

Best Practices for Agency Operations

Sales Velocity Tom Doran / Reagan Consulting





Independent Insurance Agents & Brokers of America, Inc.



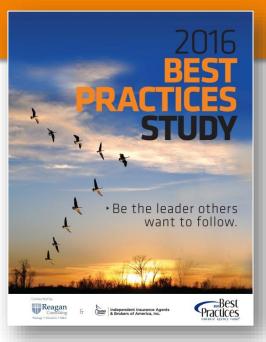


Trusted Independent Insurance Agents & Brokers of America, Inc.

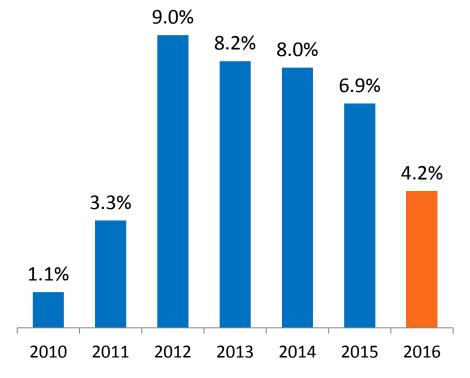
Strategy • Valuation • M&A

Sales Velocity

Tom Doran / Reagan Consulting June 28, 2017



Key Industry Challenge: Organic growth is slowing



Source: Best Practices Study, All Agencies

What affects organic growth?

Retention rate

Pricing

Exposure changes

New business

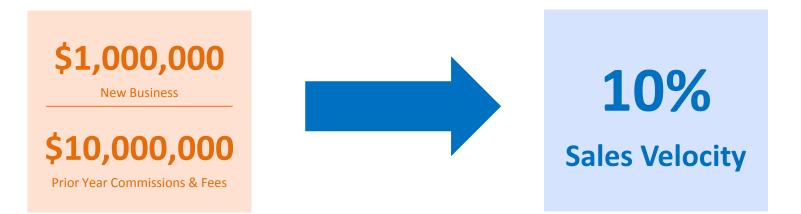




Best Practices Webinar Series

Understanding the Sales Velocity Metric

Determining Agency Sales Velocity



Sales Velocity is the new business variable in determining organic growth





Multiple Stories Behind 6% Growth Sales . 2016: \$1,060,000 2015: \$1,000,000 6% Growth Commission + Fees **Commission + Fees** Down 5% on rate New Business of \$950,000 \$181,250 = Sales Velocity of 18.1% Down 7.5% on attrition

\$878,750







Multiple Stories Behind 6% Growth \$1,065,000 \$1,065,000 Down 2.5% on attrition Up 6.5% on

\$1,038,375

Same growth ... very different growth culture

6

rate

2015: \$1,000,000

Commission + Fees





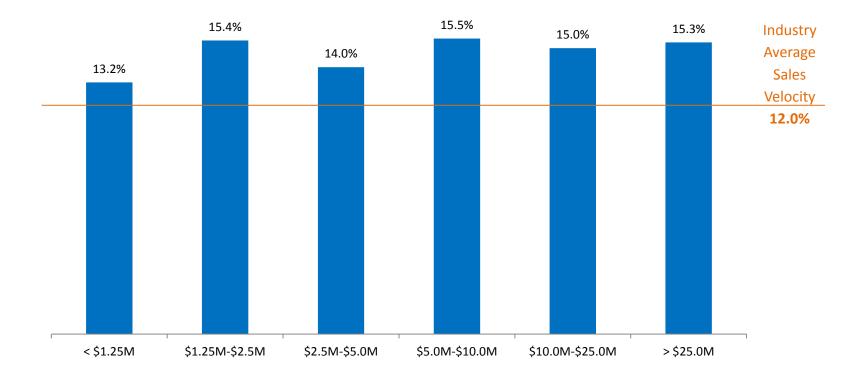
\$21,325 = Sales

Velocity of 2.1%

Sales Velocity



Sales Velocity of BPS Firms by Size Category



Source: 2016 Best Practices Study



How do BPS agencies generate high SV?



- They build cultures of accountability where producers must consistently produce new business at levels consistent with other BPS agencies
- They aggressively invest in recruiting and developing young producers





Their support of this industry initiative is an invaluable investment in the health of insurance agencies across the country.



