



# RIGHT START

Training Series

## PART 4

YEARLY PLANNING  
AND AGENCY GOAL SETTING



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## Session Objectives

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



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### PART 4.1

#### ESTABLISHING GOAL SETTING PROCESS



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## Small Agency, Inc.

- Last Year's Revenue **\$300,000**
- Average Rate Increase **4%**
- Average NB Production **30-35 / monthly**
- Goal for Growth **10%**
- 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	\$300K	\$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
G. 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



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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...*

### Reminder

**Download the Right Start Workbook  
to complete this exercise.**



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PART 4.2

RETENTION, ROUNDING  
AND REFERRALS



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## Impress Your New Carrier

**Retention**

**Account Rounding**

**Referrals**

# Retention

**1** Validate Your Retention

**2** Profile Lost Business through Lost Business Log

**3** Improve Profile of Clients Being Lost

**4** Stop In-Flow of Similar Client Profiles

**5** Win-Back Lost Clients

## Lost Business Log

Name	X-Date	Pol Type	Liability Limits	Pymt Type	Ded Amount	Lost to...	Reason Lost
Jones, Betty	4-23	A	100/300	APT	500	SF	Slow response time
Harden, Ronald	5-1	A	100/300	Install	500	SF	Multi-line discount w/auto
Smith, Lily	5-15	A	50/100	Install	500	Farmers	Better payment option
Jackson, Kathy	1-30	A/H	250/500	CC	250	Reg.	Lower price
Maddow, Donna	5-30	A	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



## THINK TANK

### *Your Agency's Lost Business Log*

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## Account Rounding

- 1** Validate Your Account Rounding
- 2** Understand Opportunity (AMS or Company List)
- 3** Sales Alignment
- 4** Creating a Marketing Plan



# Referrals



**1** Understand New Business Flow

**2** Properly Allocate Sales Resources

**3** Create a Marketing Plan

**4** Implement, Measure, Control



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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.



## Carrier Loyalty





# THINK TANK

## *Building Carrier Loyalty...*

### Reminder

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## Summary

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