



PART 4

YEARLY PLANNING AND AGENCY GOAL SETTING



RIGHT START

DiVERSITY

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Session Objectives

- Establishing a Process for Setting Goals
- Utilizing Retention, Rounding + Referrals
- Building Carrier Loyalty





PART 4.1

ESTABLISHING GOAL SETTING PROCESS



4%

10%

30-35 / monthly

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Small Agency, Inc.

- Last Year's Revenue \$300,000
- Average Rate Increase
- Average NB Production
- Goal for Growth

Added new appointment goal \$15K to current \$30K



Calculate Your Success

STEP 1: Determine New Base	Current Year	Coming Year Goal
A. Base Year Agency Commission	\$300К	\$330K
B. Gain/Loss from Rate Change (ex: base x 4%)	\$12K	
C. Loss from Lost Clients (ex: base x 15%)	\$45K	
D. New Base = A + B – C	\$267,000	
STEP 2: Determine Performance Gap	Previous Goal	New Carrier
E. Next year's commission goal	\$330K	\$345K
 F. Performance gap = E – D (add new carrier revenue goal 15k to performance gap below) 	\$63K	\$63K + 15K = 78K
STEP 3: Determine Gap Clients Needed	Previous Goal	New Carrier
6. Average commission per client	\$100	\$100
H. "Gap" clients needed annually = F/G	630	780
I. New clients needed per month = H/12	53	65 DIO
		BIG

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Predicting Future Results Review the following...

- Last four years of revenues?
- Any trends? Revenues growing or declining?
- How much new business written in last 6 months?
- Number of business lost accounts?
- Net for last 6 months?
- Multiply each result by 2 then compare to your new business gap?



Success Calculation for Growth

Share with Your Company Representative

- Demonstrates & shows revenue against prior years
- Accounts for the impact of a company's growth goal
- Identifies possible existing trends



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THINK TANK Calculate Your Success...

<u>Reminder</u> Download the Right Start Workbook to complete this exercise.





PART 4.2

RETENTION, ROUNDING AND REFERRALS



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Impress Your New Carrier



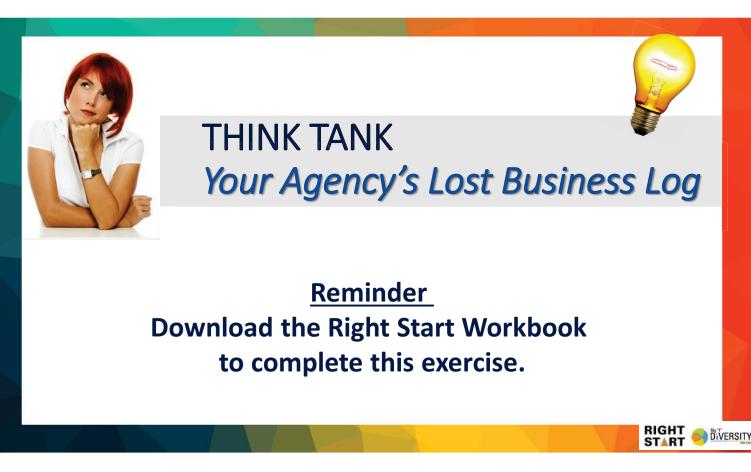


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Lost Business Log

Name	X- Date	Pol Type	Liability Limits	Pymt Type	Ded Amount	Lost to	Reason Lost
Jones, Betty	4-23	А	100/300	APT	500	SF	Slow response time
Harden, Ronald	5-1	А	100/300	Install	500	SF	Multi-line discount w/auto
Smith, Lily	5-15	А	50/100	Install	500	Farmers	Better payment option
Jackson, Kathy	1-30	A/H	250/500	СС	250	Reg.	Lower price
Maddow, Donna	5-30	А	25/50	Install	500	Prog	Non-renewed UND reasons
Simpson, James	11-14	A/H/P /U	500 CSL	APT	1000	Agent	Moved out of state





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Account Rounding
Validate Your Account Rounding
Understand Opportunity (AMS or Company List)
Sales Alignment
Creating a Marketing Plan



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RIGHT ST RT Training Series

PART 4.3

BUILDING CARRIER LOYALTY



Building a Life Long Relationship



JUST SATISFIED

- ✓ Adequate number of agency's customer base is written with them.
- ✓ Are usually mono-line
- Customers will entertain solicitations from competitors and move if value proposition "appears good"

LOYAL

- Customer has multiple policies with each carrier.
- ✓ Agency has built a strong business relationship with carrier.
- Agency checks with company as needed before making insurance decisions, especially on accounts requiring UW consideration.



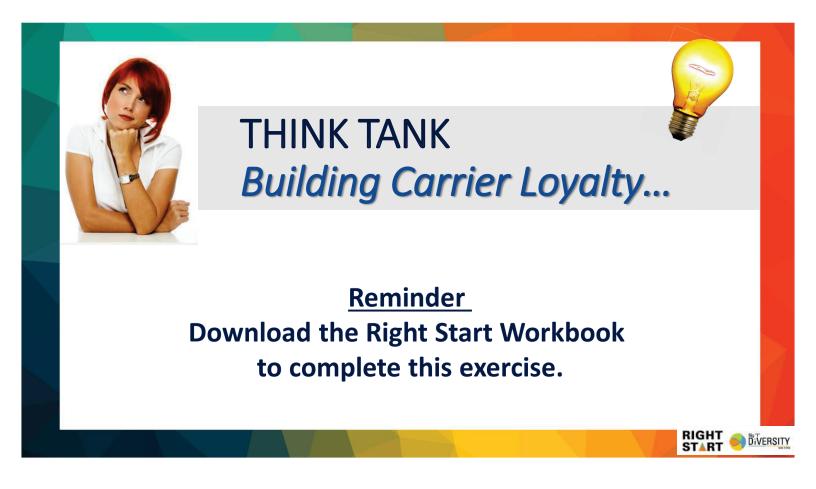


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Carrier Loyalty







Summary

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- Establish a Process for Setting Goals
- Utilize Retention, Rounding and Referrals

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Build Carrier Loyalty