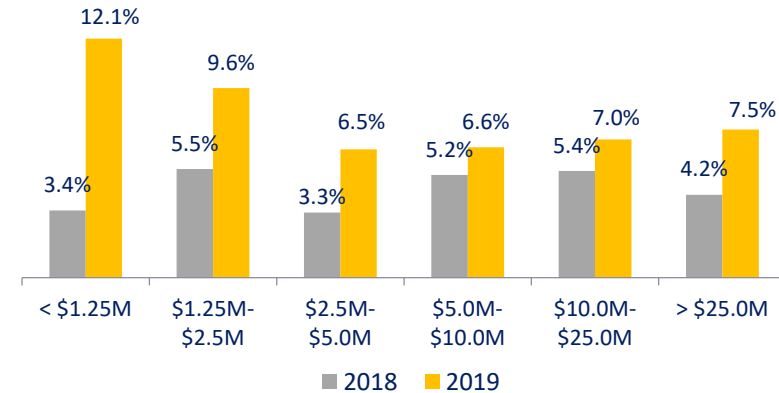


# Organic Growth by Line of Business

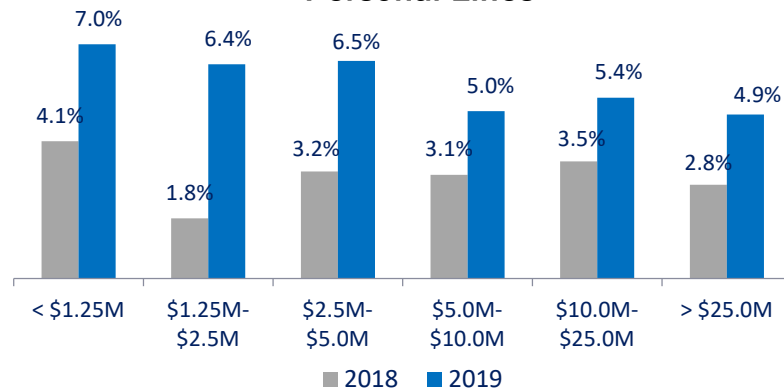
### Total Agency



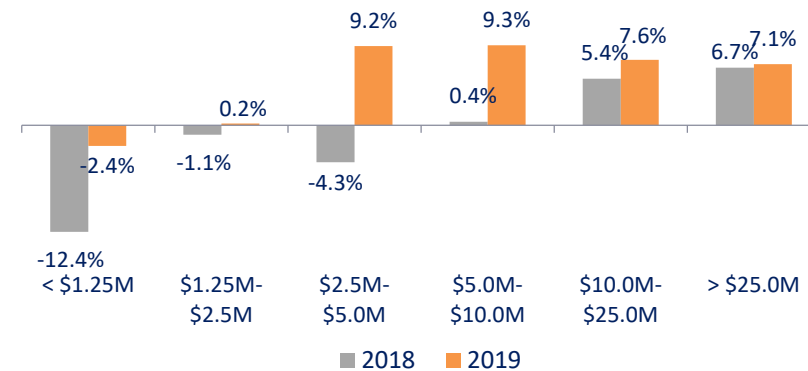
### Commercial P&C Lines



### Personal Lines

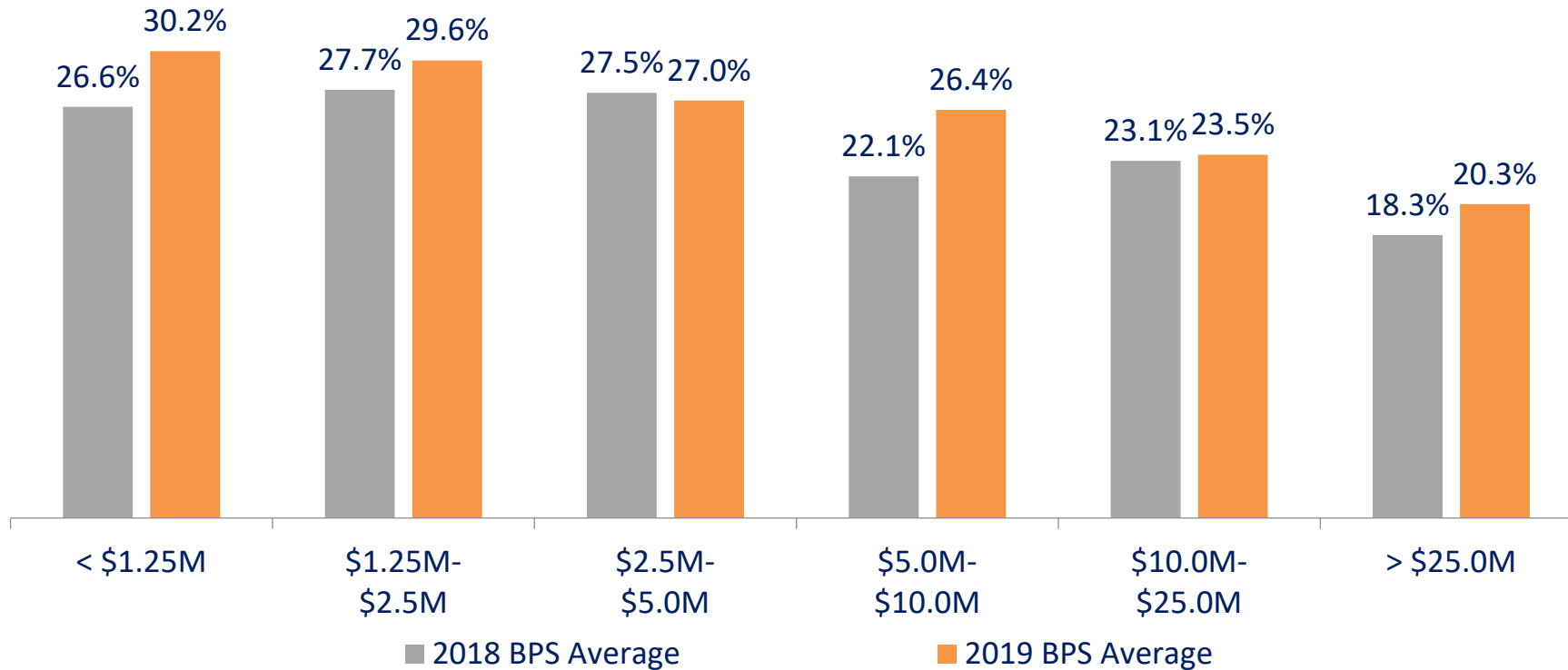


### Group L/H/F



# Profitability

## Pro Forma EBITDA

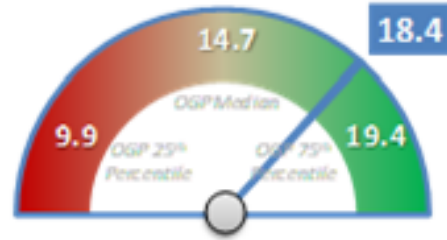


# Hypothetical Metric Dashboard

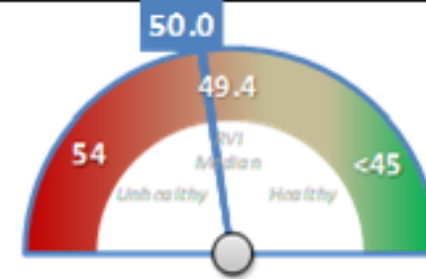
Organic Growth



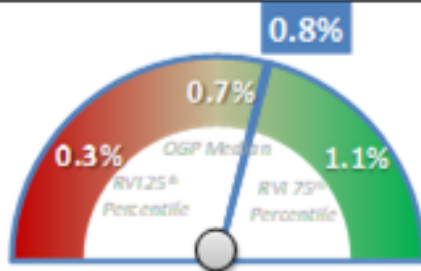
Rule of 20



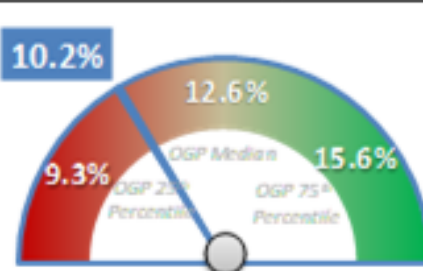
Weighted Average Producer Age



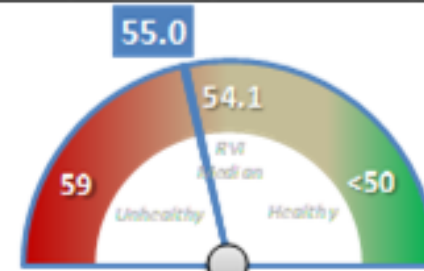
Effective NUPP



Sales Velocity



Weighted Average Shareholder Age



# 2019 Best Practices Sponsors



# Reagan Consulting



## **Tom Doran**

Senior Vice President

[tom@reaganconsulting.com](mailto:tom@reaganconsulting.com)

404-869-2534

Tom Doran has been with Reagan Consulting since its founding and is a partner of the firm. Tom's areas of expertise include merger and acquisition representation, agency valuation, ownership perpetuation planning, agency valuation enhancement and strategic planning facilitation.

Before joining Reagan Consulting, Tom was a consultant with Hales and Associates, and worked in the computer industry, both as a software developer and as a management consultant.

Tom is a regular contributor to Reagan Consulting's industry studies and is frequently published in various insurance industry publications. He also speaks on a regular basis to industry trade groups and associations on a wide variety of topics concerning the insurance distribution system.

Tom is a Certified Valuation Analyst (CVA) with an undergraduate degree in Computer Information Systems and an MBA from Georgia State University. He currently maintains the Series 63 and 79 FINRA Registrations through Reagan Securities, Inc., the affiliated FINRA-registered Broker/Dealer of Reagan Consulting, Inc.

