

5 Techniques for “Getting in the Door” with Leverage

Revamping Your Agency’s Process for Attracting New Clients

By Frank Pennachio and Susan Toussaint



EXECUTIVE SUMMARY

In today’s bid-and-quote environment, agencies are all too anxious to present that magical number to an employer. But there is a more effective strategy for getting in the door.

In this white paper, you’ll learn:

- Why your agency must have a unique value proposition
- How to align your agency’s goals with your prospects’ goals
- How to define the perfect client type
- Why your agency needs a message that resonates with prospects
- Why your producers should nurture their leads

Insurance sales are one of the most highly commoditized markets. When employers ask agents for quotes, their focus is on getting the lowest premium (nothing more) and agents willingly comply. In addition, it’s nearly impossible to unseat an incumbent agency (especially if it continues to quote the lowest premiums). According to Burand & Associates, a Colorado-based insurance agency consulting firm, approximately 86–92% of employers retain their broker of record.

When selling is reduced to the “bid-and-quote game,” agencies find themselves faced with significant challenges in growing their revenues. A new approach, one based on differentiation and true value, not low price, is necessary to get producers “in the door” and develop more rewarding business relationships.

It’s vital for producers to be able to differentiate themselves from competitors. To do this, agencies must implement five techniques:

1. Develop a unique value proposition.
2. Align agency-client goals and objectives.
3. Define the perfect client type.
4. Create a message that piques client curiosity.
5. Develop and nurture leads.

These five techniques, when executed together, produce a comprehensive client-attraction program that:

- ◆ Combines an agency’s messaging and lead-generation strategies
- ◆ Improves an agency’s success in “getting in the door” with leverage

Because this approach builds on previous work, it’s necessary to adopt Technique #1 before tackling Technique #2. Without a unique value proposition, an agency will not be able to effectively align its goals and objectives with those of its clients.

In addition, an agency that chooses to incorporate only two of the techniques into its sales process will experience limited results. For example, once a unique value proposition is developed, it needs to be leveraged to create a message that piques client curiosity.

For an agency to accomplish its goal of increasing the number of first appointments with the right clients, it’s a full-court press.

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Technique #1: Develop a Unique Value Proposition

There are dozens of definitions for “value proposition” or “value prop.” For independent insurance agencies, an effective value prop is a statement that:

- ◆ Clearly communicates an agency’s **l**eadership, **c**apabilities and **v**alue or **LCV**
- ◆ Shows how the agency is unique
- ◆ Demonstrates how the agency is a business advantage to employers
- ◆ Helps employers make the decision to change

When asked, most agencies say they have a value proposition. Unfortunately, many value props are weak and sound like every other agency’s. Typical agency value propositions that fail to deliver a unique message are:

“We have great service.”

“We represent great insurance companies.”

The problem with value props such as the two just mentioned is that every agency can make these same claims. There is nothing in either of them that differentiates one agency from another. And there is nothing employers can use to sufficiently judge how their business outcomes will improve when they work with these agencies.

A value proposition is a clear statement of the tangible results a customer gets from using your products or services. The more specific your value proposition is, the better.

Jill Konrath, Sales Consultant and Author

Components of a Unique Value Proposition

When an agency possesses a strong value proposition, then its producers are able to:

- ◆ Clearly articulate what differentiates their agency from the competition
- ◆ Educate employers on why doing business with their agency is advantageous
- ◆ Explain how they can improve the employer’s outcomes and business
- ◆ Compete on value rather than price

LCV. What is it?

LCV stands for leadership, capabilities and value.

Leadership = Take the leadership role; lead prospects toward identifying what their greatest challenges are.

Capabilities = Leverage the capabilities and resources your agency possesses to address prospect and client challenges.

Value = Demonstrate your value so your prospects and clients recognize that they are at great risk without it.

Example of a Unique Value Proposition

ABC Insurance Agency specializes in evaluating and managing the severity of workplace injuries in the home construction industry.

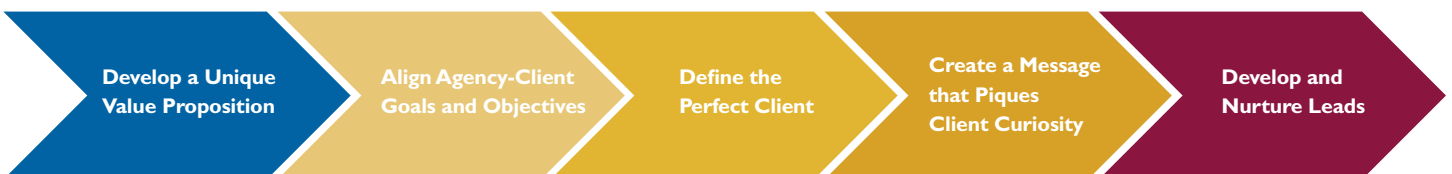
A unique value proposition helps agencies attract the right clients that will benefit from the resources and expertise they offer. *In other words, a unique value prop helps agencies connect with their “perfect client” type.*

Perhaps an agency has exceptional expertise in loss control or human resources services. A unique value prop for that agency would help employers identify how working with the agency would reduce the number of Workers’ Compensation claims or improve hiring practices.

Test Your Value Proposition

1. Does it demonstrate how you will help customers change, or the loss they will experience if they don’t engage with you?
2. Does it articulate why customers should use your agency rather than another agency, and the value your agency will bring to the relationship?
3. Does it include measurable results?
4. Is it client focused?

If you answered “no” to any of these questions, now is the time to develop an effective, client-attracting value proposition.



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Technique #2: Align Agency-Client Goals and Objectives

After an agency has developed its unique value proposition, the next step is to use that value prop to create goals and objectives that pertain to the relationship the agency is seeking to establish with employers.

Many agencies work on the premise that the only goals they need are financial goals. But to “get in the door” with leverage, an agency needs more.

Goals and objectives outline how an agency works with its clients by:

- ◆ Establishing the agency’s expertise
- ◆ Helping the agency attract employers seeking the leadership, capabilities and value the agency offers
- ◆ Mapping the agency’s capabilities to the employer’s business objectives

Goals and objectives clearly define what an agency specifically offers its clients. For example, an agency specializing in Workers’ Compensation insurance may have the following as one of its objectives:

Our leadership, capabilities and value help our employer clients address the associated costs when injured employees don’t receive the right medical treatment.

In the previous section of this paper, we developed a sample value proposition:

ABC Insurance Agency specializes in evaluating and managing the severity of workplace injury risks in the home construction industry.

Pairing this with the objective we just developed, one can see how these two techniques work together. The value proposition must support the goals and objectives; clearly defined goals and objectives help the agency effectively communicate how an employer will benefit from a relationship with that agency.

But agencies can’t declare this exercise complete after developing only one objective. To demonstrate multiple bench strengths, it’s highly recommended that agencies devise several goals and objectives.

An agency’s greatest chance of financial success is working with employers who are seeking the LCV—leadership, capabilities and value—the agency offers. With carefully crafted goals and objectives, an agency can easily align its capabilities with a prospect’s needs...and quickly discover if they’re a right fit. This opportunity to identify right-fit prospects eliminates wasting an agency’s time and resources.

Most of the people who think they have closing problems really have opening problems. They don’t know how to open up the conversation and build a shared vision with the prospect. Only when they do that will their numbers improve.

Lead, Sell or Get Out of the Way: The 7 Traits of Great Sellers
Ron Karr, Business Transformation Expert and Author

Test Your Goals and Objectives — Are They in Alignment?

1. Do they support your value proposition?
2. Do they articulate how clients will benefit from a relationship with your agency?
3. Do they map to your LCV?

If you answered “no” to any of these questions, reassess your goals and objectives; make sure they define who you are, not just the revenue you want to generate.

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Technique #3: Define the Perfect Client Type

Once an agency has a unique value proposition and establishes business goals and objectives that outline its capabilities, the next step is to identify the agency’s perfect client type.

Sometimes, agencies blur the line between “perfect client” and “perfect client type.” When they hear “perfect client type,” they erroneously think

My perfect client is an employer who calls me only at renewal time...
My perfect client likes to play golf...

While a “perfect client” might have the personality traits a producer is comfortable with, a “perfect client type” is much more. A perfect client type relates to business traits and characteristics.

Agencies define their perfect client type when they specify their clients’:

- ◆ Demographics
- ◆ Company size
- ◆ Industry

To identify a perfect client type, an agency must go through the exercise of describing what type of employer it wants to attract. An agency that fails to define its perfect client type before trying to get in the door ends up spending valuable time and money pursuing the wrong prospects.

Client Selection vs. Agency Selection

Every day, employers select one agency over another for a variety of reasons—price, personality, promises and more.

So the idea of an agency choosing to not do business with a specific prospect can be unsettling because the agency could be passing up a revenue opportunity. And, without a clear perfect client type description, agencies put themselves in the position of competing on price.

There’s nothing more frustrating than engaging in a process that positions an agency to compete on price when the agency has so much more to offer.

The reality is that if an agency has a clear definition of its perfect client type, it will become more profitable:

- ◆ Agency resources will be used more effectively and efficiently.
- ◆ Agency producers will develop expertise in the industry of focus.
- ◆ The agency will increase its hit ratio by gaining recognition as a leader in understanding the needs of the specific industry.

The process of identifying the perfect client type gives agencies permission not to pursue a business relationship with an employer.

People don't buy what you do. They buy why you do it. The goal is not to do business with everyone who needs what you have. The goal is to do business with people who believe what you believe.

Simon Sinek, Leadership Expert

In the previous two sections, we created a sample value proposition and a sample objective:

Value Proposition

ABC Insurance Agency specializes in evaluating and managing the severity of workplace injury risks in the home construction industry.

Objective

Our leadership, capabilities and value help our employer clients address the associated costs when injured employees don't receive the right medical treatment.

To continue to build on this process, a sample description of a perfect client type for this agency is:

Perfect Client Type

Employers in the construction industry with more than 50 employees and a high experience modification factor, that are seeking to address their hiring practices.

Organizational clarity is not merely about choosing the right words to describe a company's mission, strategy or values; it is about agreeing on the fundamental concepts that drive it.

The Four Obsessions of an Extraordinary Leader

Patrick Lencioni, Executive Management Consultant

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An agency that has clearly identified its perfect client type increases its ability to close more business because it's linking its capabilities directly to prospects that are seeking the leadership and capabilities the agency provides. Its greatest chance of success is to engage in conversations that help prospects recognize the agency's value and capabilities beyond the placement of insurance.

Test Your Perfect Client Type Profile

1. Are you targeting clients only within the demographics of your agency's area of focus?
2. Do your prospects' goals and objectives align with your agency's?
3. Do your agency's capabilities and resources address prospects' needs?

If you answered "no" to any of these questions, set aside time to review your current client base and prospect list so that you can begin to identify your perfect client type.

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Technique #4:

Create a Message that Piques Client Curiosity

To get in the door with leverage, producers need more than the age-old message they're comfortable delivering:

"This is John Smith with XYZ Agency. We have a special program for your type of business and I'd like to get together to discuss your business needs."

Messages like this one won't get producers in the door because there is nothing in the content that:

- ◆ Entices the employer to meet with the producer
- ◆ Inquires about the employer's business objectives and needs
- ◆ Identifies potential fears the employer may be facing

When agencies deliver a message that sounds like their competition's, employers quickly assume that all agents are the same. They ask themselves, "Why should I waste my time listening to yet another agent with the same old pitch?"

Like a value proposition, the message agencies use when seeking new business must be unique. It must differentiate the agency from the competition. And a message cannot be created until an agency has:

1. Developed a unique value proposition.
2. Aligned its goals and objectives with those of its prospects.
3. Defined the perfect client type.

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An effective message creates curiosity and captures the attention of the employer. It communicates to employers that the producer is seeking to work with businesses that align with his or her agency’s business goals.

In the previous sections, we developed a sample unique value proposition and a sample objective that a producer could use to determine if his or her agency and a prospect share mutual goals, and we defined a perfect client type.

Value Proposition

ABC Insurance Agency specializes in evaluating and managing the severity of workplace injury risks in the home construction industry.

Objective

Our leadership, capabilities and value help our employer clients address the associated costs when injured employees don’t receive the right medical treatment.

Perfect Client Type

Employers in the construction industry with more than 50 employees and a high experience modification factor, that are seeking to address their hiring practices.

All of these techniques roll into the activity of creating a message that piques client curiosity. An agency with a distinctive message attracts the type of clients that want what the agency has to offer, which means those clients will gladly open their door for that first meeting.

Client-Focused Message

Producers will gain a prospect’s attention when they mention that they’ve researched the prospect’s business. When producers tell prospects that they have reviewed their website, read their annual report and perused news articles about them, it shows them the producers have taken the time to learn about the prospects’ business objectives and goals. For example:

“This is John Smith with XYZ Insurance. I’ve done some research on your business. It appears your workers’ compensation experience factor is trending up. I’m curious about whether you have a plan in place to manage your mod and make your business more competitive. I’d like to ask you some questions to see if we may be a fit to work together. I’ll call you Monday at 2 o’clock.”

An effective message communicates to prospects that an agency is seeking to work with businesses that align with its business goals. For example, if one of an agency’s goals is to help companies better manage their Workers’ Compensation experience modification factor, then its message should include an applicable reference:

“I’m curious about whether you have a plan in place to manage your mod and make your business more competitive. I’d like to ask you some questions to see if we may be a fit to work together.”

A good message such as this one gets an employer to say to a producer, “Tell me more about how you can help me.”

Once an agency develops a clear message that piques client curiosity, it should be used in all communications with prospects, including letters,

voice mail messaging, emails and more.

With the right message, an agency can attract prospects that want to work with the specific LCV—leadership, capabilities and value—the agency offers.

Test Your Message — Does It Resonate?

1. Do you mention issues your prospect may be facing and that you can address them?
2. Do you articulate specific knowledge about the prospect?
3. Do you peak curiosity?

If you answered “no” to any of these questions, start working on a new message that resonates with prospects and communicates your LCV.

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Technique #5: Develop and Nurture Leads

Every agency struggles to fill its sales pipeline. And when producers focus only on managing their book, there’s little time left for developing, qualifying and nurturing leads...and filling their pipeline. Without an adequate pipeline, an agency will find that it’s difficult to meet revenue goals.

Many agencies don’t realize that a solid pipeline is a leading indicator of an agency’s future success. To build a strong pipeline, agencies must ask themselves, “How many prospects are ready to do business with us within the next 90 days?”

Pipeline development and management must be constant. Filling a pipeline requires more than running through the Yellow Pages and calling various employers. Filling a pipeline means creating a client-attraction program that includes developing a stream of qualified leads and then nurturing those leads.

“Lead-nurturing is having consistent and meaningful communication with viable customers regardless of their time to purchase.”

Brian Carroll, Lead Generation Expert

An agency can increase the number of qualified leads when it has:

- ◆ Developed a unique value proposition.
- ◆ Aligned its goals and objectives with that of its prospects.
- ◆ Defined its perfect client type.
- ◆ Created a message that piques client curiosity.

Armed with the results of these exercises, producers can begin to build and manage a pipeline filled with quality prospects that will benefit from their agency’s LCV—leadership, capabilities and value.

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Another key strategy agencies can use to increase the number of qualified leads is to first identify their centers of influence and, second, leverage those centers of influence. For insurance agents, this includes:

- ◆ Attorneys
- ◆ Accountants
- ◆ Networking organizations

By developing and leveraging these relationships, agencies increase their opportunities for closing more business with their perfect client type.

Pipeline Development Calculation

Calculate the Average Number of 1st Appointments

52 weeks/year minus **12** weeks off = **40** weeks of productivity
40 x **2** first appointments per week = **80** first appointments

Calculate the Average Number of New Accounts

80 x **50%** walk-away rate = **40** first appointments
40 x **30%** close rate = **12** new accounts

Calculate the Average New Revenue

12 x **\$3,000** average revenue per client = **\$36,000** new revenue

Test Your Pipeline Strategy

1. Do you have a written lead-nurturing plan?
2. Are you leveraging your centers of influence?
3. Are you targeting right fit prospects that match your capabilities and business objectives?

If you answered “no” to any of these questions, revamp your strategy to fill your pipeline with quality leads.

on track with performing the right lead-nurturing activities and keeps them focused on targeting the perfect client type.

Next Steps

It’s probably never been tougher for agencies to get in the door with prospects. In this highly commoditized market, employers are accustomed to asking for a quote and nothing more.

Agencies that implement the five techniques we’ve covered remove themselves from the ineffective “bid-and-quote game” and begin attracting prospects that want to work with an agency that has the specific LCV—leadership, capabilities and value—they offer.

Goal Setting and Measurements

Filling a pipeline is only one step in the process of attracting new clients.

To successfully complete the process, agencies must nurture their prospective relationships frequently, consistently and effectively. Every agency needs a plan that specifically identifies what each producer is going to do to nurture qualified leads. If a producer’s plan consists of calling leads every 6 weeks until they ask for a quote, it is not an effective lead-nurturing plan.

Lead-nurturing plans need to be strategic and measurable. Producers who execute these plans must be held accountable. Agencies can begin with a plan that lays out the producer’s touch tactics.

Typical tactics include:

- ◆ Emails
- ◆ Phone calls
- ◆ Workshops
- ◆ Seminars

These tactics, however, must be directed at the right prospects. In addition, producers must devise a plan that identifies which touch tactic should be used, depending on where the prospect is in the buying cycle. While some prospects are in the discovery stage, other prospects might be close to making a purchasing decision. In these cases, producers should customize their tactic accordingly.

Some agencies have adopted plan sheets to help producers lay out their lead-nurturing activities a week or more in advance. This helps keep the producers

The WorkComp Advisory Group has developed a client-attraction process that:

- ◆ Combines messaging and lead-generation strategies
- ◆ Is specifically designed for independent insurance agencies

The process is called VOICE and consists of:

- ◆ Value Proposition
- ◆ Objective and Goals for Engaging with Clients
- ◆ Identification of the Perfect Client Type
- ◆ Customized Message
- ◆ Execution and Accountability Plan

What makes The VOICE Process™ so effective is that each agency owns its unique process. An agency’s strategy for attracting new clients is unique to that agency and is reflective of that agency’s LCV—leadership, capabilities and value.

The VOICE Process™ ensures that each agency’s message reflects the type of relationships the agency is seeking to create and attracts prospects that are seeking the specific LCV that the agency offers.

For more information on how your agency can use The VOICE Process™ to get in the door with leverage, visit www.inthedoormaprocess.com or call 888-496-1117.

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About the Authors



Frank Pennachio, Co-founder

Frank Pennachio, co-founder of The WorkComp Advisory Group, is a recognized expert in the Workers' Compensation community. For more than 20 years, Frank owned an independent insurance agency. For 15 of those years, his agency focused exclusively on Workers' Compensation.

In addition, he has spent the past decade training agents—more than 1,000 nationwide—on the technical aspects of Workers' Compensation.

Recently, the LexisNexis Workers' Compensation Law Center recognized Frank as one of its Workers' Compensation Notable People for 2009. This award is given to those who “have worked tirelessly on behalf of their clients and have made significant contributions this past year to the Workers' Compensation system and/or the workplace.” Award recipients are selected by various organizations and experts in the Workers' Compensation field.



An advocate of lifelong learning, Frank loves leading discussions and encouraging others to grow professionally.

Frank is an accomplished speaker, presenting at national conferences and seminars to employers, agents and other insurance professionals, and is a frequent author of published articles about Workers' Compensation issues.

In his role at The WorkComp Advisory Group, Frank is responsible for:

- ◆ Developing curriculum
- ◆ Leading WorkComp WorkShop™ training
- ◆ Facilitating agency and agent consulting service

For more information about
The VOICE Process™
please visit www.inthedoormaprocess.com
or call us at **888-496-1117**.



Susan Toussaint, Co-founder

For the past 10 years, Susan Toussaint has been professionally dedicated to working in and around the Workers' Compensation system. In 2007, Susan founded Injury Management Partners, a firm that creates turnkey consulting packages to help agents cultivate employer relationships outside the broker of record.

Before becoming an entrepreneur, Susan held leadership, sales and operations positions with Florida's largest health care system. As a regional manager for this organization, she worked with employers to develop occupational health and wellness initiatives and improve their injury-management processes.

Her passion is helping her client agents develop and implement processes that smooth the path for sales, marketing and client retention.

In her role at The WorkComp Advisory Group, Susan is responsible for:

- ◆ Agency-specific curriculum development
- ◆ Sales coaching
- ◆ WorkComp WorkShop™ facilitation
- ◆ Consulting with agencies on developing revenue diversification strategies

About The WorkComp Advisory Group

The WorkComp Advisory Group was established to provide independent insurance agents with the tools, training and consultative leadership they need to attract and retain business.

We believe the formula for your success is to lead with Workers' Compensation.

We recognize that many agencies are facing financial challenges. We offer a consultative approach that leads you through the process of identifying the risks and threats to your business, and then we advise you on developing a value proposition that truly differentiates your agency in the marketplace. Our community provides you with the leadership, strategies, training and support essential for:

- ◆ Creating organic growth
- ◆ Diversifying agency revenue
- ◆ Creating agency differentiation
- ◆ Developing capable young producers
- ◆ Implementing an effective and repeatable sales process

To learn more about **The WorkComp Advisory Group**, membership opportunities and a free agency assessment, visit www.workcompadvisorygroup.com.