



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



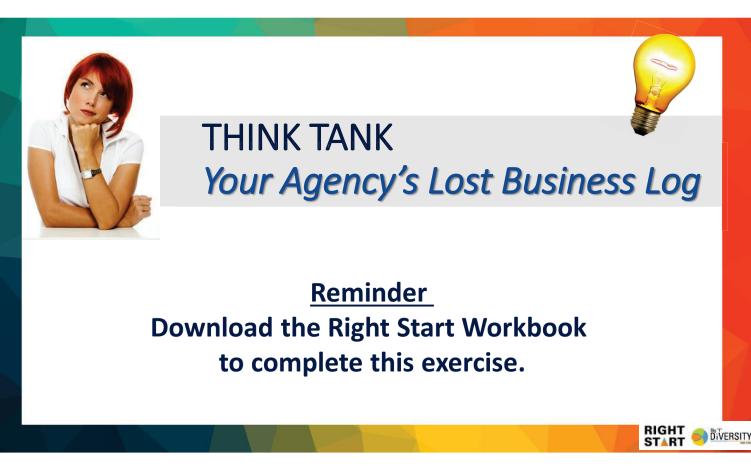


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Lost Business Log

| 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.



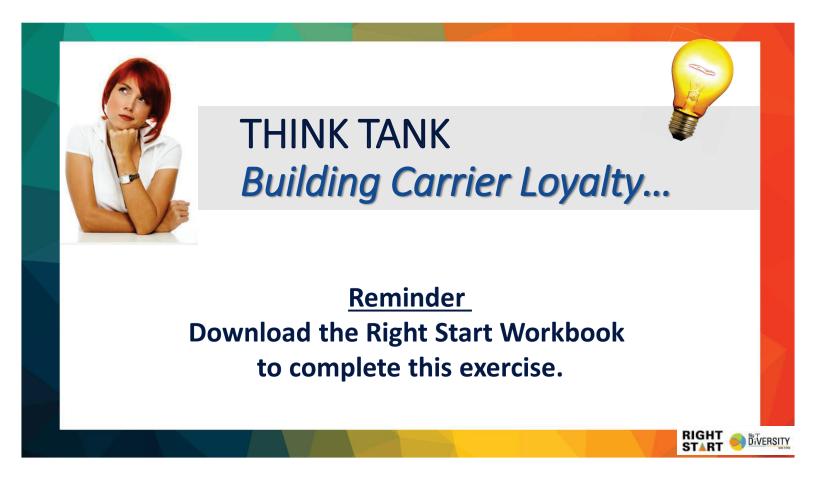


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Carrier Loyalty







Summary

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

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Build Carrier Loyalty