

Message from the Chair

by Manus C. "Chris" O'Donnell, CPCU, ARM, AMIM, MBA



Manus C. "Chris" O'Donnell, CPCU, ARM, AMIM, MBA, is an administrative vice president of M&T Bank, and is the director of corporate insurance and risk for M&T, which is estimated to currently be the 18th largest commercial bank in the United States. He remains affiliated with M&T's property and casualty insurance subsidiary, M&T Insurance Agency Inc.

Greetings fellow CPCU Society members!

As of the conclusion of the 2010 CPCU Society Annual Meeting and Seminars held in Orlando, I succeeded **Joseph F. Menschik, CPCU**, as chair of our committee. I would like to extend my thanks to Joe for his service to the interest group. He has passionately advocated on our behalf these past few years as chair, and I am happy that he has elected to stay on as a member of the leadership committee now that his term has concluded.

The 2010 Annual Meeting and Seminars was an exciting time for our interest group. For the first time, we sponsored an educational breakfast with a panel discussion — "Health Care Reform as We Know It Today." This discussion was held during the morning portion of the

Agent & Broker (A&B) Interest Group's business meeting time frame on Sept. 25, prior to the official opening of the Annual Meeting.

Speaking, to our delight, were **Anne M. Buckley, Esq.**, vice president and general counsel, RMTS LLC; **James P. Gelfand**, director of health policy, U.S. Chamber of Commerce; **Velma R. Hart, CAE**, former national finance director and CFO of AMVETS; and **David P. Kalm, J.D.**, president and CEO of RMTS LLC. I moderated this talented group, and a spirited discussion of health care reform followed their presentation.

By all accounts, this event was a great success. All of the speakers have expressed their interest in returning if this remains a hot topic.

We hope that this will be the first of many creative endeavors to be developed by the A&B Interest Group. Special thanks to **P. Allen Haney, CPCU, CLU, ChFC**, for suggesting this topic and for inviting Velma and James to speak. Allen came up with this idea during our 2010 Leadership Summit meetings in Phoenix. It is our further hope to include committee and Society members in future programming and events.

Our committee is always on the lookout for program ideas, newsletter articles and participation. Do not be shy! We are extremely "user friendly."

Our group has been working jointly with other interest group leaders to put together programming for the 2011 CPCU Society Annual Meeting and Seminars in Las Vegas. Help us make it the best Annual Meeting and Seminars ever! ■

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Message from the Editor

by Carolyn "Cal" J. Durland, CPCU



Carolyn "Cal" J. Durland, CPCU, is market development manager, PCS, and AUGIE facilitator for ACORD. With 30 years' experience in the insurance industry, she currently works with ACORD members to ensure that they have a personal connection with the organization and are securing the benefits entitled to their respective organizations. As the facilitator for ACORD User Group Information Exchange (AUGIE), Durland works with the various management system user groups, independent agents, carriers and vendors to address technology and workflow opportunities, and to educate the industry on the business value of working with ACORD data standards and forms.

Welcome spring 2011! We are looking forward to an exciting and productive CPCU Society Leadership Summit and then the 2011 Annual Meeting and Seminars.

In This Issue

- **Manus C. "Chris" O'Donnell, CPCU, ARM, AMIM, MBA**, our new Agent & Broker Interest Group chair, provides a summary of his vision for our group in 2011.
- **Joseph F. Menschik, CPCU**, shares with us his success in our industry because of his CPCU designation and affiliation with the CPCU Society.
- **Angelyn S. Treutel, CPA**, shares her experience as an agent during Katrina. Hear what she did to service and help her customers through this disaster. You may not have to deal with a hurricane, but her ideas are applicable to a broad range of events where customers clearly need our help.
- **Chris O'Donnell** provides us with his perspective on health care reform, an initiative that will continue to affect us personally as well as our business and the entire industry.
- **John T. Gilleland Jr., CPCU, API, AU, AIS**, shares his ideas on new sales techniques. This article will start you thinking about a new way to approach your customers.
- **John R. Graham** shares his ideas for "Turning the Tide in Your Favor." Read about a series of strategies that can help you succeed in an increasingly challenging and competitive environment. They're practical, "real-world" ideas that can be easily and quickly implemented. Some may seem more significant than others — and perhaps they are — but each one may help gain a prospect's attention and solidify a customer relationship.
- **John Graham** also provides a "checklist" of 18 behaviors that contribute to losing sales instead of closing them.

- **Nort Salz**, president and co-founder of Deep Customer Connections Inc., shares his perspective on "What Independent Agents Want," based on survey data he collected.

In the next issue, we'll be providing you with information on certificates of insurance as well as more ideas on how to survive in today's economy.



If you would like more information on our interest group, please join us on LinkedIn — CPCU Agent and Broker Interest Group.

Also, visit our Web page, <http://agentbroker.cpcusociety.org/>. ■

CPCU Professional Designation Fueled My Growth

by Joseph F. Menschik, CPCU



Joseph F. Menschik, CPCU, is the owner of Menschik Insurance Services in Blauvelt, N.Y. Menschik received a bachelor of business administration in insurance from the City College of New York in 1965 and his CPCU designation in 1975. An active member of the CPCU Society, Menschik has served as a governor, chapter president, and interest group chair and committee member.

The CPCU designation has been a central factor in my insurance career that has enabled me to build my agency, essentially from scratch, starting with only one small client. It has given me the credentials and confidence to go head-to-head with much larger agencies in the commercial arena on accounts in the million-dollar premium range.

I started in the insurance business as a student of insurance in a BBA program, in what was then the Bernard Baruch School of Business at The City College of New York (CCNY). At the time, this highly respected business school, which is now Baruch College, was considered just a notch below Harvard Business School and Wharton. CCNY, a highly competitive, tuition-free university for New York City residents, bragged at the time that its undergraduates had obtained more doctoral degrees than any university in the U.S. As an insurance major, I had heard about CPCU, but the designation was not actively promoted there.

My first meaningful contact with CPCU came in my first “real” insurance job. Soon after graduation, I was recruited by the fledgling Progressive Insurance Company, which was in its early stages of development. (It operated in only five states.) Progressive was an exciting company to work for and was true to its name. It was privately held, and **Peter B. Lewis**, who was a CPCU, was in the process of consolidating ownership in his family and acquiring the balance of ownership from an individual who had formed the company with his father. He was an active CPCU at that time, and a look around the company showed that most of the people in management either held the designation or were working on it. Only two of them were older than 40. My boss was a CPCU with a Harvard MBA and was only 29. When it was suggested that I enroll in a CPCU course, I jumped at the opportunity.

For personal reasons, I left Progressive after 2½ years to come back East. The

states that Progressive was expanding into at that time held no interest for me, and my boss was not going anywhere. I took an underwriting position as a commercial casualty underwriter in New York City with Reliance, and progressed to a position as senior casualty underwriter. From there, I went to a commercially oriented agency that specialized in a particular niche of national accounts where we manuscripted all forms of coverage and devised innovative rating plans. I completed my CPCU designation while at that agency and became active in the CPCU Society Westchester Chapter.

After two years at that family-owned agency, I saw signs that children of the principals of the agency would be coming into the business in the not-too-distant future and decided, with family help, to go out on my own. Contacts that I had made in the Westchester Chapter enabled me to open accounts with three companies, even though I had a minimal book of established business. The respect that I received as a CPCU helped me obtain the accounts, and then the regard I received as a CPCU from underwriters enabled me to grow my agency and place business in a hard market. That was only the beginning. I was able to add additional markets, and when I was president of the Westchester Chapter, I was approached by the late **Joseph P. Decaminada, CPCU, J.D., CLU, ChFC**, 1984–1985 CPCU Society president, who suggested that I look at national service. That took things to a new level, and enabled me to grow further professionally and to develop the worldwide contacts I have today.

My participation in Society national service at annual and midyear meetings has brought me into contact with top professionals in our industry, many of whom I call friends today. It afforded me educational opportunities at Annual Meetings and Seminars that were difficult to match on a local level and helped me

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CPCU Professional Designation Fueled My Growth

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develop a worldwide network of resources to tap into.

Obtaining the CPCU professional designation is certainly a personal and professional challenge, but can be accomplished with discipline and commitment. Attaining the designation, however, is only the first step. If a member does not participate further at the local and/or national levels, he or she winds up being deprived of the full potential of the designation. There are many examples of how my CPCU fueled my own growth, both personally and professionally. Here are just a few:

- The comptroller of a cellular telephone company I was insuring left that company to take a position at a new cellular company, and asked me if I would be interested in bidding for the account. The company had markets in Alabama, Florida, Georgia and South Carolina. The incumbent agent had a well-priced program in top companies, and I could not beat the price. I read the insurance policies, and found that there was no coverage for overhead transmission lines and the CAT deductible was per location. I was able to come up with a higher CAT deductible that was per-named storm and contingent BI coverage that covered overhead transmission lines with a sublimit. I was awarded the account.
- I have had clients, personally and commercially, that have acquired real property and related operations overseas. I have been able to find qualified insurance professionals who could properly handle this with the assistance of the International Insurance Interest Group and CPCU Society staff. This makes happy domestic clients. When I was recently in Australia visiting with family, a close relative was making a run at a Guinness World Record and needed some insurance coverage to cover the event. **Mickey E. Brown, CPCU, ARM**, the current chair of
- the International Insurance Interest Group, referred me to a Marsh colleague in Melbourne. This was well below any typical Marsh premium threshold, but the individual there was happy to help and knew what to do. The attempt was eventually certified as successful.
- A client of mine acquired a new company that had an operation in the U.K. but had failed to give me advanced notice of this. My underwriter bound the domestic coverage for me without lapse, and I promptly obtained the Construction, Occupancy, Protection and Exposure (COPE) and other information he required within the next week from my client. The Society set me up with contacts at the Chartered Insurance Institute (CII) in London that enabled me to get some feel for the local coverage and assure myself that the local representation was professional. The account in the U.S. was just shy of 1 million dollars in premium. That prompted top management to bring me in to discuss another large account.
- From time to time, clients I insure in the U.S. start operations in other parts of the country that present specific local insurance challenges for which I lack expertise. I have contacts all over the U.S. in our CPCU Society family whom I know and can go to — or who can give me real referrals — to get an honest picture of the landscape from an insurance standpoint and educate me as to local issues that need to be considered.
- Some overseas producers and consultants have acquired my name and refer business to me. I currently write or have written business for insureds with businesses in the U.K., Italy, Holland, Hungary and Israel. Some are U.S. operations of publicly traded foreign companies, where the foreign representation does not want to concede control to the large multinational brokers who could take

over the entire account. Since some foreign coverage carve out exclusions for North American operations, the U.S. policies have to be modified to limit coverage that would normally be worldwide in scope. The Internet makes it easier to deal with these clients, but sometimes time zone differences are challenging.

As you can see, the “bottom line” is that active membership in the Society is the key to unlocking the full potential of the CPCU designation. Since I became a member in 1975, it has blessed me with a personally and professionally rewarding career. ■

Hurricane and Disaster Preparedness — When Will It Stop Snowing?

by Angelyn S. Treutel, CPA



Angelyn S. Treutel, CPA, is a Trusted Choice independent agent and president of SouthGroup Insurance — Gulf Coast in Bay St. Louis, Miss. Treutel chairs the Agents Council for Technology (ACT) for the national Independent Insurance Agents & Brokers of America (IIABA) and has spearheaded numerous programs fostering the use of technology to enhance and improve the independent agency system. She has made tremendous contributions to ACT and InVEST (a school-to-work insurance program) and is an active participant in other endeavors that support the growth and success of independent insurance agents. Treutel is well-known as a speaker on insurance and business issues.

Anywhere you live, you can experience extreme weather or a natural disaster. It's not a matter of "if" but rather "when" a disaster will strike, and your agency needs to be prepared.

Having survived the devastation of Hurricane Katrina in 2005, our agency learned many lessons. The good thing about hurricanes is that they do not sneak up on anyone. Weather bulletins are available several days in advance, allowing ample time to secure property

and data, and to evacuate. Following Katrina, our clients were spread among 40 different states, and we used our website as a focal point for communications. In addition, we partnered with Artizan's CSR24 to receive and service thousands of calls, since we were without landlines for several months. We took advantage of the generous assistance offered by fellow agents, who assisted with calls back to our clients regarding their well-being and claims. We also were partnered with wonderful carriers who provided cellphones and on-site adjusters to help with our clients.

Technology and portability are keys to survival. If you do nothing else, maintain a daily backup of your agency data offsite and on a daily basis. Tornadoes, ice storms, earthquakes and terrorist attacks don't provide much, if any warning. They strike, and your agency may be shut down for days or longer. You will need your agency data, a laptop and phone service to function because in today's fast-paced world, you cannot afford to be shut down for days. You need to be up and running within 24 hours or less. An online agency management system can provide you with easy access from any offsite location. Be sure you keep your agency "state of the art" with technology — scanning, downloads and real-time interface.

Your customers need to be able to contact you. You need the ability to have your phone lines roll to an alternate phone number, or better yet, have it roll to a specialized service such as CSR24. Your website needs to be offsite, so that it may be easily accessed and updated for your customers and staff, and carriers to know how to reach you.

You need to be able to access agency connections and data. Maintaining communications with customers is critical. In the middle of all of the crisis-handling, you will still need to be able to provide customer service. You must

quickly establish processes for handling the "claims-monster," as well as the regular customer service transactions (i.e., new business, endorsements, cancellations). You will need to do this with less staff, as some may not be able to return, while at a much higher activity level.

Take good care of your staff. They are your most important asset, and if you "break" them, they will be gone. When outside help is offered, take it. You will need the help, you will make lifelong friends and you will provide better service to your customers.

And, you must prepare yourself for the "long haul." After a disaster strikes, life may not be normal for months or even years. Never say you can't do it. Prepare in advance ... then keep smiling and keep the faith!

Tips

- Think through different contingencies and how your agency will respond.
- Technology, electronic files and portability are essential. Become paperless; implement download and real-time. Understand the critical nature of good data backups and how it impacts your ability to recover. Have redundancy in communications, Internet access and backups.
- Have a plan to access additional staff and office equipment resources.
- Ensure that your clients are able to contact you (i.e., website, phone, email, Facebook, Twitter, Live Chat, etc.).
- Conduct an annual network assessment, including disaster plan and security updates.
- Keep in mind possible E&O exposures that may arise and manage them.

The Agents Council for Technology (ACT) offers some terrific resources on disaster preparedness and recovery at www.independentagent.com/act. ■

2010 Annual Meeting Breakfast Seminar Presented by the Agent & Broker Interest Group

by Manus C. "Chris" O'Donnell, CPCU, ARM, AMIM, MBA

On Saturday morning, Sept. 25, 2010, the Agent & Broker Interest Group hosted a special breakfast seminar, entitled "Health Care Reform as We Know It Today," during its regular committee business meeting time slot on the same day as the 2010 CPCU Society Annual Meeting and Seminars Opening Session in Orlando. This was a brand new programming endeavor for our group.

I moderated the panel, and the presenters were **Anne M. Buckley, Esq.**, vice president and general counsel, RMTS LLC, who handled the lioness's share of the legal presentation; **James P. Gelfand**, director of health policy, U.S. Chamber of Commerce; **Velma R. Hart, CAE**, former national finance director and CFO of AMVETS; and **David P. Kalm, J.D.**, president and CEO of RMTS LLC.

Hart, by the way, was in the national limelight last fall as having confronted **President Obama** at a nationally televised town hall about his policies and the "new normal" that has resulted from them. Her civil discourse with him subsequently won her a "Medal of Reasonableness" at

Jon Stewart's "Rally to Restore Sanity and/or Fear" on the Washington Mall this past October.

Our breakfast seminar was certainly serendipity, since we were all still trying to navigate our "new normal" and translate our understanding of it to our business and personal lives. The topic was timely, and the discussion spirited and interesting.

Our sponsors included RMTS LLC and Great American Insurance Company at the gold level, and Zurich at the silver level. Thank you very much! And special thanks to **P. Allen Haney, CPCU, CLU, ChFC**, and RCM&D for their support, both financially and in finding Gelfand and Hart for our panel.

All were welcome to attend this event, and the audience was engaged from start to finish.

The panelists described the legislation as crafted as well as the timetables for implementation. Essentially, now we will

see a phase-in of the law, beginning with dependent benefits expansion to age 26 for children, the elimination of lifetime caps in benefits and the elimination of the exclusion of pre-existing conditions. As we proceed toward 2014, we will see the practical elimination of "grandfathered" programs and the establishment of insurance exchanges.

What is yet to be determined is how these will be financed and what will be the unintended consequences. Most of the administrative law is yet to be codified. Further, litigation has commenced to try to block implementation. It is widely expected that the Supreme Court will rule on the constitutionality of the law in late 2011 or in 2012.

Assuming that the reform legislation is not repealed by the courts or by the next Congress (an unlikely prospect), the economics of health care are highly uncertain, with proponents certain that reform will reduce long-term health care expenditures and opponents equally certain that such expenses will continue to go up.

An equally interesting issue involves the role of employee benefits brokers. There seems to be agreement that the uncertainties created by health care reform will provide significant opportunities for agents and brokers to provide important consultative and advisory roles, especially in the context of reviewing the various "what if" scenarios that health care reform has created.

All of the speakers have expressed an interest in returning should the issue still be topical. I have a feeling that will likely be the case.

Hold onto your seats! ■



New Business Development Consultations for Customers

by John T. Gilleland Jr., CPCU, API, AU, AIS



John T. Gilleland Jr., CPCU, API, AU, AIS, is a trainer of property-casualty sales professionals. He has experience as a general manager, underwriting manager, personal lines production underwriter and commercial insurance salesperson.

Selling in a Way That Develops and Meets Customers' Needs

The following quote is from **Jeffrey Gitomer's** book, *Little Red Book of Selling*, and is found on page 100:

How do you get an appointment?
... You need to build your expertise beyond your brochure and your price list. Instead of studying TV at night, you need to become an expert in the industry or categories you cover, you need to know where your prospect or customer uses your product or service to build their business and make a profit.

As a result you may need to become an expert in branding, customer loyalty, use of media, customer response, delayed response, publicity, public relations, converting responses to sales, image building, and EVERY element that the customer is seeking as he or she plans THEIR sales campaign, or their business.

What if salespeople helped their customers² recognize new opportunities to grow their businesses by partnering with the very same salespeople who could facilitate such growth? Expressed

differently, could salespeople offer their clients their products/services and "New Business Development Consultations"? These consultation activities would have to enable prospects and customers to learn, plan and then work to find new customers, regain old customers, develop new market niches and retain profitable clients.

Such consultations between salespeople and their prospects would have to enable all participants to grow their customer bases in ways in which profitability increases so they can expand their operations successfully. Increasing clients' awareness of not only their sales-revenue opportunities but also threats to their survival should excite them to marshal their forces, fight smarter and be loyal to salespeople offering such extra service. This article offers a formal process as a model to enable readers to have such quality discussions as "New Business Development Consultations." Yes, salespeople should become formal trusted advisors/consultants.

Gitomer elaborates on this topic in his *The Little Red Book of Sales Answers* by asking question # 88: "What value am I bringing to my customer beyond my product and service?" This question implies, and his answer explains, how salespeople should offer prospects and customers at least two types of value:

- (1) The value of the salesperson's product/service.
- (2) The value of the salesperson's ability to understand and then to help customers become more important/valuable to their clientele.

His answer includes, "Value is what you do upfront before the sale, and what you do during the relationship. You don't add value — You give value." When

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New Business Development Consultations for Customers

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developed in a tailored way, New Business Development Consultation meetings will help salespeople initiate quality relationships that are mutually beneficial to all stakeholders.

Communicating during New Business Development Consultation Meetings

Ideally, prospects and customers should know the answers to the following questions before meeting with a salesperson wanting to act as a New Business Development Consultation leader:

- (1) Where is your business coming from now? Which 20 percent of your customers are producing 80 percent of your profits? What are you doing to preserve them?
- (2) Which 20 percent of your customers are costing 80 percent of your service-related costs? When will you plan how best to either charge them more or discontinue relations with problematic customers? What are you doing to help your people recognize and react to less profitable clients reliably?
- (3) Who are your competitors? What are they doing better than you? What should you improve upon now?
- (4) What are your most important processes? When should your business procedures be improved? How should they be improved?
- (5) What do your customers think you are doing correctly now? Are you doing it often enough? What do your customers need you to start doing? What do your customers need you to start doing better?



- (6) Why should other types of customers want to do business with you?
- (7) How autonomous are your employees? Do they make correct decisions quickly and consistently without your having to be present?
- (8) What is the next phase of your business's development? Are you incubating, diversifying, maturing, selling out, etc?
- (9) Regarding branding:
 - a. If your brand is not the industry leader, why would anyone buy your product or service instead of the market leaders' brands or services?
 - b. What is appreciably different about your brand of products/services according to your customers?
- (10) Regarding customer loyalty:
 - a. How are your customers loyal to you? What difference does customer loyalty make to your team's operations?
 - b. What percentage of your customers refers business to you? How are your referring customers rewarded?
 - c. What percentage of your customers repeats business with you?
 - d. How loyal are you to your customers?³ Do your people keep their promises to your customers?
- (11) Regarding use of advertising media:
 - a. Which advertising media is most productive for your business in your area? Is your advertising budget appropriated according to what is most productive?
 - b. What is the "reach" and "frequency" of the media you are using?

c. Does your “YOU-message” fit your targeted consumers?

d. What groups does your demographic appeal attract?

(12) Regarding customer response:

- What percentage of your niche is doing business with you?
- What does each media used cost you per prospect response/inquiry? What can be done to increase the number of prospect inquiries?
- How well do your systems facilitate successful contacts from prospects?

(13) Regarding delayed response:

- What newsworthy items can be announced now and delivered later after building the public's interest/curiosity?
- How can you thank your customers and offer them value-added services to tease them into doing more business with you?
- How can your initial contacts with prospects build their anticipation of deliveries of products/services? What can you do to better set your prospects' expectations?

(14) Regarding publicity:

- Do you have professionally black-and-white photos taken that are ready for publicity and other uses? (Never allow yourself to be photographed poorly.)
- What was the last thing a third party published about you? When was it published? Why was it published?

c. What would our community be interested in learning about you?

d. What has one of your employees' family members accomplished lately that could be noted by your local paper or other news services?

e. Have we won any newsworthy contests or competitions or contracts lately?

f. When was the last time your management team met with the local newspaper to see what it needs in the way of news items?

(15) Regarding public relations:

- What charitable cause could you benefit/serve in relevant ways?
- What newcomer or start-up could you help launch?
- What has one of your sales/service people done for your community lately that could be noted by your local paper or other news services?

(16) Regarding converting responses to sales:

- What is your average sales-to-prospect contact ratio? Who, on your team, has the highest sales-to-prospect ratio and what is she/he doing right? Who can be hired to teach that to others?
- What is your sales-to-quotes ratio? Who, on your team, has the highest sales-to-quotes ratio and what is she/he doing right? Who can be hired to teach that to others?

(17) Regarding image building:

- What “image” do you want built?
- Are your people doing what it takes to build such an image? Are your people supported and encouraged to do it?
- How can you improve upon how you communicate our image to prospects and clients?

If you'd like the rest of this document (four more pages), please contact me at john@profitableunderwriting.com. ■

Endnotes

- Principles should be applied properly in procedures. Procedures should be combined into one or a few processes. Processes should be combined into one or more programs in ways which are aligned with our values and produce the results we want to achieve.
- Throughout this article, the terms “customer,” “prospect” and “suspect” have specific meanings. Customers are clients who have begun paying for products and services. Prospects are persons who are qualified to become customers. Suspects are persons who may become prospects if they pass screening requirements.
- Stephen J. Covey in his book *The 8th Habit* tells readers on page 153: “Only 57 percent of workers surveyed agree that their organizations consistently do what they say they will do.” The poor results produced by a lack of credibility and poor scripting can be avoided. Developing a shared business model, logic chain or work process as a team is one way to “[m]ake and keep promises.” It requires leaders to “[i]nvolve people in the problem and work out the solution together.” People are more likely to sustain what they have created to fit their needs than what is given them based upon alleged experts’ faulty assumptions.

The Biggest Job in Business Today — Turning the Tide in Your Favor

by John R. Graham



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Even the most self-assured and stoic among us feels the intensity of the times. The economic recovery seems quite elastic at best. Today's good news can disappear as quickly as it appeared. The end of the economic drought isn't in sight, as far as retailers are concerned. They continue their deep discounting in spite of having trimmed orders. It may be a good idea to prepare for even more demanding conditions.

In spite of this extended "dry spell," we're still faced with the necessity of doing business, of making sales and meeting customers' expectations — and, yes, demands.

Here's a series of strategies that can help turn the tide in your favor. They're straight from the real world and doable. Some may seem more significant than others. Perhaps they are, but each one may help gain a prospect's attention and solidify a customer relationship. While these strategies may not solve every problem, they can help turn the tide in your favor:

- **Increased customer expectations require real-time responses.**

Seemingly innocent comments can send the wrong message. For example, "I'll get that for you when I get back to the office" can make sales reps look like they're out of sync with the times. Whatever else is happening, business today is a "no waiting zone."

Although apparently surprising to some, the iPad's appeal to the business community seems rather obvious as it provides continuous connectivity, and its touch screen makes it a seamless extension of the person using it. It keeps the attention focused on the person using it rather than on a piece of equipment, such as a laptop. And unlike a laptop, the iPad is uniquely designed for sharing. Whether these distinctions are actual or perceived makes no difference; the results are what count, and that's real-time responses.

- **Salespeople must be competent business consultants.**

While "there will always be a need for salespeople," those who only want "get the order and get going" are fast disappearing.

The change is evident in most industries. "In our business, we bring a lot more than the next load of gasoline to our dealers," says **Jonathan Shaer**, vice president of Mutual Oil Co. Inc., a large independent gasoline distributor based in Brockton, Mass. "To earn a gasoline dealer's business today, we must be consultants, bringing a wide array of technical and

business solutions to help them cope with changing circumstances and to take advantage of new opportunities for growth," says Shaer. "That's a demanding task that requires both experience and expertise."

- **Keep your promises.**

Who wants to do business with someone who ignores deadlines, who jokes about being late to meetings and then bows out early? This is no small problem for business organizations. If you Google "time management," there are 195 million entries!

For some reason, it's easy to forget that appointments are promises. Meeting times are promises. Due dates are promises. Proper preparation is a promise. Deadlines are promises.

By consistently keeping these promises, you send your co-workers, supervisors and customers the message that you are someone they can count on, someone who delivers.

- **Develop your own networking group.**

With all the networking opportunities that exist via the Internet and with face-to-face, why spend the time doing it yourself?

Although that's what most of us might think, **Preston Diamond**, executive director of the Institute of WorkComp Professionals, sees it differently. At his suggestion, insurance sales executive **Curt Dumbleton** of Widerman & Company in Haddonfield, N.J., started a networking and sales group with a few current clients, along with several prospects he wanted the chance to work with.

When he approached them, "The response truly surprised me," Dumbleton reports. "Everyone jumped at the opportunity to join us." And for a good reason. Rather than taking the popular "So, what do you do?" approach, Dumbleton turned networking on its head. "We keep it

very simple,” he says. “It’s about ‘How can I help you grow your business?’”

Dumbleton says that this isn’t a message that those involved are used to hearing from insurance people. “My clients have no problem inviting others to our monthly luncheon because it’s different from other networking groups they’re involved with.”

He says there’s a new success story every month. “It’s gone so well that I’ve been asked to start two other groups.”

Dumbleton summarizes his success this way, “I’m meeting new people, and opportunities keep coming. I’m currently working on two very nice accounts, primarily because we wanted to help these people grow their businesses.”

- **Stay away from the lowest price trap.**

“It’s easier said than done,” you say. Perhaps. But Progressive Insurance, the company that goes head-to-head with GEICO on low price, introduced its “Freedom to Name Your Price” advertising campaign, an effort to move the focus from telling the customer what to pay to what the customer wants to pay. Beyond being an excellent attention-getter, it’s an

effective strategy for engaging the customer in the buying process.

In a similar way, Goodyear lets customers decide what they want to pay with a comparison rating system for its four lines of car and minivan tires. Using this educational tool, customers select the qualities that are most important to them, which is an effective way to relate value and price.

- **Stay away from “entrapment marketing.”**

While it’s nothing new, the Internet has elevated “entrapment marketing” to new dizzy heights. It might also be called “marketing for suckers.” It starts with a lure, usually a free “report” or an article with an intriguing title that captures a viewer’s interest. Then, when someone clicks on it, up pops a page with the first few paragraphs of the article. Getting to the rest of it takes another click — and filling out a form with your contact information.

This is just one example of entrapment marketing. How do you feel when this happens to you? Probably angry and resentful. And you want nothing to do with a company that plays you for a sucker.

If you offer valuable information, then make it available instantly without any strings attached. Then, at the end of the article, make your offer of “more information,” a subscription to the company’s newsletters or the opportunity to complete a survey. If you have captured the reader’s interest, they may be ready to share their contact information with you. Instead of eliciting anger, you are rewarded with appreciation.

- **Make it easy for customers to find you.**

This may sound so obvious it’s silly. Yet, compare the amount of time and money companies spend on trying to find customers with their pitifully limited investments in having customers find them.

Most salespeople know that the chances of making a sale go way up if the customer calls them. It’s at that moment that the twin conditions of need and urgency come together.

Yet, most companies continue to ignore the value of working with motivated buyers. Instead, we continue to pursue prospects with outdated sales strategies that focus on cold calling in one form or another.

Today’s customers want to be in charge of making purchases; they don’t want someone chasing them. The task, then, is staying in front of customers, whether it’s on the Internet, through advertising, articles or using social media so that when they get ready to buy, you’re there. The “hottest” lead of all is when the customer contacts you.

Each of these strategies aims at turning the tide in your favor, a challenging task anytime, but even more so today. The winning success formula calls for new ideas, careful execution and consistent implementation. ■



CPCU Society Travel Program — A Great Way to See the World!

by Richard A. Vanderbosch, CPCU, CLU, AIS



Richard A. Vanderbosch, CPCU, CLU, AIS, retired in 1999 after a 36-year career with State Farm. Named a CPCU Society Standard Setter in October 1998, he continues to be active in CPCU Society activities. Vanderbosch is coordinator of the CPCU Society Travel Program, member of the CPCU Society Colorado Chapter and contributing writer to the CPCU Society Retirement Resource Interest Group.

Want to travel but do not want the hassle of dealing with details such as research, picking a destination, arranging travel plans, identifying attractions and making sure you have all the required documents?

Why not join us on one (or more) CPCU Society Travel Program adventures and leave all of the details to us. Not only do we make traveling easy, but you will also be able to join other CPCU professionals as you enjoy the wonders of the world. Once you register for a trip, you will be prompted and reminded of all the things you will need to do from a personal standpoint — everything else is taken care of by the travel company. Then, just follow the group leader to enjoy all the sights and attractions of the trip.

Over the past several years, we have traveled to Germany, Canada, Czechoslovakia, Ireland and France. And our upcoming May 2011 adventure will be China. Future destinations are selected from the input of past travelers and the general CPCU membership. If you have a travel preference you would like considered, just send me an email at rbosch@aol.com. Selection and announcement of the next year's trip take place each summer.

Give us a try and see for yourself just what you've been missing — a great program established for you, your families, your guests and other CPCUs. You'll be glad you did! ■



China 2011 — SOLD OUT!

The CPCU Society Travel Program's May 2011 trip to China's cultural capitals — Shanghai, Xian and Beijing — quickly sold out.

A complete recap of this very special trip will appear in a future issue of the Retirement Resource Interest Group newsletter. Stay tuned for next year's destination!

What Independent Agents Want

by Nort Salz

Nort Salz is president and co-founder of Deep Customer Connections Inc., a firm that provides consulting and research services to help property-casualty insurers make it easier for their agents to place more business with them. He has more than 30 years' experience as an executive and consultant. He has worked with executives and teams at all levels in leading and managing change, decision-making, operations improvement, and team and individual development. Since 2002, he has concentrated exclusively on helping property-casualty carriers achieve their goals through implementing the Deep Customer Connections value proposition: "If you make it easier for your agents to place more business with you, they will."

Experience, as well as hard data, emphasizes that how easy a carrier makes it for agents to write business is critical to the agents' decision about which carrier they select. In surveys from 2003 to 2010 we conducted of independent agents throughout North America, 99 percent of the more than 44,000 agents who have participated agreed that "ease of doing business" is critical to their choice of carrier with which they place business. Furthermore, in a study of senior property-casualty executives conducted jointly by NAMIC and Deep Customer Connections, 98 percent of the executives said that ease of doing business is a critical part of their corporate strategy.

Given its fundamental importance to agents and carriers, it is equally important for carriers to measure in detail how easy it is for their agents to place business with them. This raises the question of what should those metrics be? What should carriers do to make it easier for their agents to write with them? Our research is based on an expansive, comprehensive view comprising every part of the agents' experience with the carrier. We include relationship factors, like understanding and acting on agency needs; transactional

elements, like being responsive in underwriting, providing policy services and handling claims promptly; providing effective, user-friendly technology; providing industry-specific technical expertise, such as loss control programs; and go all the way through to making it easier for the policyholder to work with the agent.



Generally, everyone understands that technology is a key part of making business easier, and our data support that view. Certainly carriers' technology budgets bear out the importance they ascribe to providing effective tools to agents.

But the data also paint a more nuanced picture, which shows that agents place more importance on other factors that make it easier to do business with them. While a large proportion of agents' comments are technology related, they are most often expressed in terms of the application, not the technology. That is, agents talk about their work; they talk about what they want in terms of underwriting and claims and policy services; they think about the question in terms of what they want to be able

to do rather than thinking in terms of technology. They think about the process and the result, not about the tool.

This is a significant insight because it informs how to more effectively design and implement agency-facing technology: The more your technology is designed and implemented by people who have spent enough time in agencies to really "get it" from the agents' perspective, the more effective that technology will be. The more agents will use it and like it, and more importantly, the more they will gravitate toward sending more business your way.

Agents also emphasize the importance of working relationships in getting their work done. Here's how one agent expressed it: "Stay in touch. The folks that come by the most and ask to see what we have on our desks are the ones that get the most business. You can be as technical as you want, but personal contact still works the best."

There are several things carriers can do to attend to all the factors that make up ease of doing business. One is to measure their performance by using tools such as a survey process. Another is to participate in industry events to share ideas and learn how others are making business easier. ■

Eighteen Ways to Make Sure You Lose the Sale

by John R. Graham

Editor's note: This John Graham article is from the December 2007 Agent & Broker Interest Group newsletter. His advice is as valuable today as it was then.

It happens so frequently, it almost seems as if someone is out there training salespeople to fail. For example, the woman calling launches into her sales spiel. "Our station is a perfect fit for your client. When can we set up a time to get together so I can show you what we can do ...?"

It's the perfect pitch for failure, setting off bells and red lights in the head. There's no need to do anything but to end the call as quickly as possible. You want to say to her, "Don't you get it?"

If more salespeople were as good at making sales as they are in losing them, they could write their own ticket just about anywhere. Unfortunately, just the opposite is true. They're so blinded by their own goals, they're literally unable to see the prospect.

Here's a checklist of 18 behaviors that contribute to losing sales instead of closing them:

(1) Don't bother qualifying prospects. This only takes valuable time away from trying to find someone to talk to. Doing research only holds you back. By not qualifying prospects, you can be sure your closing rate will be very low.

(2) When making an appointment by phone, start by talking about what you're selling.

It doesn't make any difference that the person you're calling doesn't have any idea who you are or the company you represent or why you're making the call, but don't let that stop you. Just charge ahead. This will be almost 100

percent successful in getting the prospect to hang up.

(3) Don't waste time and money finding ways to cultivate prospects. If prospects aren't smart enough to figure out the value your solutions can bring them or how your knowledge and experience can benefit them after talking to you for a few minutes or getting a letter in the mail, don't bother trying to share your ideas and expertise with them.

(4) Never take time to ask questions. When you're in front of a customer, use every minute to do as much talking as you can. Asking questions or trying to get the prospect involved in the conversation is counterproductive. There's one question you should ask, however. Put prospects on the spot and make them feel uncomfortable by asking, "What do you think?" after giving them your presentation.

(5) Be sure to drop the names of other clients. Let them know you're a real operator. Making them feel like they're small potatoes is a great way to impress customers.

(6) Never listen to what the prospect is saying. Remember, you're there to make a sale, so don't be distracted when the customer starts talking about his or her issues or problems. Even though it can be difficult, stay on track and be prepared to bring the conversation back to getting the order.

(7) Always assume that the customer is looking for the lowest price. Have at least a three-tiered pricing schedule in your briefcase. This way you'll

be ready to lower the price when you call back and the customers tell you they're not interested or your price is too high. A few days later call back with a new, lower, "manager approved" price. This pricing system is certain to create customer confidence.

(8) Don't bother trying to figure out a prospect's problems. You don't want to get bogged down in the prospect's issues. They will only deflect attention from your presentation. You're there on a mission so don't let anything distract you.

(9) Forget about small accounts. You're only interested in getting the big fish in your boat. Put all your time and effort in going after the big ones. Small ones are too much bother and it's not a good use of your time servicing them.

(10) Always push for a meeting. Of course the prospect doesn't know you or what you do or why you want to meet. Just push for a meeting. With face time, you're confident you'll get the order. Never ask prospects how they like to work with a salesperson or what they would like from you.

(11) Throw in the right words. Pepper your presentation with terms such as value, 24/7, transparent, ROI, benchmark, throw a curve, and strategize, robust, seamless, drill down, core values, and partnering and corporate culture. That's all it takes. Don't worry about explaining what the terms mean. Using the jargon will send the message that you're a "cool" salesperson.

(12) Focus on the low-hanging fruit. Even though you know you're a great salesperson, it's only smart to



look for the easy sales by pushing price to get the order. Sure, the customer will probably leave when a pushy competitor comes along, but that's just the way it goes.

(13) Don't bother keeping good records.

Always make it known that you're a salesperson and that good salespeople aren't good at details. Anyway, you're not a clerk or an administrative assistant. You're the hunter out in the bush bringing home the orders that feed the business. You can't be bothered with paperwork or updating the sales reporting system.

(14) Don't waste valuable selling time following up after making the sale. Follow-up is for customer service. Keep going forward; don't let yourself look back. How can you be expected to meet your quota if you're servicing accounts? Anyway, once you have the commission, what do you care?

If the customers need something, they'll call the office.

(15) Never bother to find out about a prospect's business.

That's nothing more than window dressing. It doesn't mean anything more than making the prospect feel good. You can keep the patter going. That's what makes you a great salesperson.

(16) If prospects don't buy, don't bother with them.

Make it a rule never to go back to prospects if they don't buy after you've "given the right amount of attention." Move on to the next one.

(17) Stay focused on making the sale and ignore the prospect's buying process.

Getting on the customer's "wavelength" is for inexperienced salespeople, not pros. Present yourself as a "consultative salesperson," someone who wants to understand how the customer thinks. Talk a lot about problem

solving, even though your real objective is to get the order.

(18) Never prepare or rehearse a presentation.

You've been selling for years so you know how to handle every situation. Just get the appointment and play it by ear. Preparation and rehearsing are for amateurs, the new people in sales. Who needs to practice? You're out there doing it day in and day out. Don't give a thought to the fact that **Tiger Woods** never stops practicing. You're a pro.

There are many other ways to lose a sale, but these 18 are a reminder that it's so easy for us to con ourselves into believing that selling is different from every other job in business. Once you "have it down," there's no need to perfect your skills, gain new insights, or expand your knowledge. Whatever else this is, it's the formula for losing a sale. ■



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10 Reasons Why You Should Attend the CPCU Society Annual Meeting and Seminars

1. Celebrate with the CPCU Class of 2011.
2. Spend four great days with the best and brightest in the business.
3. Hear exclusive insights from senior-level executives on today's hottest topics.
4. Sharpen your knowledge through the industry's finest array of educational programs.
5. Be inspired by compelling speakers to achieve your goals.
6. Learn new technical skills that you can put to use immediately.
7. Strengthen your leadership skills.
8. Find out how to take control of your career.
9. Network with your CPCU Society peers at special events.
10. Be energized to achieve your personal best!



CPCU Society Annual Meeting & Seminars
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