

Keeping Clients (A Cautionary Tale)

>> **BY JERRY BOUTILIER**

Bosh Balderdash. He is the president and top producer of Balderdash Insurance & Financial, arguably the most successful brokerage in the Beguile region. His secret? He wasn't always so extraordinary. In fact, until recently, his business was so dysfunctional that its future was questionable. The problems were common enough:

- No time to manage staff;
- E&O exposures ignored;
- Low client contact and poor retention;
- Failure to manage renewals;
- No structured workflows;
- Overworked CSRs and producers with no time to sell.

But he turned things around. This is his story of building a better brokerage.

My best and brightest customer service representative (CSR), Dally Drollery,

turned to me impatiently and said, "If you let us take the full hour, we'd have time to drive across town to get a real meal."

My reply was typical, at the time: "Balderdash Insurance & Financial is all about reliable, personable customer service. We pride ourselves on being accessible to our clients whenever they need us. That means even through lunch."

Besides, I added, "you don't want to give the impression that you're too good for the local diner. We're considered a pillar of support for this community."

She looked at me. "Yes, we're real people providing insurance, since 1939," she retorted. "I live the slogan."

I ignored this. "So, what are you going to have?" I asked. But she per-

sisted, "Listen, upholding this reputation has come at a cost to my waist line. I have a right to fresh coffee and sandwiches that aren't fried."

I hated to admit it, but Dally was right. The food at Suety's Diner was inedible, not to mention overpriced. The service, well it just wasn't. Neither Suety nor his wife/waitress had even emerged from the kitchen since we'd arrived 10 minutes ago.

I looked at my watch. We could still make it to the Bistro and back before 1 pm.

"Fine, you drive," I said abruptly. But just as we were getting up to leave Dally mouthed the words: Bogey. Eight o'clock.

Bogey was her code-word for client.

I scanned the booths. There was Peter Preserve, proprietor of Pickle Power

Inc, and one of our top three accounts. My pop first insured his pa when he started his pickling business back in the 1950s. Now, Peter's new eco-friendly instant pickling technology had scored him the country's biggest burger chain for a client.

I sat back down and turned to Dally. "Suety's is all about the network. You wouldn't catch Peter at the Bistro. Nothing cements a relationship like good old face-to-face time."

She grumbled. "Mr. Preserve would have been happy with a phone call."

Ignoring her, I got up from the counter-seat and called out to our client.

"Pete, it's good to see you. I hope Penny and the kids are keeping well."

After running through the usual small talk, I said, "The weather looks promising for end of week. Why don't we schedule a round of golf and discuss that insurance renewal? I'm working on getting you a great deal this year."

"That won't be necessary Bosh," he said.

"It's my pleasure," I insisted, with a friendly slap on the back. "I'll have Ally call this afternoon to book a tee time."

"No, I mean there's no need to discuss my renewal," he explained. "I've arranged it through Oppugner & Oppugner Insurance. The deadline was over two weeks ago."

I was speechless.

Seeing my state of shock, Pete apologized. "Sorry Bosh, but I just didn't feel like I was getting the attention I

deserved. I've left several messages in the last few weeks. Not one has been returned."

"But... we have a past. I mean, I've made your business my own," I said.

He considered this and replied, "Maybe that was part of the problem? Were you so comfortable with me that you never worried about my reaction to rising premiums? Were you so comfortable that you skipped visits or calls and stopped giving me options, or even just letting me know what to expect?"

My brain was racing: Think, Bosh, think! It must have been Dally. She dropped the ball. Rolled out of her hands and plucked up by Oppugner... of all brokerages! I imagined them now, doing a victory dance.

I regained my composure, looked Pete straight in the eye and stated: "We'll turn things around for you for next year. We'll live up to our motto: We're brokers you can believe in."

Dally and I left the diner. I was seething.

"Dally, you were behind the wheel of our Cadillac account. Overlooking this renewal is the biggest crash and burn for us yet. Clearly, my book of business is not a priority for you. I bet the file is buried somewhere under that heap on your desk."

"No disrespect Bosh, but the file is more likely on your desk," she said. "Remember, the last time we spoke about the file, you were going to connect with the underwriter. We'd figured that the renewal would be up about 10% this year. You were going to study the latest revenue figures and make a recommendation."

I was stunned. "Well, you should have followed up. It was your responsibility to get the information you needed. You knew the deadline. I had no idea. No idea whatsoever."

Dally persisted. "I sent you an e-mail. I mentioned Mr. Preserve had called."

I threw my hands up.

"Listen," said Dally. "We all work very hard. But we're just so bogged down that it's impossible to stay on top of everything. I know that I should have

initiated the renewal 60 days prior to the due date. But it was impossible. I was too busy reacting to other urgent files. Power Pickles kept getting pushed off."

"So, are there other accounts on the tipping point?" I asked, nervously. "Yes," she said. "I have several certificates of insurance that should have been out late last week. It doesn't help that Tony the TSR has been off, probably sick with stress. You know, just before we left for lunch I had at least a dozen voicemails waiting. That number has probably doubled by now."

"I'm sorry Dally," I said. "I didn't realize you were drowning in files."

"What about you Bosh?" she asked, "Don't you feel like you're treading to keep business afloat?"

relationships and getting all their work done. They're on top of their game.

My strategy was to implement a system that circulates work quickly and easily between the front and back ends of the firm. Some tactics used, include:

- Distinct and clearly defined CSR and Producer roles.
 - Simple, standard method of handling new business, renewals, endorsements and claims.
 - Time management systems to eliminate backlog and reduce E&O exposure.
 - Workflow that necessitates and monitors regular client contact.
 - Procedures updated and communicated routinely.
- Clients don't know why, but they're

“ Were you so comfortable with me that you never worried about my reaction to rising premiums? ”

Some days I did.

Losing the Power Pickles account was a tragic moment in my career. But it forced me to admit that there were issues. For the first time, I looked at my services objectively. I could see the perspective of my clients (both past and present). And I knew I didn't have to work harder—I had to work smarter. Obviously, the way my team was working behind the scenes wasn't working. I realized that the internal breakdown was my fault. It was up to me to change the process. I vowed to work to build their trust one by one.

The first item: To design a better workflow for Balderdash Insurance & Financial. Since this new workflow was implemented it's received high marks from employees. Staff no longer feel torn between maintaining client

suddenly hearing from us a lot more often. We not only meet their expectations; we anticipate their needs before they do. As their satisfaction grows, so does our revenue.

Balderdash is the best in the business. Now I know what you're thinking. "Bosh, isn't that statement a little bombastic"? Well, not when you consider that our employees are optimally positioned to do what they do best. It's true. Our new office culture breeds confidence. After another difficult experience, I discovered that fostering the unique talents of each team member helped them to help the business. Of course, you'll have to wait for my second lesson in separating front and back office teams to outperform and outmanoeuvre the competition. ■

The Author Jerry Boutilier, Director of Insurance Relations, the MIHI Group, provides solutions to insurers and brokers around issues that prevent them from breaking through to the next level of business success, growth and transformation. With more than 15 years' industry experience, Jerry provides strategies for positive transformation within the traditional brokerage structure. For more information visit: www.mihigroup.com.