



SPECIAL REPORT

Client Secrets You Must Know To Market Your Services and Overcome Objections

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If you knew what your client's are thinking, you would have a distinct advantage to market your services and overcome their objections. That's exactly what this Special Report is designed to do. Following are topics that arise in the minds of most clients. They reflect how they perceive agents and services. Knowing this, you can design a marketing plan and respond to their objections and concerns with authority.

Always the Lowest: *I know that as customers, we always seem to want the lowest price. But, if price is the only thing we want, why don't we always buy from the lowest-priced companies? Because, we also want service; and, if your grade of service is good or excellent, a fair portion of us will stay with you even if your price is not the lowest (as long as it is competitive).*

Sharing Secrets: *When it comes time for renewal of my policy, my agent will involve me in the process by actually discussing the various companies he has shopped and what he found for rates. At times, he has even admitted that he doesn't handle a particular company that seemed to have the lowest rates. Since I know that my agent can't ALWAYS be the lowest bidder, and I appreciate his honesty, I stay with my agent . . . even at a higher, but competitive price.*

I'll Never Use It!: *I used to think poorly about insurance protection. Insurance to me was something I prefer to think of as "out of sight, out of mind". Why pay for something that I may never need? Fortunately, my agent overcame this thinking by discussing a few important statistics and demonstrating (after a few questions) that friends and even family members were beneficiaries of insurance proceeds and glad they had it! With some forms of insurance, I was told that a return of premium rider was available that returned my payments to me at a certain point. As long as the amount of the rider made sense, this is another way to help me meet my insurance needs without worrying too much about the cost.*

Dig Deep: *Whenever I complain to my agent that I couldn't possibly pay the cost of an insurance policy he is wise to ask me where I would get the money to pay for the cost of an accident, injury, sickness, death, etc if something happened **without coverage in place**. Do you have an emergency fund?, he asks. How about a savings account, money market, CD, etc? Since I always have funds for these purposes, I can also use them for buying adequate*

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and reasonable insurance protection. Actually, I am simply repositioning some assets in order to protect all my assets.

There Has To Be More Than This? I've had a lot of insurance agents try to sell me coverage. Many think that the processing of quoting a price or delivering an illustration is meeting my needs. Nothing can be further from the truth. The elements of a sale consider time, knowledge (information) and power. As a customer who doesn't like being pushed around, I will always try to exert my POWER by requiring the agent work within my TIME restraints and LIMIT the information I give him. The professional sales agent, however, will always keep trying to get as much information as he needs to prudently choose product and company, sufficient time to get the job done and a balance of power so that everyone comes out a winner. He never lets negotiations boil down to just one issue (like price). He makes sure that our talks involve other issues in order for me to more easily accept an alternative proposal that may, in the long run, be better coverage. He makes a supreme effort to understand my desires, gather information to respond to my needs and solve my problems. He asks open-ended questions and actually listens to my answers.

Give The Customer What He Wants: Surveys prove that aside from price, honesty and efficiency, customers like me want reliability in an agent. Reliability means an agent that can make decisions and is "there for me" when I need him. My agent, Jack, really works hard at making himself available to customers when they need him. Even though his carrier has a full, 24-hour service center to handle claims, Jack hires an answering service to take his calls after hours. Jack has instructed the answering service to ask questions about the customer call in order to determine if it is an emergency for him to handle or not. If it is, the answering service has Jack's home number and pager to call.

You've Got Mail: I really value the ability of my agent to respond to BOTH my request for business and any problems that arise. I hope he is personally involved in the review of any letters of complaint I may send . . . since customer complaints are a serious matter that can "mushroom" from little to big issues if not addressed. It would be good to know that if my agent could not be involved in every complaint letter that he closely supervises his staff to be sure that are responding. An annual customer survey would help him know if these matters are being taken care of or not.

How Am I Doing? My agent can show me how much he values my business by asking me if his service is meeting my needs. He could send me a simple customer checklist identifying various services, response time, accuracy, etc. Or I would be equally impressed with a Customer Bill of Rights outlining the services I can expect of him. I rarely see feedback forms like these so I am easily impressed with the skills of my agent over a competitor.

The Personal Touch: I like the idea that my agent keeps in touch with me from time to time. I know this is a form of prospecting for new business and referrals, but he doesn't make a pest of himself. His approach is moderate, but continuous. I also like the fact that he makes his own telephone calls. Sure, a lot of agents hire telemarketers, which might work for a first-time customer, but I am an existing client. I want to know that he appreciates my past business.

A Real Legend: I need my agent to survive a really long time by keeping me and other customers as long as possible. What is the most important element of the "legendary agent"? Information on the activities of customers to learn where gaps in service occur. To help in these areas, I know that my agent conducts Customer Retention Reports, Premium Reports and Lost Business Reports. Besides these procedures, my agent will survive long term because of his

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ability to get referrals, both solicited and unsolicited, from existing customers. He is also not afraid to look-up customers who have left him and find out why they made the move so he can learn from his mistakes. Best of all, he is a "legendary thinker". He doesn't regard clients as problems or interruptions to his day. And, he doesn't blame someone else, like a carrier, for constantly trying to undermine his business. He also hires the best employees and treats them as equals understanding that owners who do this get the most reliable staff and better customer relations. Finally, my agent has a list of "10 Commandments of Customer Service" he learned from a consultant named Al Diamond:

1. Do things right -- every time.
2. Customer problems are our opportunities to provide the highest grade of service possible and to create "Customers for Life".
3. Create service legends.
4. No one ever complained about being treated too nicely.
5. Continuous improvement is more a function of the questions we ask than the answers we provide.
6. The customer's perception IS reality. If he thinks we blew it, we blew it!
7. Guarantee your service - UNCONDITIONALLY
8. Work should be fun
9. Be proud of your agency -- but never satisfied
10. To your customers -- YOU are the agency and the agency IS the company.

Tips / Backwards form future: If I have a choice (and I do!), I want to talk direct to my agent, only my agent. However, I also realize that he is a businessman who needs to delegate jobs to other people in order to be efficient. What is important to me is that he delegates the authority, but he remains responsible and he monitors the results. Further, I am impressed with the fact that he delegates to the best people, gives them proper instructions and a time frame to handle my transaction. Finally, I know he makes the delegation of authority work because he has many status meetings with his staff to determine the success, issues or problems of transactions by individual other than himself. He never assumes that all is progressing as "expected".

Tips / Catch 22: I need to know that my agent trusts his employees enough to delegate some authority. After all, there are times when he will go on vacation or be out of the office and I really need to have an answer. When I call and a staff member can handle my request, I know that he must be a trusted member of my agent's staff. My agent must be very involved in managing his employees and trusting them enough to share vital information to help me when I need it most. I'm sure he also takes the time to share his plan to grow his agency and how all of them can be involved. Agents before him were less in control of their time and priorities, therefore uncomfortable about delegating to others. If I called and they could not help me, I sensed the frustration in their voice or the stress from being "out of the loop".

Tips / Bit I can't Afford to Advertise: I used to do business with another agent before I met Jack. He was ok, but when times got tough I never heard from him. I need to know that my agent is there for me. Jack seems to be quite different. Instead of waiting for his company to grow, he "funds growth" through a consistent ad campaign. I get pens, magnets, calendars, newsletters, e-mails from Jack that remind me that he is still around. More important, when I call about some new business or refer him to a friend, someone at his office is always careful to ask "What made you think of us today?" So, I know he is monitoring his advertising to find out what works.

Being Creative: I want creative thinking from my agent; he or she must be a problem solver. I know this is not easy and it is sometimes the product of collective minds rather than just one agent. I have heard, for instance, that the creative juices for a lot of agencies comes from within the agency through the power of group meetings. This certainly wouldn't work in a company where departments were constantly competing for attention or business at any price or where the owner is King. Rather, an environment where personnel can make suggestions to the agent without being "blown away" will probably help customers by keeping a flow of ideas. Employees will only be creative as they are allowed to be.

Satisfaction Guaranteed: I encourage my agent to conduct Customer Satisfaction Surveys so he knows where to look for improvement. A lot of agents fear or avoid the results of surveys, perhaps because they haven't conducted them regularly or the results they get are inconclusive. But, these surveys are the best way to determine my needs and wants in areas like 1) delivery of services, 2) dependability and accuracy, 3) perception of services, 4) employee knowledge, 5) promptness, 6) employee empathy or 7) perception of the agency's physical appearance. The most successful surveys my agent has conducted include a letter explaining the purpose and procedure of the survey along with a postage paid envelope to send the results back. The most important part, however, is tabulating the results to show where we (the customers) feel you are strong and weak. Confident agents will actually share these results with customers and ask their input on how to make improvements. So, the survey becomes both a public relations tool and self-analysis tool for the agency.

The Wall: Why do some agents reach a certain level of success and then stop? I need my agent to watch out for this "wall of inertia". I need him to be progressive and make changes to better serve my needs. How do agents get trapped at "the wall"? They get too comfortable. Sometimes, just doing the minimum to keep from getting sued. They may also have an ego that doesn't lend itself to making changes. After all, if he has to change, he must have been doing something "wrong", right? Maybe he should just leave everything alone because a change would reflect badly on his management and insurance skills. Also, employees of the agency also fall into their own "comfort zones". Some are open to changes, others are not. My agent found ways to defeat the "wall" by making a commitment to change in step with the changing times. In some agencies, this commitment is actually put in writing and explained to employees before they are hired. Anyone who does not agree to change with the agency is given the opportunity to find another agency that maintains its old ways!

Now I Remember: When I'm searching for an agent I want to remember why I should do business with him and not a competitor. His agency brochure was extremely helpful in presenting the information I needed to make my decision. Most agencies have a brochure, others simply haven't recognized the need for one. Still others have a brochure but it is simply designed to satisfy their image. The brochure I saw worked for me because it gave me the facts I needed to "differentiate" my agent from the rest of the crowd in several areas: 1) service, 2) company identity, 3) personnel and 4) price competitiveness. A mistake made by other agent brochures was the lack of concentration on my needs.

Team Building: My agent's office is extremely organized -- it has to be to get my business! Specifically, I like how he has organized duties between himself and staff. In other offices, there is a lot of the typical "in-fighting" that seems to occur quite often. The customer service employees blame the agents for not doing what they are supposed to be doing and can't serve the customers properly. The agents, on the other hand, feel that these employees are there to help them so they can go out and sell some more. My agent has devised a system that lets everyone in the office know who will be performing tasks. He calls it a "work assignment"

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system. The basis of the system is a code system something like this. "P" stands for a producer's task, "C" stands for customer service rep, "E" means either may do task, "B" means both will work together on the task and "S" assigns the task to support staff. Next, he made a list of all the tasks in the office surrounding the establishment of new accounts as well as renewals. Next to each task is a code. So, when it comes time to prepare a proposal or a quote, everyone knows who is supposed to do it. I know it that these are the "behind the scenes" operations of his business that I am not supposed to notice, but it makes his office run so efficiently that I just had to say something.

Service Is In Your Head: I have done business with a lot of agents over the years. Most all of them "think" that they offer excellent service because their egos will not permit otherwise. The fact is, excellent service is a state of mind that is constantly open to improvement. My agent's attitude toward his employees is a good example. While other agents may take every opportunity to criticize employees, my agent is always there with praise, especially in front of customers. And, his praise is genuine, not patronizing. A lot of agents might worry that too much praise leads to employees asking for more money. In fact, it leads to a higher level of satisfaction, even if they are NOT the highest paid staff on the block. Other agents also worry that the more service you give customers, the more they expect of you. And, to some extent this is true, but isn't continuous improvement one of the habits the agents should pursue? And, who am I going to refer my friends for their business -- someone with lower levels of service? A lot of agents measure the level of their service based on the number of complaints they receive. This is a rather negative approach because as service drops to lower and lower levels, customers simply give up and stop complaining -- it doesn't seem to do any good. Lower levels of complaints might make that agent feel he is giving good service. Instead of counting complaints, my agent asks me about his service issues. His questions are very specific not just "How am I doing?". In a way, he is proving that he provides excellent service to me and to himself. The verification does wonders for his state of mind and it makes me a believer!

Focus on Real Needs: My agent is one of the most successful around because he focuses on the needs, priorities and perceptions of his customers and not his perceptions of my needs. The difference is something that few agents realize. They think they are concentrating on the needs of their clients, however, they have tried to define these needs themselves without input from the customer himself. When business starts declining, agents try to blame it on the fact that someone else offered a better deal. If this were true, however, agents would **lose** every price conscious customer when his price is a little higher and **get** every customer when he had a better deal. The fact is, customers like me worry that a lower price might mean lower service and it is not worth the effort to move to another agent as long as I feel I am getting good service for a competitive rate. But what is a good level of service? My agent takes regular surveys to find out. Better yet, he shares his surveys with his customers and lays out an action plan where he **commits** to make changes to improve service. Finally, he follows up at a later date to be sure that the changes actually made a difference.

Ready, Aim, Focus: A lot of agents want my business but they miss the point when they send me a slick-printed brochure and an introduction letter. This isn't a marketing program that can inspire me to move. What does make me sit up and take notice is an agent who implements a "campaign" to educate me about his business. Better yet, a specific insurance coverage that I need. His goal should be to make himself more familiar to me than my regular agent. This is not very hard in a lot of cases since most agents don't see their customers more than once or twice a year. I have heard that marketing plans that follow a three-year cycle are the most effective with contact messages at least five times per year. The smarter agents also realize that they need to appeal to several different target markets at the same time, e.g., motorcycle

insurance, earthquake insurance, umbrella coverage, etc. And, even though my new agent is marketing a specific product line, he makes sure to inform me that he can also cover me for my home, life, auto, etc.

Can You Manage? In using several agents over the years I have noticed that some reach a certain level of growth, then stop. I'm not saying that big is better and I don't want to get lost as a customer in a huge office, but I also want the agent I use to be able to grow with me and a base of customers. If he goes away for lunch or vacation, I don't want to get an answering machine and a return call two weeks later. Like any other business, I'm sure that the reason agents fail to grow beyond their owner's ability to personally produce is that they refuse to invest in people and learn the arts of delegation and management. The longer they have been in business (20 years or more) the more they fight these changes or additions. But, the sooner that agent owners hire managers to accomplish administrative tasks the sooner they will move to new levels of sales and efficiency. However, delegating functions does not mean delegating control. An agent needs to maintain control over the day-to-day operations through a reporting system that informs him what comes in, what goes out and how much and how old are the items remaining undone. Knowledge about any business is EVERYTHING!

Where Do I Start? My agent found himself in a rut a few years back and decided to fix some problems that a lot of agencies have. First, he felt that prospecting for new customers was a bit degrading, after all, he was 15 years in the business. However, when he first approached me I told him that was the last thing I thought of. It was a downgrade in his mind not mine. Soon after he simply started acting as though he was the world's most professional agent -- the old positive thinking routine. It worked! Next, he complained that his producers in the office were falling into the habit of selling on price alone. The answer was to brainstorm every single benefit about his product and the differences from his competitor's product. He sent his agents to a professional training school where they learned that you don't need to sell as much on price if you are able to establish a relationship of trust between themselves and clients. His customer service reps were another problem. When they were first hired they were self-starters, tackling problems head-on and with enthusiasm. After a few years, they were more like drones. Everything was a crisis and he was left to solve all the problems. I guess they felt that he would correct them so much when they took action and they were tired of the criticism. The solution was simple. When a problem arose, he would ask them how they would handle it. In most cases he would agree with their decision. In a short while, his employees began to realize that they could do it on their own. Of course, this will only work if the employees make common sense decisions.

A Waste of Time: I get a lot of calls from solicitors and agents alike. What I don't understand is why someone would want to continue wasting time on me if I have given them a clear indication that I don't want to buy. When I mentioned this to my agent he told me that it is true that a lot of agents refuse to give up even though they should recognize that the prospect is not going to buy. He said there are several clear signals or characteristics to look for. First of all, he is quick to point out that a lot of agents fail to ask the most important question: "If we can provide you excellent coverage at a fair price would you buy from us?" If the answer is a flat "no", why waste your time. Another good signal is when the prospect starts pumping the agent for more information than he needs to know. For instance, he starts talking about a situation that happened to him a year ago and how it was handled. There is also the prospect who throws out a ridiculous price demand, perhaps with the promise of more business in the future or friends he will send over. Liar. How about the "last minute Johnny". He calls for a quote at the 11th hour. Most of the time, he is simply trying to get information to negotiate a better deal with his existing agent. Then there is the guy who knows everything. He considers all agents to

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be the "same". He contradicts everything you say. If he does buy anything, he'll probably only be with you a short while. He's never happy. Let's also not forget about the people who just can't make a decision. They get your proposal and re-read it 50 times. Perhaps you would be wise to ask him who makes the insurance decisions at his home or office. More than likely, it will not be him. The guy who just likes to talk can also rob you of time. It sounds like you are building a great relationship, but he never commits to a purchase. Finally, there is the "Private Peter" who never, ever discloses to you his current coverage and premiums for fear that once you know, you will never quote him a lower price. The truth here is that if you know what he has, you have a chance to make it better, instead of taking a lot of time to do a complete interview and quote.

No One Does IT Better: I have friends who try to get me to switch to the "direct selling" insurance companies but I just can't imagine that they can do a better job than my agent. Sure, they are persistent and good marketers, but I want "old fashioned advice", the kind I can get from my local agent. I like the fact that I have a relationship with him and I sense differentiation between him and direct writers on three levels. 1) He knows and addresses my basic needs to want to the lowest possible insurance cost, efficient processing and quick handling of claims. 2) He responds to my second level of desire which is to feel important. I want to be "known" and recognized, not just a number. Direct writers use random servicing which means I get a different person almost every time I call. 3) The level of expectation is when I, as the client, am "thrilled" by my agent providing services I did not expect to get at all. Things like getting a call back from my agent on the weekend or instant account information or certificates of insurance are examples of unexpected services.

Earning Business: I have seen a lot of things that agents do to earn my business. What I want is an agent who gets to know me. Didn't I hear somewhere that familiarity breeds sales? Well it works so long as I know an agent was really working to build a relationship and not just saying anything to get a sale. How would I know the difference? An agent who is interested in my long-term business **never loses track or stays out of touch** too long. Even if I haven't bought anything recently. He never pushes too much, so he earns my trust. He also sells what he knows. Rather than moving from one "hot product" to another, he waits till he has sufficient knowledge to suggest something or he refers me to someone else. Finally, a good agent would not be afraid to ask for referrals. His knowledge and reputation have earned him my referral and when he asks, I will provide him some names of friends who, like me, appreciate that a good agent is more than someone who has the lowest price.

Read M Lips: Q-u-a-l-i-t-y : What should I expect from my insurance agent? Well, you don't need to completely retool your business. There are, however, a few key issues I want you to address for a higher quality agency: 1) Employees are not expendable. If treated properly and made part of the quality management philosophy they will last longer and serve me better; 2) Quit guiding the agency by the almighty "price tag". I'm just as interested in quality control issues and efficient delivery of good product; 3) Education. It is not a discretionary expense or simply the meeting of minimum state requirements. Commit to a practical continuing education program and/or a professional designation. It has to help me in the long run; 4) Customer service should be more than lip service. Do what you say you are going to do in clear, visible terms; 5) Don't blame the companies. Your success is due to your own actions and inactions. You need to plan for them properly. 6) Keep your ego out of the mix. You should be the guide for your employees. Give them decision-making powers so they can do the best job possible for me. Be a participative manager by including your employees in the planning and management of your practice. 7) Keep it all going. You were the guy who started the business. You are responsible for keeping it alive with the same kind of spark you gave it years ago!

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Service Is Your Middle Name: The agent where I buy insurance has a good handle on customer service. He knows that it is impossible to treat every customer the same. For example, an emergency, for any size client, should be handled right away. It is also logical that a big customer should receive more attention than a small one. Yes, that's right! If I have multiple accounts and spend five times more than the average policyholder, I want some more attention. Also, while each employee in his office has special duties, he constantly reminds all of them that if a customer needs something, each and every employee is a customer service representative. What about phone management? The average agent can get dozens and dozens of calls. Are the employees informed that every call is important to answer and to keep personal calls to a minimum? When times are rough, my agent is careful not to respond by eliminating key employees. If some positions have to be cut, he may ask the remaining staff to work a little harder so that my needs can still be met. In conclusion, my agent knows that good customer service is just as important as sales and marketing. He needs BOTH new clients and continued revenues from me and my referrals.

Merging : I don't want to encourage any sale or merge of my account with my agent, but if he gets too old to run his business or so set in his ways, I hope that he does the right thing by selling his book of business to a younger person who is better able to flex with the times and new products. As an insurance customer, I worry about this "urge to merge" thing. All kinds of independent companies are being bought up and merged into huge entities. I really don't want to be lost in the shuffle if his company is sold to a large agency, or gosh forbid an automated agency. Ideally, my agent has some children or friends, who think like him, to take over the business.

Be The Best You Can Be: If more agents had the attitude that my agent has, they would all be rich. 1) He makes it easy to do business! That means he makes himself or a staff person available to solve my problems. 2) He makes the purchase of insurance easy. I don't have to wait long to get a competitive quote or proposal. If he is higher than someone else, he explains why in terms that I can understand. 3) He works hard to determine and accomplish my objectives. He listens and asks leading questions to determine my needs before presenting a product. 4) He educates me. Instead of just dropping a quote or proposal at my home or office, he presents me with additional points to ponder -- reasons to do business with him and real benefits of the product he is suggesting. 5) He doesn't try to be all things to all people. I like that he is a source to buy several lines of insurance, but he is able to refer me out for more specialized needs in order to better serve my existing business.

Getting to Know Me: There is a lot of talk about building relationships with clients like me. Does that mean that my agent needs to come out to my office or home to discuss my insurance needs? This may not be possible every time. So, my agent uses a combination of phone, e-mail and consistent, strong customer service. I hear from him even when it is not time to buy or renew a policy. In a nutshell, he stays in touch to make me feel like a "client" not a "customer". I guess even small agents can learn from the big boys by using customer contact methods like contact management systems that quickly find a customer and remind when to call again. It works!

Keep It Fresh: There are a lot of different ways to approach me when asking for my insurance business. What I like about my agent is that he does not rely on the same old thing to continue to work for him -- unless it does! In other words, he is constantly evaluating his advertising and testing new ways to get me motivated as well as his employees. That's right, a successful marketing campaign should be designed to produce results and get people (including his

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employees) excited about new business. Depending on the product, he may use a "shotgun" approach by promoting his company "image". Other times he may target a specific mailing, just to the product I want to know about. In either case, his program has a goal and a way to measure results.

Relationship Building: My relationship with my agent is destined to be long-term because he has learned to: 1) Give more than he takes. He volunteers information and doesn't try to constantly change my mind. 2) Discuss important things rather than burying his head in the sand. 3) Overlook times when I am less than cordial and too demanding. 4) Appreciate my business and he let's me know it. 5) Listen. He listens to more than just the words. He's looking for the meaning and objectives behind them. 6) Communicate. He stays in touch and he makes sure when we do talk that we are communicating. He'll always ask things like . . . "What I think you're saying is . . . or Does that make sense to you?". 7) Responsible. When he is wrong he admits it. 8) Never stop learning or caring about my needs and ways to meet them. He reads books related to insurance and other training materials to help manage his business better.

Fine Tuning: Very few insurance agents really know how to fine tune their business like Jack. What I like about him is that he has a strategic plan in place. More important, he involves his employees in the plan and calls me periodically to see if it helps to meet my needs. How does it work? First he makes a written plan with a Mission Statement and a Vision Statement. The Mission Statement describes his business goals while the Vision Statement is more how he wants to be viewed by prospects, clients and companies he works with. A lot of companies have Mission Statements or Vision Statements but few have BOTH. When you think of it though, a company really needs both because it takes more than defining goals (Mission Statement). You need to also define how you expect to be perceived by your clients.

He's MY Agent: What makes an agent MY agent? If I haven't bought any new policies from him in the past 5 years is he still MY agent? Perhaps it is the e-mail letter I get from him every month that reminds me that he is still around and the one I will see when I need my next insurance coverage. Or, maybe it's the post card letting me know that he has placed insurance for another satisfied customer in the city. Perhaps it's his business card ad I see every week in the local newspaper or the article he writes. I'm not sure which of these mediums is the most important, but one thing I know . . . HE'S MY AGENT!

What Makes Me Want To Do Business With My Agent: He's confident, not arrogant. He's genuine. He only sells to friends, not strangers. He finds common ground to make sure we get to know each other before we do business. He does not "judge" me by my appearance. He doesn't sell price alone. He educates and doesn't simply quote. He presents things skillfully in an interesting and informative way. He asks open-ended questions to learn my needs and objectives. He makes sure he understands my needs before the sale. He lets me know how he has helped other clients (he just doesn't talk about himself). He listens more than he talks. He is prepared to honestly answer my objections with positive statements that put me back on the road to making a purchase. He never bad mouths or criticizes a competitor; instead, he sells the benefits of doing business with him. He doesn't promise more than he can deliver. He always follows-up on his proposals by asking me when I will be prepared to make a decision. He doesn't expect me to call him when I'm ready to purchase -- he asks when he should call me. He is organized and respectful of his and my time. He networks by asking me for referrals. He never blames someone else for problems. He celebrates his success but doesn't brag.

Customer Service To The Rescue: Why do some agents do so much better at customer service? Well, my agent is a perfect example of doing things right. Here's a few things I've noticed about his customer service style: 1) He does things right -- every time. Sure, he makes mistakes, but he has zero tolerance for errors. When they occur, he remedies them ASAP! 2) He views customer service problems as "opportunities" to provide a higher level of service and create a "customer for life". 3) He thrills people with his service; on-site visits, personal delivery of papers to sign, etc. And, he rewards his employees who also "thrill" customers. 4) He treats me nice, even when I'm stressed or abrupt. 5) He is never satisfied with his service. He's always looking for ways to improve it, shape it, fine tune it, etc. 6) He accepts my perception as real. In other words, if I feel he blew it, then he accepts the fact that he blew it. 7) His service is guaranteed . . . UNCONDITIONALLY. If it's not right, he will apologize, fix it and prevent it from happening again. 8) He has fun at his job because he and his employees BOTH like talking to customers and solving their problems. 9) He is proud of his agency but never completely satisfied. That's why he keeps trying harder to constantly improve service. 10) He never blames the company or employees because my perception is that HE is the company, not someone in underwriting or claims.

Go Ahead, Ask Me: I want you to ask me about additional insurance you think I might need. Some refer to this as "cross selling". Its just like the fast food places that always ask if I want a coke with my meal. Sometimes I'm irritated with them asking, then again, there are times when I'm glad they did. The same is true with insurance. You're the expert, and if you feel there are additional needs that are not being met, I want you to suggest that I consider additional coverage. I may say no. Or, I may buy it. The important thing is that you, or your employee, has suggested something that may patch a critical gap in coverage that I have not identified.

Plan To Succeed: If you're going to be around to help me over the long haul, you need to implement your plans. I know that as an insurance agent you are basically an independent entrepreneur. Most entrepreneurs have a desire to succeed. If they fail, however, it is typically because they failed to implement their plans. For some, it is the difference between "contributing" to their business (money and time) and "committing" to their business (whatever it takes). Some are simply unable to change when they discover their previous plan is not working. The success survivors create new paths and bridges to cross. They never retreat to comfortable ground. They keep trying new directions until they have found a path to success.

Hang In There: Is customer loyalty a lost phenomenon? Back in the 1950's, customers like me were very loyal about 66% of the time. By 1995, experts feel this ratio was slashed to only 12%. Why have we become less loyal? Trust. Years ago, insurance companies were among the most trusted of industries. If an agent told me I needed to buy a certain coverage I believed him and I bought it. After all, he was a "professional". The consumer movements of the 1960's changed a lot my perception. I was told NOT to trust anybody, especially insurance agents. Insurance agents were the brunt of comedian jokes and sub-plots for decadent movie villains. Also, insurance products were sold more and more on price alone which led me to think of it as a commodity rather than a service. And the insurance agent as a salesman, not a solver of problems. Then too, I came to be more educated about the ways of insurance and found that former agents "sold me" something I didn't need or charged me twice what I could get it for elsewhere. Is it any wonder I am not as loyal as you want me to be? How can you get me back? Keep me satisfied. Live up to your promises. Do more business with me (the more policies I have with you, the less likely I will look elsewhere). Don't forget about me (contact me about 4 times a year, send letters, e-mails, etc). Instill brand loyalty in your product and agency. (Perhaps you can sponsor local soccer teams or charity events. Maybe your company invites a speaker to talk about a special product at a seminar, etc.) Sell your services and yourself as

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someone who is friendly and familiar. Over time we will get to know you and perhaps trust your opinion. As we are more convinced to stay with you, you should publicize our loyalty which should make you more trustworthy to other clients.

Quality Is The Game: As we move into the new millennium, what are the issues that will make me want to do business with you? How can you keep me from moving to other agencies? 1) Build relationships. With me; With carriers. Be part of a team to solve my problems. 2) Be more trustworthy and reliable. This means maintaining higher ethical standards. Be consistent in fulfilling promises and provide full disclosure. 3) Communicate better by actively listening. Meet with me to review my needs and coverage and keep me informed. 4) Help me identify my needs and give me solutions for them. Evaluate my exposures and respond to my needs. Give me options and innovative solutions that match my risk management needs.

Can You Afford To Lose Me? The cost of acquiring new clients is astounding -- about \$1,500 to \$2,000. So, if I'm so expensive, why would you ever want to let me go! Customer retention is the term for keeping clients. However, the process is far from simple. I can be demanding, but if you are a smart agent, you know that there is tremendous long term value in a client who stays with you ten years or more. I know it sounds like a long time, but remember, you have invested time, effort and resources in communicating with me at least four times a year as well as the initial cost to find me.

I Want You To Succeed: As a long-term customer, I want you to succeed because I don't want to shop around for a new insurance agent. I read a lot about what it takes to succeed . . . hard work, work smarter, time management, delegation, etc. All of these are important, but the agents that really survive are ones who "do the right thing". They have principles. Sometimes it's easy, sometimes it's not. Sometimes the right thing is expensive and you realize after that you could have cut corners and saved. But, the important thing is that you know you did the right thing.

Another reason agents succeed is that they do what is important most of the time. Important things need to be handled and handled quickly before they grow to "crisis" proportions. Why don't we always take care of important things? Because we are busy "putting out fires" of all kinds. A lot of times, you let demanding customers rule your day, when in fact, you need to be the one who prioritizes what is urgent from what is important. The goal is to get away from "crisis management". You can use contact management software to place reminders and do scheduling for smoother operations.

A final reason that some agents succeed is that they learn to depend on others and work independently. It takes a lot to trust an employee to do the job you once did. The fact is, however, many of them can do that same job better than you. The key is transition yourself from an individual producer to a successful manager. How is this done? By giving your employees responsibility to accomplish tasks, authority to get the job done and trust to support them.

Service Limits: A lot of businesses in our neighborhood start out like a shot. They grow fast and prosperous as word spreads about their prices, service and friendly staff. Then it hits. Like a tidal wave, there is more business than the business can service. In essence, the owner has reached his service limit. It happened to a former insurance agent I used about five years ago. First the phones started ringing busy, the fax machine was impossible to reach and the agent was ALWAYS on the other line. Like me, I'm sure other customers complained but few things changed. The agent was uncomfortable about turning control of customer service issues over

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to a competent staff person and becoming a true manager. He tried letting loose of the reins here and there but he was never satisfied with the result. Perhaps he was lulled into believing that "anyone" could handle the job. I think he quickly learned that when you hire staff, you do not always get what you pay for. A lot of employees simply lack the customer service skills needed to run an insurance business.

How do you know when you have reached your "service limit"? Probably when long-term customers start leaving you for the simple attraction of a lower price somewhere else or "to be closer" to the new agent's office. What can you do to prevent service limits? My former agent would have kept my business if he made an attitude adjustment from the top, down. He needed to re-commit to an improved service philosophy. He needed to develop a written service plan, explain it to his staff in detail and manage it once in place. The plan should specify goals and objectives that are both reasonable and achievable. Finally, he needed to measure his results against his objectives to see if the service plan is working. This could include productivity reports, complaint activity levels, transaction time and customer interviews to be sure that his new service efforts are well received and functioning.

Manage Your Time: Consultant Al Diamond has a lot of great tips that can help my agent manage his time better: Identity your functions (meetings, customer service, etc). Then place a percentage of allowable time you can devote to them. Maintain a log to make sure you are on track and to find who is "robbing you" of time. Make a "to do" list every morning. Assign priorities where needed. Do something that makes you happy every day. Make it a priority. Know your limitations. Delegate things that others can do better. Avoid urgencies. End your fire fighting days. These things are probably not as urgent as your customers think. Recognize that being busy is not the same as being productive. Make deadlines for yourself and others. Make them realistic. Use meetings wisely. Agendize, set start and stop times, hold to the schedule. Avoid memos. A call is quicker. Use calculated neglect. Some things have to slide for the moment. Practice selective trashing. If you don't need it or can't figure out what you need it for, throw it out.

Get Answers: The last agent I did business with could care less that I'm gone. How do I know? He never called or wrote to ask what went wrong! How will he ever know that there were serious problems with his customer service if he doesn't ask his lost customers. I understand that the most prosperous agents are just as concerned with their failures as their successes. If a client leaves, they conduct an exit interview by phone to determine the reason. A lot of the time, customers will simply say that it was price. However, if the agent asks "Is this the only reason?", he may learn more. Perhaps the customer didn't feel appreciated or believed he was out of contact with the agent. Results of surveys like these should always be shared with the staff so that an attitude of continuous improvement can be pursued. The goal is to keep customers as long as possible because new clients are extremely costly to obtain. Most agents realize that doing more business with the same client and showing your appreciation for his continued patronage are two of the best methods to make this happen.

Customers Speak: There are a lot of surveys that can give agents clues about my views and needs when it comes to insurance. Are you listening? For instance, a recent survey by the Quality Insurance Congress, called "Voice of the Customer", helped identify the gaps between my expectations (about 1600 insurance clients) and current industry performance. Its not unexpected that I want:

- Improved accuracy, timeliness and communication.

- *More standards of quality.*
- *Innovative products and services.*
- *Specialized services.*
- *Insurance cost containment.*
- *Smooth product and service delivery.*

It is also not surprising that customers and the industry do not share the same priorities and viewpoints. Consider the following results of the survey:

- *Customers view the insurance industry as a poor performer. Worse than other financial services.*
- *Customers view insurance as a whole while the industry views many completely separate parts, i.e., casualty, life, health, long term care, surety, non-standard, etc.*
- *Customers want innovation yet the industry believes it is mature.*

Concerning agents, customers felt highly impacted by issues concerning responsiveness, problem solving and the performance of transactions. Other characteristics had less impact representing a broad range of carriers, insurance knowledge and personal contact. Perhaps these latter items are issues that customers believe to be automatic or assumed as "part of the job".

Tell Me What You Do: *If you have different products to offer, tell me before I buy them from someone else. I would much rather do business with one person instead of five. And, the more business I do with you the more likely I will refer to other people and stay with you longer. Perhaps you can send me a newsletter, e-mail or refer me to a special website that details your product lines. Some agencies I have called put this information on their phone systems so I can hear it while on hold.*

Why Are Customers Afraid? *As a customer, I get the same uneasy feeling when I talk to any kind of salesperson . . . insurance, auto, clothing, cell phone, etc. What's the problem? I feel like I am NOT in control. I'm worried that the salesperson will somehow influence me into buying spending more than I should and/or buying more product than I intended to buy and/or buy something that does not meet my needs but helps him meet a quota.*

I would prefer that your approach be toned down. Back off enough and seem interested in what I want to buy rather than what you want to sell me. Also want to know the negative features as well as the strengths of your products compared to others I'm not stupid). Rather than attack me with demands to see my existing policies or complicated surveys to determine my needs, why don't you just start by asking me . . . "How Can I Help You?"

Let's also get by the price issue. I'm concerned about price and you should tell me if there are lower priced products out there. However, I wouldn't mind if you pointed out to me that I could always find a better deal if "I shopped til I dropped" but finding a competitive price for what I really wanted is the best way to go. Perhaps your best approach would be to answer all my questions, make yourself available for any further information I might need and leave the impression that you are more interested in me being a satisfied customer than making another sale.

When you're done educating me, I would expect you to "soft close" me by asking questions like . . . "Have I given you all the information you need to make a decision? Or . . . "Does this

information or policy make sense? Or . . . Is there something else I can answer for you to assure you that this is the right solution based on your needs and objectives?"

I realize that these approaches will not always work for you. There will be some prospects who will take advantage of your "laid-back" approach to get information and then buy somewhere else. Or they may simply be pressured to buy by the next salesperson they encounter. Please don't be discouraged. The word that you are a caring professional will spread and eventually work to your favor.

Business Tips: *I realize that some insurance agents have reputations similar to used car sales people. But, I find the approach of my agent refreshing and honest. His agency discovered that not everyone has sales skills: overcoming objections, managing rejection or closing. In part, this is because the industry and the higher education system in general does not "train" sales people anymore because it has become something less than a "profession" to pursue. What makes my agent different is his adoption of something called "Best Practices". He continues to grow and prosper regardless of industry problems because he is able to "flex" to any current situation and sell the products I need at the time I need them. Also, he doesn't just hire a sales person and let him start selling. On a visit to my home, for instance, he accompanied the new salesman to guide him through the process. And, he "manages" his salespeople through constant supervision and additional training: seminars, newsletters, etc.*

Tips / Changing Minds: *During the past couple of years, I have noticed that my agent channels more service-oriented transactions to a centralized "service center" for claims, forms, etc. I suppose this is more efficient and it has resulted in him being more sales oriented and more interested in fulfilling my needs than running his office. This can be good, especially when he does not coerce, intimidate or trick me into buying something from him. He doesn't concentrate on price as the primary benefit and he asks questions, listens to my priorities and objectives. Yes, I realize that we still need technically-oriented people in the insurance industry, but I kind of like the attention that a skilled salesman gives to my needs. I hope it is not a lost art that may be overtaken by the huge direct selling insurers.*

What About Me? *I know that my agent is really a dual agent . . . serving both me and his insurer. But, I want him to always be sure that "I (the client) come first" in his attitude. I want him to challenge underwriters about their decisions if they are not in my favor, etc. What I like about my agent is that he developed a marketing plan that balances my needs and those of his carrier. He found a way to make good submissions to his carrier which improved his relationship with them and make clients happy as well. What was his plan? He found out what carriers did well by researching their lines of business. The most successful lines of business had the most chance of being successfully approved. Next, he found his own niche for writing certain types of business. Examples include personal lines, commercial lines, ethnic orientations, industry orientations, product orientations, etc. Then he really dug into the demographics of his marketplace. He knew the numbers and types of businesses and residents within 15 minutes of his office. Finally, he combined all his knowledge about carriers, their products and potential clients to develop a marketing plan targeting various market groups. Some agents might target Heat and Air Contractors, or Senior Markets, or Teachers, etc. His mailings were appropriate. His sales calls were low key, but continuous. And, he measured, monitored and constantly revised his plan for the best results!*

Do You Do What You Say? *It is important that I understand the mission statement of my agent and that my agent does what his mission statement says. I 'm grateful that he publishes his mission in his brochure and at his office so it is clear what kind of agent he intends to be*

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during the next five years. It also makes it easier for his employees to understand what is expected of them. I'm pleased that the underlying theme of his statement is to meet my needs as a customer and his willingness to respond to changes in technology and markets by revising his mission statement periodically. Finally, it is very impressive that at regular intervals my agent conducts Customer Satisfaction Surveys where he repeats his mission statement and asks me if his goals are still meeting my needs.

Speaking Up: I met my agent at a seminar he gave several years ago. Other seminars I have been to were strictly a gimmick to get sales. But the seminar my agent gave was different. He did no selling at the seminar. It seemed his primary purpose was to introduce himself and the solutions he had developed for someone in my situation. It was nice that he was the speaker and not some guest expert. After, I want to do business with the guy that is speaking. I want to get to know him, not some professional talk-show guy who makes the rounds on a speaking circuit. Best of all, my agent was relaxed, open and honest. He kept the seminar short (under 1.5 hours) and he made it interesting by presenting his concepts using stories about various clients.

If You Believe It, Put It In Writing: Many agents want to simply sell me something and move on. If you are after my long-term business, however, you should let me know your intentions by presenting me with a written Mission Statement. A Mission Statement might say that by the year 2005, you intend to be serving 500 customers in the city with a full range of insurance and financial products by hiring professional, courteous employees and the latest office automation. You may go on to say that the innovative strategies and controlled growth you anticipate will help cement strong client and company relationships.

In addition to these business goals, you may also put forth a Vision Statement that tells me how you want me to perceive you five years. An example of a Vision Statement might be that you plan to provide a full range of insurance and financial products with integrity, honesty and trust to all clients at a fair price with uncompromising attention to service. In essence, you have told me that you intend to go beyond just business goals. Your focus is in meeting my needs and doing your absolute best. And, since you used terms like honesty, integrity and trust you need to define what they mean. For instance, if you realize that you could do better about returning problem calls, your statement might read . . . "I will return all calls within 24 hours, but I will return problem calls within 2 hours of receipt". Or, how about . . . "I will only market the best policy to serve my client's needs regardless of the commission structure."

My agent also has an Action Plan that he visits quarterly to monitor the progress of his Mission and Vision Statements. His written Action Plan, for example, may determine that he is not on target to serve 500 customers by 2005. So, he decides what needs to change to make it happen through planned activities that either he or an employee must do to achieve the stated goal. In another example, he may find that by the end of the second year he is only returning 85% of all problem calls within 2 hours. Again, activities will be decided to change this to meet the Vision Statement strategy.

Mission Statements: A lot of agents want me to believe that they have some special interest in my well-being. Let's be honest! I need insurance protection and your goal is to make money. The more you satisfy my needs and service my account the more you will make. I will be happy to hear that you are doing well because that means you will be around to serve me for a long time and you will be able to hire better employees to help me in your absence. How can you let me know you are doing better. Well, it isn't my business to know what you make, but it would

help to know that you are profitable, not just busy. Perhaps your newsletter or marketing could convey that your Revenue per employee is up over last year by 10%, etc.

Agent Reputations: *The thing I really like about my agent is that he guards his reputation wisely. Nothing is more valuable to him in business because a person's reputation defines his character. You'll never hear my agent making excuses for making bad decisions. Even honest mistakes are not always so innocent. He makes sure that he aligns himself with trustworthy people and he has his own personal code of ethics. He knows his purpose and practices self-discipline rather than a lot of indulgence. He appreciates his lot in life and doesn't feel he deserves any entitlements.*

The fictional client comments you just read have been adapted from articles and ideas inspired by the following three industry experts. We strongly encourage you to contact these individuals and learn about their valuable services:

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