Introduction

How much different would your life and business look if your compen.sation check this month was more than $100,000? Could you go out and do more things and experience life to its fullest? Would you also be able to travel more?

We invite you to close your eyes right now and envision your workdays, your business, and your family life if you were accumulat.ing a $100,000 check this month, and the month after that, and then the following months afterward. For me, it would certainly unlock a lot of freedom to do things that have been unattainable over the last ten years.

If youÕre like Jason and me, you didnÕt enter the insurance world with a burning desire to sell insurance. You may have decided to jump into this business from a totally different career. For each of us, the opportunity to run a property and casualty (P&C) agency hadnÕt been a calling since birth, yet when the numbers and opportunity were presented, we both loved the notion of being our own boss.

At Home in Arizona É (CraigÕs Story)

Walking out of Merrill Lynch for the last time was bittersweet. Three years of financial advising had gone well, but it was time to pursue becoming my own boss. There was an opportunity to purchase my own agency, and quitting was the right choice. Truth be told, I was filled with a sense of vigor to take on the world anew. At that time, I had been in sales for over a decade and had a strong skill set in closing solid deals. It was a grind, but I loved the hunt and kill Ñ I was good at it.

I decided to purchase the insurance agency Ñ it was a big oppor.tunity to finally control my own destiny! So, I made an offer, got the funds, purchased the agency, and dove into the business! Fairly quickly I realized that with the current setup, I was on a hamster wheel. My goal had been to unlock freedom, build up a sellable asset to become wealthy, and serve others at a high level; I quickly realized my job was to be a jack of all trades (taking payments, saving clients from cancel.ing policies, selling new policies to prospects, and being a punching bag for angry clients). As much as I disliked building processes and creating structure, I knew it was necessary to clearly define roles for team members and have a process for how to do everything at the agency, or I would become very unhappy, very soon.

Back in those early days, I would come into the office before sunrise and leave well after sunset. Many days, I wouldnÕt even make it outside, or even out of my office, except to hit the restroom Ñ even then IÕd be on the phone half the time. How was I supposed to create the Òhow-toÓ frameworks so I could be free when there wasnÕt even time to go to the bathroom without being on the phone?!

In addition to taking on debt to finance the purchase of the agency, the economy in 2008 and 2009 was under deep strain. As you may recall, 2008 was the year of the global economic recession Ñ considered the worst financial crisis since the Great Depression. Many people around the world lost their homes, jobs, and retirement savings.

I faltered as I saw the policies and premium pouring out like water from a leaky bucket from the agency IÕd acquired Ñ it wasnÕt a small amount. Even though weÕd write $50,000 in new business premium some months, weÕd still end up netting a loss of over $50,000 in home and auto premium. My monthly commission checks were declining, but the underlying debt from the purchase was remaining the same. When I projected the numbers, I realized that my business was a ticking time bomb that could only be defused by nailing it with the right marketing strategy. I was a dead man walking unless I could get a steady stream of quotes and sales at a profitable acquisition cost (aka cost per sale, or CPS).

I tried several marketing initiatives to help my business, but the truth is, I failed. Yes, I tested the waters to try to stay afloat, and youÕre probably wondering what went wrong, right? Someone on the internet once said, ÒThe successful person has failed 100 times more than the person who never starts and keeps giving excuses why they cannot.Ó What led both Jason and me to successful results was a stubborn (and insane) knack for us to 1) never give up and 2) learn from our mistakes! Later on, when we get into passive and active marketing, weÕll look at the results we learned from and the things we tried the hard way, including the price tags linked to these marketing efforts.

Over the next seven years, I continued to research the best practices for running a profitable agency and began to test various programs and tactics. Many of these yielded semi-decent results, but nothing that would be considered a great success. I was doing okay at this point, but what I wanted from business was to earn those six-figure bonus checks, grow the agency, and have a strong and trustworthy team who would run the day-to-day operations so that I could build the marketing machine.

It was right around this time I met a fellow named Jason Feltman.

Meanwhile, in California É (JasonÕs Story)

Jason bought his agency in 2016. Coming from the restaurant and bar industry, he had virtually no experience with insurance. Instead of trying to learn everything about the products and services, he focused on refining and optimizing the sales funnel and sales process. Approaching the end of his first year, he was told by management at his carrier company that if his agency wrote two hundred policies before the end of the year, heÕd get a sizable bonus. Jason looked at the numbers to figure out what he would need to do to maximize his bonus and then worked backward from there.

JasonÕs data-driven approach landed him a nice bonus off of his first year of production. He took that bonus and re-invested the entire amount right back into his agencyÕs marketing plan for the following year, saving a ton in taxes and providing rocket fuel for his growth.

One of JasonÕs friends who worked at one of the big lead compa.nies told him flat-out, ÒLive transfers are internet leads whom the lead company calls numerous times to contact customers. When we get a hold of someone, we transfer them to an agent like you as a Ôlive transfer.Õ Seconds after the call is transferred, itÕs sold on various data exchanges up to seven times, to seven different agents. Finally, itÕs resold again to an aged-leads company that marks them down to pennies on the dollar.Ó Armed with this knowledge, Jason decided that insurance quotes from the internet were the way to go (real-time leads were a fraction of the cost Ñ and he knew they worked since they were the same thing as live transfers). Jason was about two months into testing his internet leads program when he and I first were chatting on the phone.

We aligned on how we wanted to find new business, and we knew that by combining our various skills and brainpower, we could figure out how to use the internet to create massive sales. We knew that the internet was the new mall for everything and that if we could figure out the metrics to track and the tools to make a process, weÕd be home free! All we needed was a way we could add leads into a funnel and expect a certain result based off of hitting our target metrics.

We knew that this was the way Ñ and then it came to us É

There were a handful of agents sprinkled throughout the P&C world who were absolutely crushing it with internet leads. We decided to create The Insurance Dudes podcast to gain access to these top-performing agents who had developed systems and processes to scale their agencies and create massive wealth for themselves. These top performers werenÕt the norm. Many times, weÕd hear agents complaining about everything from staffing, to leads, to carrier compen.sation tiers, and everything in between Ñ we could both relate, as we had experienced the same issues. It was as if almost no agent had been trained in the business aspect of their agency. It seemed like carriers were prepping them to use the systems, run quotes, and view reports, which on one hand was really important, but on the other hand was significantly deficient in its support for business skills like hiring, sales, budgeting, marketing, management, and everything else we end up doing! We decided that if we made it our mission to help agents learn the very thing we were also learning and optimizing, we could make a massive impact on agents across the industry and help them achieve the same results we, too, were so close to achieving!

It took longer than we had hoped and cost more than weÕd expected, but after four years of intense grind and a pandemic in the middle of it all, we had a clear vision of what was, and still is, the path to predictable, scalable results. Realizing that what had worked for the big players was pretty much the polar opposite of how weÕd tried and failed with internet leads, we now felt reassured as we built, tested, and optimized our tactics. There were common patterns that kept emerging with all of the different agents we interviewed, which could be distilled into very specific categories. Each of these a crit.ical element needed to get results from Internet leads. It took us a combined 15-years to realize this.

Funnel Component Explained Key Variables

Leads Leads are the fuel for the machine. Almost every agent overpays on per-lead cost and does not buy enough Type, quantity, prices, how to negotiate, dials, and pipeline time frame

Callers role Low-skilled cheap labor to make dials. Agents vastly underestimate how many dials leads take to make contact and close. Requires a minimum 25 leads/day of 500 dials/day ongoing Dials, transfers, failed transfers, script, train.ing, hiring, and cost

Sales Sales agentÕs role is to close Dials, QHH, trans.

agentÕs role new business. Their focus needs to be on Òdoing the work,Ó which is 8Ð10 new quoted households (QHH) daily and four hours of talk-time fers received, failed transfers, script, call recordings, atten.dance, lead notes, and work, family, fun (WFF)

Dialer/ You must use a dialer that Contact rate, spam

Phones can make a minimum of 500 dials per day, receives leads via ping posts, and is legal and compliant with TCPA standards flagging, do-not-call scrubber, local pres.ence, easy-to-buy/ drop phone numbers, call recording

Lead management system (LMS) Often part of the dialer, this is necessary to really be on top of all the leads that youÕre purchasing. Speed is king Customizable dispo.sitions, accepts leads from all vendors, easy to use, allows notes to be added to leads

Agency You are the captain of the Daily meetings, hot

ownerÕs role ship and will likely have to make some adjustments (which youÕll pick up tons of time from implementing) seats, accountability, lead funnel tracking, one-on-ones, role-play, coaching, call reviews

We each went on to open new locations in late 2019 and were able to write over $7 million in new business premium in the first 18 months Ñ all from internet leads. There was a ramp-up period at the end of 2019, but through 2020 we were able to exponentially increase our results and even have months as high as $307,000 in new business premium, which earned top accolades with the company we represent.

WeÕve written this book not only to share what we learned from our insane journey but also to shine a light on the strategies and tactics that any agent can use in their agency to create predictable sales, month in and month out. We wanted to give back to our peer group thatÕs been so supportive over the years. WeÕll continue to deliver more and more content through our podcasts and on our Insurance Dudes YouTube channel.

The perception weÕve noticed is that the Òneighborhood agentÓ model appears to be transforming, quite rapidly, into the Òagency growthÓ model. If not willing to adapt, the slow and steady agency operator, helping their customers one at a time and Òhunkering down until things improve,Ó could end up really struggling to survive in the near future. More and more nimble and business-savvy agents have emerged as the opportunity to succeed is there for those who are focused on business growth and lead-to-sales optimization. Factor in the way that commissions are trending, and there may be no other option than to get laser-focused on being a sales-first organization. We are in the business of selling insurance. Once youÕve adopted and mastered your own Telefunnelª Growth System for your agency, youÕll unlock the freedom to spend more time with your family, travel, open more businesses, write a book, or heck, do everything youÕd like! Your first step is re-calibrating your agency into a sales-first company. If youÕre anything like we were when you read that word, you may be thinking, ÒOf course we are sales-first,Ó which is what we thought until we really defined what exactly sales-first is:

¥

Aligning marketing (driving more quotes)

¥

Sales (converting more quotes)

¥

Sales operations (tight processes, key metrics, and vigilant accountability)

¥

Sales enhancement (meetings, training, and scripts)

¥

Measuring and driving sales productivity (measuring and track.ing your activity and results)

If you arenÕt currently a sales-first organization, thatÕs okay. While the fire alarm hasnÕt gone off yet, the kindling is dry and this thing is about to get lit! Whether youÕre new to this world, a veteran, or some.where in between, weÕve been told over and over by people much smarter than us that agents who donÕt develop a concrete process for driving activity that creates predictable results will likely go the way of Blockbuster or Circuit City. The saddest part is that no matter how much we talk about it, most wonÕt take any action at all, even having been forewarned that itÕs necessary to prevent the inevitable collapse of their own agency. For many already, as margins become compressed and thereÕs less of a chance to make a move, the time to go is now. Many believe that failure to adapt will result in many agents falling short of achieving the wealth or freedom thatÕs historically only enjoyed by true business owners.

We are going to share our strategies that speak to all of these points as we dive into the meat and potatoes of this book. WeÕve created some organization around the delivery of the golden nuggets weÕve learned over the last five years from going all-in.

We congratulate you on taking this first step to gain knowledge that you can use to grow your agency. We have these small asks: be realistic about what your expectations are when you decide to dive in. One of the lessons I am still in the midst of is having the patience to experience delayed (yet earned) gratification. Secondly, please take the knowledge and do. Knowledge is of no use if it isnÕt put into action. Waiting too long to cast aside fear and doubt about going in with a winning strategy is a recipe for disaster, and youÕll lose money. In a time where speed equals quantum leaps in financial growth, we are delivering the exact tools and tactics any agent can put into action and create a life-changing swing in their income. We wish you the best and pray for your success now and moving forward É with that, to quote our first client and great friend, Jorge Carbonell: ÒLEGO!Ó

Part I

Lead Acquisition

Chapter 1

Your Core Offer

From JasonÕs Journey

Just months before I first purchased my insurance agency for a small fortune, I had precisely zero insurance experience Ñ in fact I was bartending! For a month and a half prior to assuming ownership of my new agency, I learned some of the ropes by working for my father-in.law in his agency. His agency represented the same carrier as the one that I had acquired. I wanted to see a successful agency in action! It felt important to see how an agency should run. While the timeframe was way too short, it was still a great experience, even though I only had enough time to learn basic customer service tasks.

I still had virtually no experience when I walked into my new agency on day one. I didnÕt have a clue what needed to be done to run the agency. I thought about my bar experience and my music experience. From the bar industry, I understood the upsell, the persuasion, and the rapport-building skills. And from playing music onstage in front of thousands of people, I understood the importance of consistency, practice, teamwork, and organization. I applied my prior learnings to this space and realized that my one employee, Miguel, and I needed to sell policies!

I got my feet wet in trying to make some sales, but it seemed I wasnÕt good at selling anything. Even though I was now fully appointed with my captive carrier, I didnÕt even understand the various products that we were trying to sell. I was desperate and reached out to the carrier IÕm appointed with and asked them, ÒDo you have anything thatÕs a huge benefit with a competitive and unique advantage compared to other insurance products?Ó They were stunned by the question, and many of them didnÕt know what to say Ñ it seemed like no one had ever asked this!

The question made its way up the chain of command, and they finally replied, ÒYou are the competitive advantage. You are the benefit of the insurance policy.Ó

And I said, ÒI have no idea what that means.Ó

Without experience or training, I couldnÕt possibly be the benefit, I thought. Who the heck was I to offer professional advice on something I knew nothing about?! I began to question my decision to buy the agency, as imposter syndrome revved into full gear.

I began reaching out to other agents while at the same time read.ing marketing and sales books. I noticed a common theme that went along these lines: ÒIf you really want to try to motivate somebody to buy your product or service, there needs to be something appealing about the offer.Ó

I let that thought take a strong hold and marinate in my mind. I knew this was a significant finding!

ItÕs been well documented that most people will move much further, much quicker to avoid pain versus seeking or gaining pleasure.

ThereÕs a GEICO ad that states, ÒWe make switching easy.Ó This one is interesting because it includes a form of pleasure Ñ ease of switching Ñ but it also implies that itÕs usually difficult to switch, or that the reader believes that it is a pain in the neck to switch, and the company therefore is solving that pain even before the customer has gotten a quote or objected to buying. ItÕs genius! I realized that my agencyÕs offer had to address a pain that our perfect potential customer would be facing.

I learned quickly in my new office that I couldnÕt be the only sales agent, as I was also the only service agent, the only tech support, the only recruiter, the only HR, and basically everything else. I had to hire some agents to help me reach the sales goals our carrier had created for our agency if we were to reach our yearly bonus.

I began looking for salespeople and realized that this task, in and of itself, was a monumental undertaking. IÕd never created hiring ads on Indeed. I had never vetted candidates for a position Ñ heck, I didnÕt even know what I was looking for and, even more alarming, I had no framework within which to train my new sales agents because I, myself, was still learning every nuance of running an agency.

To say I was overwhelmed would be an understatement Ñ so I made a list of the big projects that were necessary for us to be more effective in going after new business and delivering a superior client experience.

My first epiphany was that a clear offer was key Ñ not just regarding the policies we sold but also defining our specialty for the prospect: why being a client of our agency was a better choice than the thousands of other providers someone could choose. I prioritized developing training around a clear offer, along with consistency. I knew that weÕd be moving in the right direction once we got this offer documented and scripted Ñ it would be the glue holding all of our agents to success Ñ the core that we could build everything else around. By building our script and offer into an easy-to-follow script, we would have something to train our new sales agents with, and they would have something to keep them on track so they could pour their energy into Òdoing the workÓ of the key activities weÕd also be defining. And so, we got to work!

WhatÕs an Offer? (Especially When It Comes to Insurance)

Having clarity on your offer makes it much easier to sell your products and train your agents to easily outperform their peers. So many of the marketing books I have read will speak to Òthe offer.Ó My initial thought on this was, But what the heck is it with an insurance policy? ItÕs just an insurance policy, right?

Well, as I continued to learn and then apply the concepts (knowl.edge first, then action), I started to envision our core offer packaged up in the following way, being the sum of three key elements:

Core Offer Ñ Your Main Policy Type

When I took over my new agency, I was astounded that there were so many different policy types, and then different versions of each type. Some of these policy jackets (the actual policy language) are very dense and incredibly long, and quite frankly a total snooze fest Ñ especially with these documents being fifty to hundreds of pages long!

I thought to myself, Was I really supposed to learn twenty policy jackets, memorize them, and become an expert? Would it elevate the offer if I were to be the Google of insurance, able to recite covered perils at a momentÕs notice?

ThereÕs just no way. I donÕt have the personality or the patience for something like that!

The more I thought about it, the more obvious it was to me that memorizing all this insurance legal babble was kind of like how in school theyÕd force us to memorize the periodic table or some calculus formula so we could pass the exam.

There was absolutely no business argument that made sense to me where filling up my already-overflowing mind with a bunch of useless junk would make the policy more valuable, better our service, or enhance the experience Ñ or most importantly Ñ make me profit.able. Unless I was planning on going on the special Insurance Policy episode of Jeopardy!, I knew that being a Òpolicy expertÓ wouldnÕt generate more revenue.

So, we tried something that really helped our offer, which was defining our core policy. This is what we would use as our Òfoot in the doorÓ to peopleÕs households and what would help us to stay consistent with our script and training. Having one core policy that you start with helps your agents become the experts by building confidence and consistency. I found that going deep and narrow on the core policy helped us stay laser-focused on the script and on making it conver.sational. My vision was, and is, to have my sales agents master that core policy (automobile). If you want to be the ÒDoctor of Insurance,Ó being a specialty doctor will make a lot more money than a general practitioner. They are also way better at their specialty than a gener.alist and can charge a premium for this expertise. I knew that when we accomplished this, we would win! So we landed on auto as our core offer.

Your Service What does your agency specialize in? ThatÕs a big question. If you posed this question to most agents in the P&C world, you might get a blank stare as they rack their minds to come up with an answer. When youÕre able to answer this question and youÕre able to get really good at just a handful of simple things, youÕll have a greater focus on whatÕs needed to deliver the best service and at a much higher quality.

We specialize in auto insurance and have worked hard to know what parts of other carriersÕ policies donÕt meet the mark and the pain points those deficiencies cause. Our agents are expected to become experts in and understand everything about the auto policy options we have available. When each sales agent is doing one of their necessary eight quoted households (QHH) per day, because of the daily training my agents do, itÕs apparent to the prospect that our agents know what theyÕre doing and thus are perceived as experts. This helps us a lot. ItÕs like when you go to a restaurant and ask to see the wine menu. You may ask for a recommendation, and if the server responds, ÒIÕm not much of a wine drinker Ñ you need to figure out which one you think is good; IÕm the last person to ask,Ó you may end up having a fairly low opinion of the restaurant and their ability to deliver a great experience.

Conversely, if your server asked a few questions to gauge your preferences, and then made a recommendation incorporating what types of wine pair well with your entre choice, youÕd likely have a more enjoyable experience. You may feel that your server was looking out for you Ñ that they actually cared. ItÕs obvious which situation would increase the likelihood of your returning and recommending this restaurant to your friends. As in the case of this example, your level of service delivery, the things your sales agents say, and how they say those things to potential clients will impact their experience and affect their decision when asked to buy.

To clarify: being an expert on policy limits and the different coverage limits a policy provides is much different than knowing or memorizing the contents of the policy jacket. Our agents are tasked with understanding a prospectÕs current policyÕs coverage gaps and then delivering a better alternative by telling stories, which demon.strate how our policy would outperform their current policy when a claim occurs.

Prospects assume insurance is all the same Ñ our conversation will either reinforce that false belief, or break it, based on how well we can tie our solution to the potential risks they currently face with their sub-par carrier. Your sales agentÕs confidence on the phone, plus using their script, is what helps them demonstrate that your offer is superior Ñ and this only occurs with constant training (weÕll cover that later).

You also need to figure out what it is that you do differently. What can you offer that differentiates you from all the other agencies out there? How can you position your core offer and services in a way that sets you apart and brings better service to your clients? ItÕs not even necessarily that your core offer or service is that much different than the competition. Most important is that your message and script are different Ñ and if you continue to read and implement the various frameworks that weÕre writing about here, your agency will stand out.

Sometimes these services are baked into what your carrier already provides. I remember when we started telling clients that our agency included free windshield crack repair. If you called your own agency (and disguised your voice) and asked for an Òapples to applesÓ quote, what would your team tell you? When they got to the comprehensive/ free-glass portion of the policy, how would they present it? I wanted to know what other carriers were saying, so I called several and asked for quotes. Every single sales agent used this line when referring to the free glass portion of the call: ÒI have also matched what you have for comprehensive and included free glass.Ó ThatÕs it. Then theyÕd move on from this missed value-add.

ItÕs all in the message. How much differently would someone perceive your value if you were to tell this quick story, like we do:

I donÕt know about your current policy, but we have a really awesome bene.fit that our clients just love. If you ever get a ding or crack in your windshield, you just call the office and we will set

you up with a glass repair, or if itÕs not repairable, we will actually replace it, free of charge! But listen, Tommy, it actually gets better! One of my clients I just set up last month had to get her windshield replaced while she was out of town on business. She texted the office to let our service team know the situation. She indicated that she was pressed for time because she was speaking at a conference. We texted her back and told her to leave her keys at the front desk of her hotel and that weÕd send one of our partners over to get the replacement handled. She didnÕt have to do a thing, AND it didnÕt affect her rates. She was super pleased with how easy it was. Pretty incredible, right Tommy?

We have seen time and time again that this is a real point of

excitement Ñ all because of how we described it and tied it to making

their life easier.

This same framework should be applied to each line item within the coverage limits on every call. To build out your script and stories and test the results, always think about these key questions:

¥

What other things does your agency provide?

¥

What can you provide that could further elevate your core offer?

¥

How can you take something that may be perceived as Òthe sameÓ from company to company and shift the perception to create value?

¥

What pain can you solve with each step of the presentation and quote?

The Experience

What experience do your customers have with your agency? What good can you and your agency provide? And what is the bad that your competitors make customers accept? These are the questions you need to ask to build the experience.

Researching this aspect of your agency is very important. You also need to ask questions about the competition É itÕs time for you to play detective and investigate the following:

¥

What is the customer journey of your competitors?

¥

Have you mapped it out?

¥

How do they acquire customers?

¥

How do they bring them on to their carrier?

¥

And what experience can you provide differently?

IÕve heard about some fabulous experiences provided by other agencies. I tested the waters myself and created office experiences such as providing water as soon as somebody walks in the door. The act of handing someone a cold bottle of water and greeting them with a smile generates a ton of reciprocity Ñ it puts them in a position of Òowing you.Ó The more ÒbribesÓ offered before the sale, the more likely they will feel obligated to purchase from you.

I invite you to think about how some hotels will create Òlobby experiences,Ó like providing video games or a play area with snacks for families with kids. When my family and I saunter up to check in somewhere after a long flight or, worse, a long drive, and my wife has had it, and the kids are going bananas, IÕm very grateful to the hotel for facilitating a moment of quiet by distracting the troops. That gratitude translates into repeat clients and more revenue.

If your agency is primarily selling over the phone, a Digital Infor.mation Kit including PDFs or other specific insurance information can create a fun and memorable digital experience for your clients. ThereÕs a wealth of other digital experiences that are interactive and uniquely present information on your policy and service. As an example, for your RV clients, you could provide special maps to direct them to various RV spots while still providing information on their policy. In my experience, thinking outside the box on the service and experience really helps create a solid offer.

Story Selling

ThereÕs a peculiar phenomenon that occurs when your average sales agent jumps on the phone. They can go from animated extrovert to a robotic version of what they perceive as a Òprofessional insurance sales agent.Ó A robot-voiced faux professional is like kryptonite to whoever is on the other end of the line. With our friends and family, we have no problem being ourselves. The tonality, energy, and passion we have in our personal conversations are precisely what moves people. The key to connecting with prospects and creating buy-in lies in bringing personality and stories to the calls.

Stories are what make a two-hour movie fly by in what seems like minutes. You get sucked into the story and are captivated. Learning how to convert insurance babble into real talk is a skill that, once mastered, will change the life of the person doing it. The best part: anyone can learn to do it. ThereÕs a framework that we love to use to help our agents learn the method: itÕs called the What-It-Is-How-It-Works Story Framework. And you can easily start implementing this today in your agency.

The framework begins with the policy and the benefits. No one actually explains the various coverages and limits Ñ at least not in depth. They usually just give the numbers or the name of the coverage. And since there are so many different coverages within a policy, the client ends up completely glazed over and tunes out. This is highly ineffective in creating any sort of desire, because once they tune out, their yeses and nos are merely auto-responses from being on the receiving end of too many sales calls. So letÕs remove the ÒsalesÓ from the call!

We like to say what it is first, and then Òhow it worksÓ is the real talk. Real talk is going beyond the name of a coverage or the benefits and really explaining how it works with hypothetical if-then situations. The next step is the story framework. For example, when youÕre explaining bodily injury liability you can briefly touch on what it is and then pivot to the real talk:

How this works is, letÕs say youÕre driving, and I walk out in front of your car and you hit me and I need to go to the hospital; this is where bodily injury comes into play É I know what

youÕre thinking Ñ this wonÕt happen to me Ñ but we had this client who was a lawyer, and his straight-A, deanÕs-list son was driving home from work when a homeless man walked out in front of his car É

Now keep in mind that people will remember the story; they defi.nitely wonÕt remember what the policy is. They might remember how it works because you just explained it in laymanÕs terms. But the story part of it, theyÕll remember. Same information, different package.

When you tell a magnificent or heartwarming story of how that coverage worked for somebody and how it saved them from financial distress, it will create connection, interest, and more conversions from quotes to sales. By the end of the presentation, you should know enough about that case that you can create the story around their family and how it works for them. This works extremely well with almost any coverage and is so important in my agency (and CraigÕs): a new sales agent cannot start quoting until they have crafted and presented their story to the entire team, explaining each coverage.

Story selling has always been effective for my agency. The agents who get really good at telling stories are the ones who consistently close at a higher percentage Ñ and this has held true for all of the agency owners weÕve met and interviewed on the podcast. Stories are not only important because they make it much easier for people to stay engaged and understand what weÕre talking about, but they are also the fabric that binds and connects us all as humans. Stories will help guide your sales agentsÕ and your conversations by painting a picture of real-life claims experiences, building strength in your core offer, and keeping your prospects focused and interested. If you show our clients that theyÕre valued, respected, and important, theyÕre more likely to feel at home with your agency.

Human Connection Is Key

If you remember back a few pages, I shared how management at my carrier told me that I was Òthe benefit of the policy.Ó While it didnÕt land for me at the time, IÕve come to understand that explaining and connecting through stories is what they meant. Over the years, IÕve learned that human connection is the most important part of the selling process. Some call it building rapport.

Knowing the importance of this, I began to listen to my sales agentsÕ calls to hunt for opportunities to help them improve. I noticed that the longer my sales agents stayed on the phone, the more the person on the other end of the call began to open up with our team. It was as if they were long-lost friends! When a person does not connect with you, the conversation becomes less problem/solution-based and more persuasion-based. Selling someone through convincing is way more difficult than merely telling the stories and providing the solution.

After I learned that, I was finally able to get really good at selling policies. I discovered that what I had been told was accurate: YOU, the agent, are the greatest benefit Ñ even if youÕve stepped back and assumed more of an ownership role. We are the difference. We are the benefit. We move our team to excellence with our desire to win by helping people secure the best coverage possible.

.. Create a great offer. Solidify your core policy, service, and experience. Connect and use story selling. Your clients will walk away extremely pleased with how you helped them and will express endless appreciation for your expertise!

Chapter 2

Passive Versus Active

From CraigÕs Journey

In December of 2008, I finalized my financing to buy a medium-sized captive P&C agency with a large national carrier. After closing on the loan, the agency was mine! My carrier had me attend agency school. If you think back to your carrier university, you may recall a an experience similar to mine: We went through my carrierÕs quoting system, went over tons of service processes, and some closer-to.terrible scripting. WeÕd practice the things weÕd be doing after quoting someone, but there was no focus on the front-of-funnel activities to get results.

My brain hurts thinking about those early days of being an agency owner. Every day, IÕd experience complete overwhelm, being pulled in every direction by clients, team members, and requirements from my carrier. It was like drinking out of a fire hose and I did not like it. I knew Òbusiness ownershipÓ didnÕt mean you could stop working. In fact, I knew being a business owner required a ton of effort to successfully scale the business, but from how everything seemed to be playing out, I couldnÕt see the light at the end of the tunnel.

Every business book IÕd read in college, business school, and during the pre-insurance days of my career had spoken to how import.ant speed was to achieving success and wealth. Opportunities to connect with other agents back then were fairly limited, as social media wasnÕt huge yet, and (as I learned) most agents were doing the same thing as me: just trying to hold everything together as the top priority, and then finding a way to increase quotes as a second priority. With the focus always on the fires, every day would fly by, but IÕd never feel like weÕd really knocked it out of the park. On the contrary, I felt like I had just Òsurvived another day,Ó helping angry clients, answering clientsÕ and sales agentsÕ questions, and trying to sell policies. We were actually moving backward, which was not any form of speed IÕd read about anywhere. I hadnÕt even been an owner for a full month when I was questioning my change of careers.

From our carrierÕs management and training team, IÕd get all kinds of ideas and recommendations on how to acquire new busi.ness. Knowing what IÕve learned from our most recent results, most of these suggestions lacked the depth of vision needed to achieve great results: they were more like Òacademic methodsÓ versus Òearned-the.knowledge-in the trenchesÓ tactics. I never got clarity on the expected time to result, the specific activities needed to be done daily, and the metrics to track and measure to determine if the tactic provided an acceptable ROI.

As the time went by, I kept thinking about the recommendations IÕd been given on what to do to get new business. I realized that there are two very different ways to market your agency and attract a stream of new clients. Most agents (myself included) have a passive/active ratio like this:

In every business, P&C agencies included, there are both active and passive marketing strategies. These two ways of marketing are very different! When I started out, and all the way up to around 2018, I recall always being top heavy on passive marketing spend and way too low on my active spend. The result was that some years we grew enough to earn our agency bonus, and other years we missed the mark and either stayed flat or shrank a little.

LetÕs define these:

Passive marketing: our definition assigns this to anything that does not require actual dollars but can steal your time away from revenue-generating activi.ties and trick you into thinking youÕre making progress because youÕre Òbusy.Ó Passive marketing is difficult to track and measure, and makes it hard to quantify results with any sort of meaningful ROI. Watch out for the undercover passive strategies, which weÕll dive into shortly!

Active marketing: our definition of any activity that has quantifiable inputs that can be measured throughout the process, with a clearly defined goal or outcome. These ÒpaidÓ marketing strategies need to be carefully planned and executed well, with consistency over time. No active strategy will create immediate results. And from our experience, most successful active marketing campaigns take 6Ð12 months to achieve scalable results.

I started to reflect on whether this 80/20 marketing mix was the best way to do it. Facebook was taking off, and I started meeting a lot of agents with my carrier, as well as with other carriers. I found Facebook groups where most of the agents were Òtrying to figure it out.Ó Some agents were using Facebook as a place to vent. But there were these few agents who were posting insane numbers every single month. YouÕd see $200K months Ñ or even more Ñ being posted!

I was trying to wrap my head around what it would take in resources for me to write what they were writing in new business every month! I had evidence it was possible; I had spoken to the agents who were doing it Ñ now I just needed to construct the path to get there. One thing I knew for sure was, if I kept doing what I had always done, then IÕd continue to get mediocre results.

I started to spend more on marketing, but I'd still strike out on flipping the passive/active ratio by mistaking passive strategies for active ones. It also became apparent that there was a very disturbing relationship between the time spent on passive marketing and the time saved with true active marketing strategies.

In the few years leading up to when Jason and I met, if I hit my bonus, I would spend most of it on different marketing strategies. LetÕs take a look at some of the things I spent tuition (money) or time (away from family) on over the years, and the results.

Tactic Cost Annual Sales from Tactic Active, Passive, Undercover Passive (UP) Lifetime Value Revenue Gross Reve.nue/ ÒTuition PriceÓ\*

Shopping carts display ad $12,000 $0 Passive $0 Ð$12,000

Valpak mailer drop $11,400 HH\*\* sold: 12 Premium: $13,233 Passive $7,675 Ð$3,725

Welcome wagon $9,000 HH sold: 0 UP $0 Ð$9,000

BNI networking Weekly 4 hours Not quantified UP N/A Time

Cham.ber of commerce Weekly 2 hours Not quantified UP N/A Time

Direct mail $70,000 HH sold: 89 Premium: $89,000 Active $53,400 Ð$16,600

Door knocking Weekly 5 hours Not quantified Active N/A Time

Trade show 6 hours $875 + $100 for staff 100 leads 6 quotes Premium: $2,000 UP $1,160 $185 plus time spent Missed DaughterÕs Gymnastics Meet

In-house telemar.keters $144,000 over 2 years Premium: $204,000 Active $122,400 Ð$21,600 Time Min. 10hrs/wk

SEO Ñ website $60,000 $0 Passive $0 Ð$60,000

Client reviews Time Very little Up Too much time

\*We like to refer to learning from mistakes, or failed efforts, as Òtuition price,Ó as it can be as important (or even more so) as what can be learned in the classroom.

After doing all of these things with mixed results, or no results, I was becoming discouraged again, so I went back to the data. I was poring over it, and it hit me! Some of these things I was doing that werenÕt even on the table above (as well as some that were) were ÒundercoverÓ passive strategies Òdressed upÓ like active ones.

The undercover passive strategies were all of the things I kept telling myself were moving the needle but were actually making no impact. I was spending a lot of my time doing policy reviews with clients. I believed the goodwill of meeting them probably made them more likely to stay, and IÕd also be able to sell some additional cover.age or another policy.

I remember spending over an hour with one client in particular who was beating me up over the rates and how they kept increasing with every renewal. He was actually yelling at me as if I were responsible for the increase, and threatening to take all of his business elsewhere. This guy was dripping sweat, red as a tomato, and literally looked like he was going to stroke out as he yelled. I noticed I couldnÕt hear anything he was saying anymore Ñ I had come to terms with knowing this was the last review I would ever do.

Instead of hearing what Tomato Tommy was blathering about, I had just been struck by what felt like a jolt of lightning when I looked at the screen and at his policy. He had one policy with us: his auto. It looked like his rates had gone up, not because of a general rate increase but because of the several tickets heÕd collected. And to top it off, it was only about 15%. I remember these details well because of the epiphany: his policy was right around $1,000 every six months, and that increase was $150. I was only grossing $180 a year from this client who was verbally abusing me.

If the $180 is the revenue, then the costs would be any time spent with him and whatever percentage of fixed costs should be allocated to each premium dollar (I donÕt conduct cost accounting to allocate fixed costs, but you could!). There was absolutely no possible way that I was going to limit myself to being paid $180/hour net, let alone GROSS Ñ and be yelled at! No way! I was at ease at this point because, for me, this was one of the biggest insights that I have had in business, and itÕs been confirmed over and over again as I have continued on this journey: you have unlimited potential and limited time; speed is your best friend.

Once our buddy Tommy stopped yelling, he seemed worn out. I told him that I understood that he was upset about the rate, and that if heÕd prefer to yell at someone else, he should go shop around. He seemed shocked (luckily, he was at a loss for words). I thanked him for his busi.ness and told him that if he ever spoke to me like that again I would call the police. I ushered him out into the heat and rolled up my sleeves again.

I didnÕt include cross-selling numbers in the table above because itÕs not a sales strategy; rather, it is a service team activity that is just done. And for many years, these opportunities would be handed from service to the sales team. We recently changed the process for cross-sells, considering them a passive strategy. We now keep them in the hands of the ÒpacifistsÓ Ñ the service team. We do this for a couple of reasons: first, itÕs been my experience that the less friction there is, the better. If the service agent takes a call and has great rapport with your client, why would we want to interrupt that connection and start all over again?

We wouldnÕt, and you shouldnÕt either.

You can even create goals for the service team on how many cross-sells they need to make each month. Your second reason why not to give the cross-selling opportunities to your sales team is that it takes them off their game. When your team is doing really well Ñ high premium per item, high item count, great quote-to-sale ratio Ñ the last thing they need is a layup to wreck their numbers or make them let their guard down.

As youÕll see later, a lot of time goes into optimizing a sales team Ñ time well-invested because it generates leverage when running profitably!

Guess where I found the time?

If you answered, ÒBy exposing the undercover passives and elim.inating or delegating them,Ó youÕd be correct. You may be thinking that you donÕt have the time to create the time, right? ThatÕs where I was. ItÕs a slow process that begins with that first step of writing down everything you do as youÕre doing it and assigning ÒactiveÓ or ÒpassiveÓ to it. I eliminated everything I did not want to do and that did not need to be done and created very strong boundaries to prevent hours from being taken from me daily. These commitments unlocked more time to spend with friends and family outside of business than I had ever known possible. None of this was easy or happened overnight, but if you havenÕt considered something like this as a commitment for yourself, I encourage you to do so.

Bringing this all back to where we began, after knowing what we know now, itÕs safe to say that 80/20, with passive being the front runner, is the recipe for mediocrity. Maybe you can be a great Òagent,Ó as in the person who knows every client and wants to be Òthe guyÓ or Òthe lady.Ó But thatÕs not ownership in the sense of unlocking freedom. Unless you can pull away from daily operations and nothing misses a beat, youÕre an employee of your own business. I have met hundreds, if not thousands of agency owners running the passive-heavy 80/20 Ñ not intentionally, but because no one has shown them what they could and should be doing if their aim is to create wealth and freedom.

The agents IÕd seen posting the insane results werenÕt magic unicorns (nay), they were regular agents just like you and me, but theyÕd flipped the model. Where most of us were spending all of our time on passive and undercover passive marketing strategies to Òrun lean,Ó Ògrow organically,Ó or Òbuild a high-retention book,Ó these new agents were merely looking at the numbers and figuring out how to grow their book of business as fast as possible by injecting capital into their business and creating a multiple on their long-term cash flow. They truly were investing because they understood that for every dollar invested, some stream of income would occur in the future that would pay back more than that initial investment.

Once that pattern was identified Ñ once it could be scaled Ñ it was time to pour on the gas and unlock the profits. As I was getting closer to figuring it out, I had a couple more distractions that made me veer off course before finally landing on what we do now. LetÕs look at what slowed us down before we sped back up to light speed.

The fear of spending on marketing was starting to dwindle as I realized it was ÒtuitionÓ if it failed, because I always learned something. With that approach, it was much easier to accept those defeats and look at them more as a lesson. I was realizing that the only way to create speed required money. And the lead cost was irrelevant Ñ it wasnÕt the metric to watch. I learned that the golden metric was instead cost-per-sale, aka acquisition cost, aka CPS, and, if it was even one dollar less than the lifetime value of that sale, then I was growing my book for freeÑI had infinite scalability! We will examine these most critical metrics and how theyÕre the most important analytics you can be watching for your agency. If youÕre not familiar with these terms, thatÕs okay, as I wasnÕt either for a very long time, but now that I know the importance of them, I canÕt imagine how we ever made any money before! It reminds me of the world before cell phones: we survived because we had no idea what we didnÕt know. Now that we all own one (or two), it seems impossible to navigate through life without one.

Direct Mail

By this point weÕve tested so many different ways to generate new business, and out of all of these only a few still hold water as viable active, and even passive strategies. I sent direct mail out for about a year. Direct mail, like most effective marketing strategies, requires time to build. WeÕd send out a ton of mail each month through a mail house at a very high overall cost.

The mailers were highly effective for creating traffic.

We would spend around $5,000 to $15,000 a month on direct mailers. The desired result was to have interested people calling in by phone who may or may not be interested in the quote. The whole idea was to get them interested enough to pick up the phone and make that call to us, because if we connected, weÕd fight hard to make that sale. Sometimes we would have to tap dance a little bit to get them to agree to doing the quote; weÕd get them quoted, and then, using our sales process, we were pretty good at closing them.

LetÕs get more granular: the direct mail campaign would launch and a week to a month later, we would receive a high volume of calls from our leads. Our agents would work their magic in making a connection with the potential clients by using their storytelling tactics and then find a way of relating that story back to the person; theyÕd offer one core policy Ñ theyÕd cut straight to the chase, and bada-bing, bada-boom, the sales skyrocketed from there.

Finally, we had an active marketing strategy that we were begin.ning to get data from! This was exciting because we could track and measure and get clarity on whether or not this was a worthy investment to stick into the 80% active column. So, for the next 12 months we tracked and measured our activity and results from mailers.

When we built out the process, we created separate phone numbers so that we could keep track of every call that was attributed to the mailers. While the mail house had promised between 1.5% and 2.5% call-ins, we were seeing closer to a 0.75% call-in rate. It was over 50% less than I had planned for, but we were writing a lot more than we ever had.

It seemed like with any active strategy, you would likely see an uptick in new business. For me, the key was to detach from the spend, and consider it Òspent,Ó so that I could sleep at night. Mailers helped us get a decent bonus just a couple of months before my Insurance Dudes partner, Jason, and I met.

Then I started to calculate what I had gotten back from my mailers over the last year. I was pretty happy that weÕd been able to hit my agency bonus because of the 89 new households for $53K of lifetime value. The big ÒbutÓ was, when we compared the $70,000 IÕd spent against the $53,400 I would bring in over the next five renewals, we realized our return on investment was quite slim. Sure, we were getting results, but they werenÕt cash flow positive unless you added in the agency bonus. It is my belief that the bonus should never be used to calculate net marketing results because there is no certainty around your bonus. We see someone lose their Òsure-thingÓ bonus every year for some oversight or mishap.

And then I noticed something even more alarming: my sales agents were supposed to be making dials, taking live transfer calls, and also calling the small number of internet leads I was buying or that they had already quoted. Instead, agents were focused on the mailers because they were a way easier quote to convert.

When the sales agents preferred the mailer calls over everything else, hereÕs what would happen: if there was an internet lead on the phone, and a direct mailer call on the phone, 100% of the time the sales agent would take the mailer call-in because the mailer felt easier. The mailer had called in, after all! By taking this action, they have told us they were interested in a quote. So, half the entire sales journey was already handled.

In fact, arguably the most challenging part was, this method was expensive for the small return we received. Was it easier? Sure. Was it most effective? Not at all. While slightly discouraged by the new intel, I was grateful for the insight, and excited to be making data-driven business decisions. I was getting closer to the answer.

Lender Referrals Many will call this marketing strategy an active strategy, but it falls short of meeting our definitional criteria: it does not have a true method for tracking and measuring results to get to the quote. What this strat.egy involves is a direct investment of time consistently over a long period and into perpetuity. We call this creating those relationships with referral sources. ItÕs a huge commitment up front because you have to keep all the different loan officers who are added to your network top of mind and ensure consistency in maintaining the relationship. ItÕs difficult to scale because you need to be able to hit those numbers that you project. LetÕs say you wanted to write $100,000 of premium, and letÕs also assume a closing rate of 20%; then we know that we need to quote $500,000 of premium in order to get our $100,000 of new business premium. This would require a huge number of referrals!

LetÕs make some more real-world assumptions: for every piece of busi.ness that gets referred, each individual household is $1,500 in premium. Well, divide $1,500 into $500,000 and voil, you have your number. YouÕd need to quote 333 households to get to that result. So, at a minimum youÕd need to get 333 referrals. Even with 33 loan officers sending you referrals, that would work out to 10 referrals each, which is quite a few! And then we are also assuming 100% quote rate on these referrals.

LetÕs be even more optimistic and assume our closing rate is 50%: weÕd still have to receive almost 7 referrals a day, every day, and quote every single one of them. Building a network of over 30 lenders who consistently send over 10 or more referrals a month is totally doable, but itÕs something that requires a tremendous amount of time and energy to make headway with, is difficult to track, and needs to be nurtured and maintained forever.

I tried to make this work and found that the number of coffee meet.ings and follow-ups required, just to get the ball rolling from 1 in 10 loan officers IÕd meet with, took a lot of energy and was a huge time commitment. It would be a tremendously long journey to make this work.

Internet Leads: The New Frontier Once we exposed loan officer referrals as the passive undercover strategy, there was one last place to turn: internet leads. I put them up against the criteria from the active strategy definition and they passed the litmus test:

Active Marketing with Internet Leads

¥

You are able to quantify the inputs (you spend a certain amount and know ahead of time how many quotes you should get)

¥

You have control over the flow of input, with the ability to scale up or down in lead volume

¥

You have control over the architecture of your process to track and measure various metrics as your leads go through the sales pipeline

¥

You control your goal and are able to work backward to the first action that needs to take place

¥

You are able to predict outcomes over time

You may be thinking the same thing Jason and I were when we set out on the internet lead journey: ÒIÕve bought internet leads before, and they never worked.Ó ItÕs what we both were certain of prior to starting the podcast and really rolling our sleeves up with some of the best agents in the industry. These agency owners had been honing their skills with internet leads for a long time. They recognized that internet leads were the equivalent of speed: they were the fastest and easiest way to pay money in exchange for the chance at quoting someone. The fact that most agents didnÕt like internet leads had been throwing us off all along.

When we started telling people in our circles that we were going to open scratch agencies and use internet leads for speed, most people would tell us we were crazy: ÒInternet leads donÕt work,Ó or ÒYouÕll wreck your retention.Ó When I thought through the options, I couldnÕt fathom there was anything else that would result in 1,500Ð2,000 new quoted households every month. (Remember how much time it took with and how many lenders youÕd need to be working with just to get a fraction of the quotes we wanted?)

We had to do a total reset mentally. We realized that all along we were searching for a unicorn (the really great internet lead vendor) who didnÕt exist because we were searching for the Ògood leads.Ó We learned from the best agents that the only thing that really mattered was contact rate. It wasnÕt necessarily that the leads we had bought in the past were bad Ñ we just didnÕt have a good process. The process is what actually unlocks lead results. This led to another big epiphany: if you have the right process with the right quantity and type of internet leads, you can turn average sales agents into unicorns! As long as your sales agent will do the activity required, the results will follow.

For so long, weÕd struggled with internet leads time and time again, and had given up way too early, after doing very little activity. The leads seemed like a waste, but we were wrong about that because we hadnÕt done the work needed to convert enough of them so that our lifetime value of the sales exceeded the cost per sale.

This might sound familiar: weÕd call them, and it seemed that hardly anybody would answer. We would only call a few times, and then usually after about a week, weÕd move on to new ones. About 5%Ð10% of the people weÕd call would actually pick up the phone, but almost none of them were interested in getting quoted. In the past, we didnÕt have a script, and our sales agents would let people off the phone too easily (as soon as the person gave any sort of excuse). Needless to say, low tenacity yields low results.

So, how did we transform from producing virtually no results from internet leads for so many years, to breaking agency records day after day and writing millions in premium? Process. But first letÕs get into the important thing we found out about leads that made it get really interesting.

The Musts As we began recording episodes of The Insurance Dudes podcast, we learned so much from the agents we met and interviewed, and we knew we were getting closer to our own freedom. We realized we were missing some of those different pieces in our developing processes, but the picture was getting much, much clearer.

The ÒMustsÓ

¥

You must know what key metrics to track and measure

¥

You must establish what activities need to be done

¥

You must assign every activity to specific roles (sales agent, caller)

¥

You must establish expected benchmarks based on acceptable profitable marketing spend over time

¥

You must make informed, data-driven decisions, maintaining awareness of and skills for fear-based thought-loops.

With the ÒmustsÓ down on paper, we started putting the right processes into place before going live with internet leads. Knowing what we know now from this multiyear journey, weÕre confident that thereÕs no better way to scale an agency than to use internet leads. In all my years of being an agent, the main struggle had always been with getting enough households quoted each month so that weÕd get those same six-figure sales results that those monster agents were posting on Facebook. Without this predictable input, how else would we be able to follow suit? We reverse-engineered the sales funnel from a goal of $100,000 in written premium all the way back to dial one.

At any other time, previously when I would do this math, I would arrive at some crazy number of dials being needed. At that point I would just panic and ignore it. This time, we werenÕt going to let the big numbers scare us off. When you do the math and trust the results of the numbers, the rest just falls into place as long as all of the variables are being monitored and adjusted when needed.

When weÕd written out all the processes, finished the scripts, and were almost ready to rock and roll, we realized there were different tier levels for internet leads. This threw a little bit of a monkey wrench into things, because we had to figure out what made one tier type better or worse than the other. We decided the best metrics to determine quality of lead are your speed from first dial to your first contact and your cost per sale (CPS).

There was this cycle that seemed to happen over the years: every time weÕd failed again with real-time leads, IÕd end up searching out either cheaper co-opt leads, aged leads, or <gasp> raw data lists from someone like Salesgenie\* or Cole X-Dates.

In the past, I kept doing the same thing and expecting different results. Then, when weÕd fail again, IÕd complain that the leads were

\* This is not a dig at Salesgenie. There may be plenty of applications where the public data that they sell is of value. For purposes of building out a lead-calling strategy in the P&C insurance world, itÕs not a viable data source.

the problem Ñ passing blame. We realized in addition to not having any of the right tools, we were also failing to do all of the needed activity, tracking, and measuring. On top of all the wrong stuff being done, our expectations were drastically unrealistic on dials, contacts, transfers, quotes, and sales. All along, our handling of leads and our expectations of results from those leads were completely unrealistic: we expected way too much, way too soon, from way too few leads. Our unrealistic expectations prior to actually working internet leads with the right process was kind of like if we had just joined a gym, worked out for a few sessions, and then expected to have bodybuilder results after a week.

We needed to know everything there was to know about leads if we were to become experts and to start getting big-time results. ThatÕs when we did our next research study to test the differences in activity needed and results to expect over time with each lead category.

Lead Categories and How to Choose

LetÕs get down to the brass tacks of internet leads and data purchasing online. There are four main categories of data that you purchase from various online vendors. You can see them here:

Lead Type Cost per Lead (CPL) Contact Rate (CR)

Real-time internet leads $3Ð$25 depending on volume, demand, and filters Highest CR of your four lead categories

Co-opt leads $1Ð$3 2nd best CR Ñ 50% less or worse CR than real-time leads

Aged leads $.01Ð$1 depending on age 3rd best CR Ñ 75% less or worse CR than real-time leads

Raw or public data lists Small, annual fee for unlimited access Lowest contact rate Ñ 95% less or worse CR than real-time leads

These different categories all represent fresh data leads, each with a different quality level, and drastically different CPLs. The better, more targeted (filters), and the fresher the data, the more itÕs going to cost you. Remember: you pay for speed. From our test equation, if LTV is greater than CPS, you are good to go! ThatÕs our measur.ing stick to gauge whether or not a lead source is producing results that will make us money in the long term. When we were testing the different lead categories for results, we were, of course, hoping that the least expensive of the leads had the lowest CPS. We wanted to be certain that our tests were valid, so when we ran these tests for the lead categories, we set the period for 90 days. (Sidebar: with an effective process for lead follow-up, we still see leads that close after over 100 dials!)

Once our process was sound, we were ready to run data through the machine. We tested all four lead categories to gain insight into the benchmarks required at each step of the leadÕs journey, from the moment it hit our system and got its first dial, to the day it was either sold or asked to be put on the federal Do-Not-Call (DNC) list. These are the only acceptable outcomes.

Real-Time Leads

Most real-time leads are sold as a live transfer first and then sold again, as internet leads, to six or seven agents for $4Ð$20. WhatÕs amazing is that only moments after the customer hits ÒreturnÓ on their computer, the lead is redirected to you and the rest of the lead buyers, in real time. The leads in this category are usually called Òlong-formÓ leads, meaning that theyÕll have all of the needed information to put together a full quote: name, DOB, address, phone, email, and auto information.

Real-time internet leads have been the exact input we have used with our agencies and recommended to thousands of agents. WeÕve tested real-time leads from almost every single lead vendor, and the data show that this lead variety has the best contact rate.

Based on our study, tests, and now ongoing use of these leads (yes, spoiler alert: they won), there are a few reasons youÕll always be better off buying real-time leads over any others from alternative lead categories such as:

1.

Safety: Every dial made on every single lead has a chance of being on the federal DNC list; in fact, many who complete a lead request are on the DNC list. Real-time leads are great

insurance (no pun intended) against any problems because youÕre protected for 90 days by whatÕs called a digital certifi.cate. This Òbehind the scenesÓ validation serves as proof that the person you have called fully Òopted inÓ to receive calls and usually texts (refer to your stateÕs guideline when doing this on your own). We learned that unless you ask, the lead vendor will not offer up this information. You need to make sure to ask your lead sources if they are protected in this way.

2.

\*Accuracy: In testing these against the other categories, real-time leads were more complete, and way more likely to have mostly, if not fully, correct information. Having the right information affects the outcome of the initial call once contact is made. The better the information, the better chance of connecting with rapport and getting the quote!

3.

Speed: Real-time leads required far fewer dials (than co-opt, aged, or raw data leads). This was a function of contact rate, which has a trickle-down effect through the rest of your funnel and on the number of dials needed. While the sales cycle still required time and a considerable number of dials per lead, these leads led to better and quicker results (lower CPS Ñ more on this after you dive into contact rate) than any other lead types.

Co-opt Leads

This lead category can be attractive because youÕre still getting real-time leads, but there is far less intent. The information from these leads includes name, email, and phone number. Their source comes from somebody making a purchase online for say, a water heater. At checkout, there may be a pop-up window that asks, ÒInterested in an auto quote too?Ó When the person clicks Òyes,Ó their basic information

\* Not legal advice, always check with your lawyer.

is passed over to the leads market to be sold to you as a Òreal-timeÓ lead. LetÕs look at why co-opt leads arenÕt as good and wonÕt get you the same results:

1.

Safety: ItÕs a mixed bag as to whether these leads actually do have a digital certificate. The risk lies in the fact that the consumer usually doesnÕt remember filling anything out for an auto quote (or whatever type youÕre buying). The consumer may not remember checking a box that adds a quote to their request (remember, co-opt is when they Òopt-inÓ for an addi.tional service, which in this case is the auto quote) and could end up filing a DNC complaint. We feel itÕs just not worth the extra risk.

2.

Accuracy: Accuracy of prospect information was good, but since the contact rate and intent were lower, the results were never as good as with real-time leads.

3.

Speed: When we tested these leads, we found that they did pretty well for CPS, but they took almost double to three times the dials to get to the result. In addition, you would need to buy more of them because there were far more hang-ups, DNC requests, and leads with wrong information. Both of these issues have an adverse effect on your sales funnel. Since these leads require more dials and greater quantity per day, you end up filling up your funnel with too many leads that take too long to close.

When we ran these tests, we were able to get these leads for as low as $1. YouÕd think that since they cost a quarter of the price and required only two or three times the dials, youÕd end up saving a ton of money, right? ThatÕs what we thought too.

The key was to focus on the data, so we looked at our numbers after 90 days and saw how all the KPIs worked out on these leads. With the additional dials the co-opt lead required to get to the same result, even with the savings on the lead investment, when buying the leads, youÕd need two to three times more activity.

So, what you end up saving on leads, you end up spending on labor. Someone needs to make those dials, and thereÕs no way your sales agents can do 8Ð10 quoted households AND make 1,500 dials each a day. ItÕs impossible! Plus, if forced to dial all day, every day, sales agents do not last very long.

It took a long time for me to realize this important piece of the puzzle. IÕd totally overlooked this because of my intense calling back.ground at Merrill Lynch. When I was at the brokerage, IÕd been on the phone from morning to night, for over a year. It seemed like a rite of passage. For many years in my agency, I incorrectly believed that sales agents should be making calls all day long. This thinking wasnÕt just shortsighted, it was also because of math: it was mathematically impossible for each of my licensed sales agents to make enough dials (even on real-time leads, which required less) AND quote 8Ð10 households. If you want to make your agency an amazing place to work, pumping your sales agents with tons of opportunity is the way to do it. WeÕll go deep on this in Chapter 5: Sales Agents.

Aged Leads

The next lead category down the ladder is the aged lead. Aged leads are basically old leads, as their name suggests. TheyÕre super inex.pensive in comparison to real-time and even co-opt leads but have even greater drawbacks than co-opt leads.

When a real-time lead is generated, the lead company will attempt to sell it to whoever is bidding the highest for it. What JasonÕs friend from the lead company told him was that there are usually more leads created than the lead companies can sell.

ThatÕs how these leads are born! After a couple of weeks, those same leads that were selling for $4Ð$25 get deeply discounted, thrown onto a .csv file, and sold off for pennies on the dollar to lead list brokers. When we tested these, we thought theyÕd do well, as they were, after all, the offspring of the best leads, the real-time leads. HereÕs how they stack up with regard to:

1.

Safety: These leads can be risky to call. They arenÕt protected with a digital certificate, and even when you follow all the rules by scrubbing your list every week to remove DNC requests, there is still a high risk of complaints. Even if you are covered and safe because you did everything right, having to deal with the ramifications of a complaint could be time-consuming and stressful.

2.

Accuracy: Of the people we were able to get a hold of when we tested aged leads, we noticed a lot more inaccuracies with the lead information. Rapport is almost instantly ruined when a mistake is made with the information in the first couple of minutes of the call. Knowing the correct information is what gets our foot in the door.

3.

Speed: We were floored when we saw what the super-low contact rate did to the sales funnel. Even if people whom we connected with were just as interested in getting their quote as real-time leads were, to get matching results, we would need between eight and ten times the dials to get there! The cost of labor was so outrageous to make the dials needed that we ejected from aged leads once we had the contact rate numbers over time. The math isnÕt even close to acceptable to consider aged leads as a viable strategy.

Public Data

Finally, we tested the worst type and knew quickly that these would perform even more poorly than aged leads based on the initial dials. Salesgenie and Cole X-Dates are two companies that you can pay for an annual or monthly subscription that allows you to search consumer data and download .csv files ÒrichÓ with information. It seems like such a great deal because of how much data you can grab.

Your problem is that everyone has access to this data and the consumer has not made any request to get a quote. This isnÕt calling leads; it is cold-calling. If it were 1987, this could work! But, consid.ering how difficult it is to get someone on the phone nowadays, I cannot imagine that anyone could defy the math and obtain a better CPS, having to make the hundreds of thousands of dials on this lead type to get to a decent result (not to mention a ton more time). Even at their much higher cost, real-time leads get to winning results with far fewer dials and a way faster sales cycle. Take a look at the first graphic to see the relationship between CPS (Acquisition Cost) and speed for each lead category, and then look at the second graphic for labor cost and lead cost.

We learned from our testing of these leads that the lower you went on the lead category ladder, the more time it took to get results, and the higher the CPS went. We also saw that the higher the lead was on the lead category ladder, the more that lead would cost, but conversely, the dials required to optimize results would go down a ton, requiring far fewer unlicensed, lower-cost callers making dials for you! Paying for speed was well worth it because it drove the CPS way down. The lower your CPS, the more youÕre making off each sale!

Contact Rate

Now that we knew all the lead categories, how they performed, and what to expect from each, we went all in on real-time leads. We found it so interesting how much more you end up having to spend to get results from cheaper leads. Seems totally counterintuitive, right? Remember back a few pages how we figured out the differences in contact rate between the different lead categories? Once we under.stood the effect that any movement in contact rate had on any of the next steps of the lead sales process, we realized why: the lower the contact rate, the more dials it took to get the prospect on the phone (if ever).

ItÕs another reason why weÕd struggled with leads for so long É First, there hadnÕt been any concrete process in place or specific activities that we tracked and measured when weÕd tried and failed before. It was funny to think about in retrospect: weÕd known so little about how this whole thing worked that we didnÕt do any of the ÒthingsÓ you have to do for them to work. We didnÕt know any better.

It makes me smile when I think about buying leads, having them come into my email, printing them out, and handing them to my sales agents. I was doomed the moment I gave the lead company my credit card. ItÕs kind of like if you were going to chart a course on a boat. If you were to veer a few degrees off course in the beginning of your journey, this diversion from your course would have a significant impact on where you ended up if you Òstayed the course.Ó Alternatively, veering a few degrees off course at the end of your journey would have mini.mal impact. Your metrics being off the mark at the top of your sales funnel are the first place to inspect when your activity and sales veer off course because the higher up you go in the funnel, the more it impacts results downstream in the funnel!

The second reason IÕd been unsuccessful with leads prior to doing Òthe workÓ was a lack of understanding of the true significance of contact rate and its impact downstream in the funnel. Contact rate is the first metric tied directly to an activity on the leads. Dials are made, and a certain percentage of those dials result in a contact. Without understanding that a 25% first-day contact rate is stellar, you can imagine how weÕd end up calling the whole Òinternet lead thingÓ a failure, way too soon. Without knowing that we were actually doing well with a contact rate Ñ that we just needed to have consistent and constant dials on these leads until they Òbuy or dieÓ Ñ weÕd mistakenly blame the leads for never answering or for not being interested if we did connect. WeÕd blame the leads, not the process.

Because I am human, and I do human things Ñ predictable things

Ñ IÕd have an emotional response (fear- and scarcity-based), and I would turn off those leads. I remember the fear dissipating when I would turn off the faucet of leads pouring in/cash going out, and IÕd feel Òso much betterÓ that I wasnÕt wasting money any longer.

Many times, I believed deep down that leads did work but Òjust not these leads.Ó After all, we had proof from the winning agents we interviewed on The Insurance Dudes podcast. But instead of trying to fix what we were doing or create a sales funnel process that would likely improve our results, we would bounce on over to co-opt leads or aged leads.

With the low cost per lead (CPL), these werenÕt quite as painful to the bank account as the more expensive real-time leads. We wouldnÕt get any results, and eventually weÕd eject from this until the next time we tried real-time leads again. It was a never-ending cycle until we decided to really go all in and create the telefunnelª process from all of the clues and tactics weÕd learned over the years on the podcast.

Cost per Sale (aka CPS or Acquisition Cost) and Lifetime Value

IÕve peppered cost per sale conceptually throughout this chapter inten.tionally before diving in deep here.

So, what is the cost per sale? Simply put, your CPS is like your cost of goods sold (COGS) for insurance products. For me, this idea made leads make more sense because every product has a COGS. As a result, I felt at ease buying leads. I knew an important aspect of selling more premium was to buy leads, but all those past failures made it tough to keep buying more. Thinking of leads as COGS really helped, and recognizing the lead process as a real investment is key.

The real magic happened when we understood one more critical metric. This one was a mission critical because it allowed for two things:

1.

It made us more confident in our success in using this for the long-term

2.

It helped us reframe our perception of marketing/leads as a cost

The insight this metric unlocked helped us to view our Òmarketing as an investmentÓ in our own agency Ñ the best investment we could make! It was now crystal clear to us how this metric would shift our lead cost into agency investment and opportunities for growth; both Jason and I got excited again!

HereÕs an example of the acquisition cost when you buy 1,250 internet leads at $8 each. ThatÕs a $10,000 spend, and at the end of the month you have sold 25 households for $30,000 in premium. From this, what was my cost per sale? Now, divide your $10,000 spend by the 25 households sold, and you have your cost per sale (CPS). In this case, it would be $400 CPS from lead spend. (CPS also tends to go down over time Ñ the longer the time window, the closer we see CPS to $100Ð$150.)

Customer Lifetime Value

I happened upon this last metric by accident. Jason and I are both in a mastermind coaching group Ñ the mission is to help entrepre.neurs get really good at marketing online. One day, I was at one of our masterminds when something someone said hit me like a freight train and was one of the biggest insights IÕve ever had in my business.

In many, if not most other industries, one of the key metrics that the most successful decision-makers look at to make decisions on how much they can spend on marketing is customer lifetime value. This number is the total value of your initial payment plus the sum of all the expected renewals. I felt like Zach Galifianakis playing blackjack in The Hangover. All of the numbers were bouncing around in my head, all of the connections firing, and then eureka Ñ it hit me! This same business fundamental applied to our P&C world also! I had to double-check one last time, so I made a calculator in Excel and ran through it from every direction.

With every increase in retention percentage, there is some increase to the average lifetime value of the client, counted in renewal periods. For example, with a retention rate of 80%, your average number of renewals is five. The math is surprisingly simple:

All of this had my brain swimming as it led up to the biggest take.away of all: if we knew how much it cost us in lead spend and callers for each new client household sold (CPS), and we knew how much revenue would come from that client over the course of their being with us (LTV), weÕd be unstoppable!

We could realistically figure out the most that could be spent to acquire each client! I was so excited when I called Jason to go over this that he thought I was crazy as I tried to explain the retention percentage conversion to renewals. But after showing him the math, it was conclusive proof: this was it.

I figured out that you need to look at the spend on leads and telemarketers/callers as your investment in your business. It was a little like a miniature P&L statement! LTV was the revenue, and CPS was the expense, which made the net of these two your income from marketing.

HereÕs the lifetime value equation:

Back in 2015 and 2016, when internet leads were really taking off and IÕd seen those agents post amazing results on social media, IÕd always think to myself, ÒThose agents must really know something that I donÕt know,Ó or ÒThey must be doing something that I donÕt understand.Ó And absolutely, they were Ñ they knew the math for their sales funnel.

LetÕs put some real numbers into that LTV formula from above and use the $30K in written premium from the earlier CPS example. Assuming a new business commission of 18% and renewal of 8%, along with an 80% retention rate, the lifetime value of $30,000 in new business premium would look like this:

Once you multiply all this out, you arrive at your LTV of $17,400. Since you now know your total lead spend was $10,000, and youÕll get back $17,400, this investment is a winner every time. ItÕs like if the bank called you and said, ÒHey there, if you deposit $10,000 today, we will give you back $17,400 over the next two years; what do you say?Ó

IÕd respond, ÒWhatÕs the max I can put in?Ó

Who would turn down a 74% ROI, or said differently, an annual.ized return of 31.91%?! No one who has any business sense, thatÕs for sure!

You may be thinking that these numbers are incredible, and you may understand why the right leads, with the right activities and the right tracking and measuring are critical, but if youÕre like I was, youÕre skeptical about the retention of internet leads.

Even if we assumed the myth were true Ñ that Òretention is lowÓ on internet leads Ñ IÕd rather have $200K of new premium each month at 75% retention (four renewals) than $50K at 90% retention (ten renewals). The latter (using the same LTV comp % inputs from above) would generate $49K in LTV, whereas the former, $200K at 75% retention, would generate an LTV of $100K Ñ over double the ROI!

Having these mental battles was necessary to win at this level

Ñ the more I challenged the naysayers both outside of my mind (the haters) and in my own mind (my ego), the more I could push myself and my team and really get astounding results. It just made sense. The math made sense. This was how strategists ran profitable businesses. We did find that internet leads (in the right sales funnel) do get results. We applied the concepts of CPS for tracking and measuring results over time against what weÕd earn back from each sale (LTV), knowing that for every retention percentage there was a specific number of renewals.

Part II

Lead Activation

Chapter 3

The Art of Lead Follow-Up War

From JasonÕs Journey

Lead follow-up may be as close to actual war as you can get in the P&C new business acquisition world without involving lawyers. I write this with a smile on my face and out of good-natured fun. I like to think of it all as a big game where the wins stack up, and the score is tallied up at the end of the month.

There have been a few agents around me, along with friends and family, who give each other a hard time when we end up closing a lead that weÕd both purchased. YouÕll recall from the last chapter that weÕre all buying leads from the same lead companies, who buy all of their data from the same sources Ñ and they sell their leads to at least seven different agencies. Keep in mind: the good news is, you get leads for cheaper than you would have done if you had handled all of the work yourself and then paid for the ads it would require to get people to complete your lead forms. The bad news is, youÕd better be pretty good at closing the leads; you want your agents to have the best weapons going into battle.

ItÕs mind-blowing to me that some agents will not bother buying any tools for their sales agents to close the leads. But they will buy leads, unaware of what it takes to get those leads on the phone, including how many dials, contracts, transfers, and quotes are needed just to get to one sale.

Since weÕve learned that speed is the path to wealth, and the easi.est way to create speed is with real-time leads, we need to be aware and utilize any tools that will further increase speed and help pave the path to success. In the same way that a race team wouldnÕt buy an expensive race car only to put cheap components and low-quality fuel in it, we learned that investing in the best and most appropriate tools available to optimize our telefunnels would amplify our results. LetÕs dive into some of these tools now.

Your Ticket to Success: Your CRM

Could you imagine going into battle where the people on the opposing side are loaded up with all of the best, most powerful, and technologi.cally advanced weaponry while your side is using fists and pitchforks? ItÕs extremely predictable what the outcome would be.

The wealthy agent assumes their competition is stacked like this, using all of the most powerful and modern technologies that are avail.able to optimize results. When I first went into battle, testing and then scaling with internet leads, you can be sure we didnÕt want extra work and more headaches!

One tool that really matters to you and your team is your CRM or customer relations management system. This helps you do business more effectively. It is the number one tool your sales agents will be using all day, every day. Even if youÕre using a CRM for service, itÕs extremely important to have the best sales CRM that you can find. There are some CRMs that can be used for both service and sales, and others that should only be used for service. While having one is optimal, some carriers may have Òin-houseÓ phone systems/CRMs for service/post-sale. ItÕs important to follow any rules and policies for your carrier, while at the same time leveraging any and all allowed technologies!

The sales CRM (sometimes called an LMS or lead management system) should be geared for transforming cold leads into clients. If you have a separate CRM for service, or the post-sale, it must be good at managing policies and tracking communications to and from the clients for every communication channel (email, text, and phone calls). YouÕd also benefit from tracking and recording birthdays, anniversa.ries, and policy renewals Ñ all the information that matters once the lead becomes a client. Two different systems, two different purposes. A great CRM ultimately organizes and manages your leads. One of the hardest things for salespeople to do is to organize their leads because, over time, the leads eventually stack up so high they become unmanageable and overwhelming, resulting in their going to waste.

As an example, if youÕve done what we have in the past, youÕd buy your sales agent some quantity of leads per day and tell them to keep following up with all of them. Eventually, theyÕre going to have a giant stack of papers or a bunch of spreadsheets on their computer. As they stack up each day, those leads will never be followed up; the volume becomes too large and the dials needed, unmanageable.

When we started our hunt for the perfect CRM, we needed some.thing that could automate the organization of leads in the best way possible for the follow-up process. You should have access to phone, text, and email, all combined in one place within your CRM. The goal of call, text, and email is to get the leads on the phone and into the expert hands of your sales agents so they can run a quote with the lead while theyÕre on the phone, together.

We never gather the information and then call them back once weÕve worked up a quote. Doing it this way takes away any ability to create rapport and ultimately sell our value as an agent. What doing it this way does is further confirm that all we have is a commodity. When we do this, we are entering into a price war that we will never win and never leads to profitable results, and ultimately tanks your closing rate.

The last piece that we learned is that itÕs never about the features of the CRMs. This is where a lot of agents can go wrong because they get laser-focused on the CRMÕs bells and whistles, instead of the main and only important focus: to turn a cold lead into a quoted household.

What Type of CRM Will You Use?

So which system is best for you? The system that gets the best results! Why is it that these different systems are not created equal? Well, the core use of a CRM is a file management system for all of your leads and thatÕs super helpful, but letÕs set our sights on what your desired outcome is: quoting more leads and closing more households.

Your CRM should be able to amplify your teamÕs productivity. Remember we talked about the end result of getting leads on the phone? Some CRMs donÕt have phone, text, or email in them Ñ if they do, they have no way to automate these features. This puts the onus on the agent to keep track of the contact information and when to call, which is time-consuming and, due to lead volume, eventually unmanageable.

The agent really needs a system that automates the follow-up process so that they can do as little as possible. At this point we knew, if we had no system, we had no telefunnelª. We donÕt want our sales agents to have to ÒthinkÓ for the prospecting side; we want them to be quoting more people and having hours of conversations with prospects every day. This logic was rooted in seeing how ineffective it had been to force the sales team to hunt for quotes. You will see drastically improved results when you eliminate prospecting and invest in the activity (i.e., buying leads and callers to catapult daily activity).

Now, if youÕre an independent agent you might be thinking along the lines of ÒWe would rather sell over text messages.Ó Most people donÕt understand the importance of insurance. The best way to build value is through talking to someone. WeÕve tested different methods: emailing all quotes, texting all quotes, and gathering the information and building the quote with the prospect on the phone. Our quote.to-sale rate is much higher when keeping them on the phone for the entire quote process. YouÕll see why itÕs so important: you want your clients to see the advantages of the appealing offer youÕre serving up, and youÕll also want to make them feel special. WeÕve tried to do this in a million different ways, but the desired result from a live call is ten to one.

The CRM system you want to incorporate in your sales process needs to be the right one that helps you focus on making calls because talking to someone is key. CRMs donÕt all have this end goal in mind, so I recommend the system based on phone-centric metrics (contact rate, transfer rate, quoted rate) as opposed to just sales. You must make the follow-up dials easy!

Automated Calling Lists and One Click to the Next Call

The key is to have a CRM system that makes that process of calling easy, convenient, and fun. Remember, time is money, so a system that saves agents time is music to your ears! The CRM automates a list of contacts to call, and the data can be set up in a way where the list magically appears on the agentÕs dashboard. The better an experience it is for your agents, the better results you will get from your agents. No guesswork Ñ no problem, folks! We want to set agents up for success with utilizing CRM.

The aesthetics part of the CRM is essential for callers to easily navigate to their next call. LetÕs be real. Your callers are going to be pressing buttons for eight hours a day or more, so you need a system thatÕs straightforward and easy to use. The phone system and your lineup of calls can be automated. You donÕt want those other phone systems where you are manually pulling up contacts and pressing a million buttons just to dial the phone number. This type of setup eats up your agentsÕ time; by speeding up the path to the desired result, you set agents up for more quotes, and more premium! So, the CRM you want is the type where you can set rules to automatically line up each and every call for your agents, and with one click only, they press a button to go to the next call.

Dial Sequences Ñ Set It and Forget It Dial sequences are your automated follow-ups. It is so important to automate those follow-ups because on average, weÕve seen it take 20 dials per lead to actually close the deal (weÕve closed someone after the 100th dial before!), and the hard-core truth is, these follow-ups would never get done without a high number of dials.

First, IÕll share that when I first started out, I had CRMs that did not automate this follow-up process. I told the agents in our office they had to make at least 10 dials per lead Ñ this was before I learned that this was nowhere close to enough dials. But since this is what they were expected to do, I would inspect this process with a fine-tooth comb every couple of weeks. IÕd discover that most leads had 1Ð3 dials. Very few leads had 10 dials Ñ my sales agents couldnÕt keep up with all of the leads theyÕd quoted already, plus all of the new leads coming in Ñ and I had already learned that I should never turn off my leads, otherwise our sales would die in a couple of weeks.

I needed a fast solution to this! At that point, I realized that I needed a CRM that hid how many times it called the lead from them Ñ at least on the front end. I also needed it to do different actions based on how a lead was dispositioned in the CRM (called Ñ no contact, or quoted Ñ hot, for example), such as frequency and quantity of dials.

Around 16% of leads are a one-call close from the first contact. This means that out of six sales closed by your team, only about one in six would have been from your first contact/quote. The majority of what we close comes from 20 or more dials; automating the dial file follow-ups on the quoted leads is imperative Ñ and you can only do this with the right CRM.

Avoiding Being Marked as Spam

Another big differentiator for hundreds of different CRMs/dialers out there that we learned is that there has to be a way to prevent your phone numbers from getting marked as spam. Especially since 2020, the government, carriers, and even spam-blocking phone apps from iOS and Android are making it more and more difficult for legitimate requests for insurance quotes to be followed up. The carriers and the phone companies are trying to protect their clients, so they are continuously updating their spam filters. As a result, without the right knowledge and tools, we started to see that it can be very difficult to connect with leads on the phone. As we kept optimizing our telefun.nels, we learned the expensive and hard way what happens when you arenÕt prepared to combat your numbers being marked as spam.

First, have your dial sequences programmed NOT to have the phone calls too close together. The algorithms with the carriers will flag a number that appears to be making successive and rapid dials

Ñ even if they are totally legal and are fully opted-in leads. Near the end of 2020, when some new legislation passed, we were grate.fully ahead of the curve and prepared with a process to mitigate our numbers being flagged. We saw that when our numbers got flagged, it killed our pipeline by putting our contact rates in the gutter. Without connections, we canÕt get leads quoted.

Second, ensure not to make too many phone calls in one day from each individual phone number you own. The carrier systemsÕ algorithms pick up your number and mark it as spam if they sense that phone numbers are making too many outbound calls. ThereÕs also a way of registering all of your phone numbers so that all these systems know youÕre a legitimate company. Still, even with all of this red tape, it isnÕt a guarantee: all the carriers and apps rely on different systems and measuring devices. We learned that being super conservative by limiting dials to 50 or even 25 per day, per phone line, helped keep our phone numbers from getting flagged. We had to buy more phone numbers than weÕd ever had and be ready to switch out any numbers that got marked as spam, but the result was well worth it!

Saving Space and Time: Reporting

Next, reporting is key. We found that the best systems were those that met the above criteria and then provided excellent reporting. We wanted to see dials, contacts, transfers, quotes, sales, and cost per sale with the click of a button. Sure, you could do it manually, but this robs you of your time and gives it to this non-revenue generating activity. You could spend an hour a day plugging numbers in and doing calculations, or you could get that same information in two seconds with the click of a mouse.

In your reporting, you need to know your contact rate. Well, if weÕre getting a 5% contact rate on new leads, as opposed to 10%, it will double the amount of fixed costs (like staff) to get the same results. I realized that by spending more on the correct equipment and loading up on phone numbers (so I would always have clean numbers at the ready), IÕd save BIG. I was super excited for all this to click, and a little frustrated that no one at my carrier had ever helped me figure this out Ñ it was like nobody understood this stuff! Know your contact rate Ñ itÕs incredibly important.

Next, you need to know your call time, or talk-time. Most of us donÕt want to sit on a phone all day, and neither does your team, but the only way theyÕre gonna have $30KÐ$50K months is with a mini.mum consistent talk-time that you track. Your best sales agents should have 3Ð6 hours of talk-time daily. As we hunted for the perfect CRM, we knew there had to be a clear and easy way to figure out what their talk-time was for the day.

We reviewed and graded thousands of sales calls, and the data showed that almost any quote under 12 minutes did not close. This has to do with rapport; you have to connect with your potential client. Call times need to be a minimum of 15Ð20 minutes to make sure you maximize the possibility for connection, so the client actually picks up the phone on your next follow-up calls. Since talk-time is so important, we need to ensure that at least half the workday is spent talking on the phone, quoting. In our office, we have a minimum requirement of four hours of talk-time. This might seem like a lot at first, but not only is it doable, it creates a much better client experience. Talk-time also needs to be monitored on an ongoing basis. Failure to constantly measure talk-time makes it very hard to coach and ensure a productive, effective process. We have our talk-time live stats up on a 50-inch TV in the bullpen. Everyone can see everyone elseÕs talk-time. You want to ensure thereÕs nowhere to hide, and no gray area about whatÕs required.

The last report, which is incredibly important, is your cost per sale. When purchasing tools like your CRM, and buying leads or calls, youÕve got to know whether or not youÕre getting the best bang for your buck. Once we were using CPS to measure success, the game became even more fun. By figuring out our cost per sale, we were able to make better, data-driven business decisions: if we saw a CPS lower than the LTV, we Òpoured gasÓ on it (i.e., invested more and scaled), and if we saw a CPS that was too high after an appropriate amount of time, we killed that source. What matters is investing money into the right CRM system. If you look at the data, you understand how important having the right CRM is Ñ itÕs actually more expensive in lost revenue, lost speed/time, and lack of insight on performance to have the wrong CRM.

I know that a lot of agents whom we talked to ran into the same problem that I had when I signed up for my first CRM Ñ at the time, I thought it was insanely expensive! I was completely soured as they started telling me the costs! For one, there was the seat cost, which can be $100Ð$200, depending on the system. With the five people I had at the time, the thought of $1,000 for my phone system was loony tunes! Does that make sense? I learned that it sure does, and IÕll tell you why. I tried to go the cheap route for the first year of doing this, and it drove me crazy because our agents werenÕt very productive. It was hard to decipher which leads were being called. It made life so difficult as there was no tracking, no oversight, no nothing. We didnÕt have any data to help us do our jobs better. And at the end of the day, I was still spending about $500 for that system.

Fast-forward to now, and we do have the right CRM, and I put very little time into the system because itÕs all automated. The cost of a CRM is highly justified because of our winning contact call rate. YouÕll be saving your sales agents time and sparing them countless headaches! The ease of use of the CRM by sales agents will do wonders for your business, and spending money on this system really is an investment in being successful. Keep in mind, the art in this entire telefunnelª process is optimization at every stage of the funnel. A fully optimized telefunnelª yields ROI ten times that of the market, or most other places you can invest (more on that later). Take advantage of the right weapons, and your sales agents will help you win the war!

Most agents donÕt look at the CRM in this way; instead, they go the cheap route Ñ theyÕre missing out big time if they go down that path. As my mind shifted from this place of scarcity (terrified of spending and making a ÒcostlyÓ mistake) toward abundance, I stopped pinching every penny and really got comfortable with investing in the right tools to 10x my agency. We all have to show prospects regarding why our carrier provides the value to justify the higher price tag versus the cheap competitors: we have to show our clients why saving a few bucks with the cheap companies actually could cost them BIG in the long run. Every agent who desires getting great results and wealth in 2023 must use the best tools and weapons available, or they run a greater chance of being beaten by the agent down the street who is using the best!

Chapter 4

Your Frontline Callers

From JasonÕs Journey

Getting that first big bonus was like jet fuel for my agency. It gave me the marketing war chest I needed to generate growth. Craig and I were talking all the time now. We had started the podcast, and we were learning from the agents we interviewed. We kept hearing the same thing over and over again: the agents we spoke to who were scaling quick and getting massive results all were buying internet leads, sending them to a team of dialing specialists to dial and transfer the contacted leads, and then having the sales agents do the quotes. It also seemed like the agents who were struggling and not getting great results were trash-talking internet leads.

I knew from the second I purchased my agency that I had to figure out how to quickly grow the business. The captive carrier I was with offered an enhanced commission schedule for those who opened up a scratch agency. I thought this was a great idea. If only I could figure out how to sell a ton of policies.

Now that we had figured out the sales process and had had a heck of a year by hitting our bonus, maybe it was time to take that process and finally try to ramp up and grow É heck, maybe even open a scratch agency!

Sales Agent Turnover Discovery

With everything coming together, I decided to hire a few more agents so that we could start to increase results. I saw an opportunity to leverage a new growth-incentivized scratch agency program with my carrier. So I began the hunt for sales agents and put in my original location and used this as my testing ground. I hired two agents from a large direct carrier and another agent who came from a grocery store out here in California Ñ a butcher! We were off to the races, and I really thought this was it!

Because I had framed out everything I could think of to eliminate any wiggle room for expectations on activity, everybody started doing pretty well. The pump was primed, and I thought we were ready to open the scratch agency. If things kept working the way they had when we tested everything, we were going to be incredibly successful. As the amount we were writing continued to increase, we continued to buy more and more internet leads.

I hadnÕt anticipated everything: something happened around month two and three of doing this. The agents who had come from the direct carrier started talking about how much easier it was with the direct carrier because they only had calls with people who actually wanted a quote. They didnÕt have to make 400 outbound dials a day. There was one agent who wasnÕt happy. He sat around the office and complained for a month, becoming a virus that infected the others.

The two direct carrier agents quit, and the third agent stuck around for a few more months, but he eventually left too. I felt defeated and depressed. I had spent months recruiting, interviewing, and hiring, months to train, and had then spent a ton on leads over the last few months. And just like that, they were all gone, and I was back to square one! I was grateful the scratch agency wasnÕt open yet.

It was time to re-examine that funnel and the activities we were doing. On one hand, I totally understood where they were coming from: Who wants to make 2,000 calls a week, plus sell them policies, and on top of that, follow up with quotes? YouÕll recall from an earlier chapter the math behind all of this: asking the sales agents to do all of the things required (dials, quotes, sales) wasnÕt some self-limiting belief theyÕd gotten stuck in their mind Ñ it was actually mathemati.cally impossible!

So from the Òbad newsÓ of losing my team came the Ògreat newsÓ of this insight: In order to find a low-cost, reliable, consistent team of people who would call the leads to locate the low percentage of people who actually picked up the phone, I needed a way to Òbuy dials.Ó It should cost less in labor and require less work for hiring (no licenses), and instead of repelling sales agents who would have to make 400 dials a day, it would likely attract them to a huge opportunity to have an amazing head start on a lucrative career! It was a win-win!

I was back in the saddle! I focused on the solution, not the problem, and out came the answer. Facilitating consistency with dials would streamline the process and help us create predictable sales. I loved the notion that my new sales agents would have a ton of time that they could use to focus on following up their existing quotes and quoting new households. The 400 dials per day needed had prevented my prior sales agents from being able to make enough quotes. I anticipated that with that extra time, theyÕd be able to double their daily activity from four quoted households to eight quoted households (or more)! As I scratched out the numbers, it should actually cost less in labor overall, and at a minimum it doubled the output from my sales agents.

Having a dedicated team for your agency thatÕs laser-focused on the prospecting calls and maximizing dials creates more consistency within your agency. I saw this happening in real time as I was laying the groundwork to expand to my dream of opening a scratch agency.

Developing Your TeleTeam

We had to create a telemarketing team. I hired one in-house tele.marketer to help with the agents. This guy got more transfers than anybody IÕve ever seen. He really helped the team, but he didnÕt last long because he burned out very quickly. Then we hired another person, and it was the same story. I realized that trying to put together an in-house or remote U.S.-based TeleTeam wouldnÕt work without a significant amount of time, money, and headaches, plus they still wanted $15Ð$20 an hour Ñ it wasnÕt much less than what the licensed sales agents had as a base. I wanted speed.

My next decision was to outsource it. I tried some other companies and spent a lot of money and time focusing on the cheap rate, rather than on what I really needed (consistency and ease to add or remove callers and for them to use my phone system to call leads). I realized I had to outsource the right way and create a rock-solid process so that there would be no issues. I was looking for the control I would have with an in-house TeleTeam and the workload of someone else managing the recruiting, interviewing, hiring, training, and firing.

I finally made contact in the Philippines with a friend of the family and started the whole thing out with one telemarketer. The telemar.keters who we now had had been vetted with all my testing, and I was worried that if I didnÕt make it happen this time, they would be exiting the same way the last bunch of telemarketers had. I had made Miguel aware of how important it was to ensure that everyone was positive and to let me know the moment someone went sideways. I wasnÕt going to let another virus bring down my team! After so many wins, followed by many setbacks, I would say that I was cautiously optimistic about opening the doors of my scratch location.

Over the next few weeks, as the sales funnel developed and began to yield results, I called Craig and told him how it was finally working. HeÕd been hesitant about jumping in, and while heÕd just been approved to open his third location, he was slated to open after mine. I told him how I was pretty sure IÕd nailed it, and that got him excited as well. I hired a couple more telemarketers, and sure enough, a few weeks later, our sales basically tripled because we had triple the activity. A few more months went by with no drop off of sales agents. I had never seen an insurance office buzzing with this much excitement and activity; it was like a scene from The Wolf of Wall Street! I then realized that we didnÕt have a sales funnel: we had built the worldÕs first telefunnelª!

Adding Your TeleTeam Adds Results

We reaped the results of our agency-generated transfers from my outsourced TeleTeam. We quickly discovered that paying for consis.tent dials not only worked well but also confirmed that leads could yield great results with the dials we were making. I also noticed some other positive Òside effectsÓ of buying all these leads and making so many dials on them that I hadnÕt seen or achieved with the Òlive trans.fer leadsÓ sold by the lead companies. Because we were getting 25 times more leads this way (we could buy 25 leads for the price it cost us for one or two vendor live transfers), we were receiving all these callbacks from the thousands of outbound dials my TeleTeam was making. At first, these callbacks seemed annoying because my sales agents would find that the person hung up the moment we mentioned ÒFeltman Agency.Ó

Then we saw the opportunity to solve this problem: change the way we answer the phone! We started answering the phone as if it were a friend calling in. WeÕd pique their curiosity by staying aloof and taking a moment to get to why we had called them in the first place. We started to see a fair number of quotes coming in as a result.

I also noticed that about 30%Ð35% of the transfers just hung up on us during the transfer itself or were disconnected. There was an opportunity here also. So, my team and I created the process to handle failed transfers. I wire-framed out the whole process, from the failed transfer to the quote, and within a couple of weeks, I was seeing close to 50% of the failed transfers being quoted.

I couldnÕt be more prepared. On top of all that, IÕd learned from the entire telefunnelª we had built out and had also uncovered another new and interesting thing: my TeleTeamÕs main role was to find the people who answer their phone from the leads we buy and transfer them to my sales agents. They were the sifters of the leads and the sales agentsÕ special weapons for creating speed. Running with over ten telemarketers for four years now, something I still hear (at least once a week) from my TeleTeam manager is, ÒSorry, Boss, lots of voicemail messages and hang-up calls today.Ó

I smile with amusement because if every lead actually answered the phone on the first few dials, then thereÕd be no need for a Tele-Team. Since leads donÕt answer over 70% of the time, the role of the TeleTeam is important because your TeleTeam gets you the dials your telefunnelª requires to win over those leads.

Quality Handoff Is Mandatory

ItÕs been my experience that we as agents will often get clear with our team on what we will be tracking, but then we either donÕt follow through or the right metric is not tracked. This happened many times prior to installing the telefunnelª. I had thought weÕd gotten it down to an exact science where I could easily predict what we would write over the next 90 days (based on lead quantity and activity on those leads) Ñ and we did Ñ but what I didnÕt realize was that we were holding the TeleTeamÕs feet to the wrong fire. We were pushing them to get more transfers, but if there was a failed transfer, hang up, or any other issue, theyÕd still get credit for the transfer even though the lead basically died at that point.

I thought about this, and Craig and I talked through it to figure out what we should be tracking. The metric we landed on was quoted transfers. About a year later this would be further refined to qualified quoted transfers Ñ meaning, the lead met the qualifying underwriting criteria, so they could be placed in our captive carrierÕs preferred auto.

Holding the telemarketers accountable for quotes instead of trans.fers led to a very high volume of quotes on these leads we were buying. The telemarketers would put pressure on the agents to pick up the call. And the expectation was to have the telemarketer team meeting with the agents to ensure a smooth handoff. Improperly handled trans.ferring will kill your contact-to-quoted transfer rate. The smoother this went, the less friction we would see during Òthe first sale,Ó which as you know from your script (framed in Chapter 4) is the toughest sale. I wanted to eliminate as much friction as possible. We practiced the handoff over and over again, until both the TeleTeam and the sales agents could practically do it while locked up in an underwater safe, like Houdini. The practice paid off, and they were able to really increase the effectiveness of the transfer and the quality of the quoting experience.

Knockout Questions

True to form, the sales agents (now working the best gig ever, with unlimited leads and constant transfers) were like hungry sharks who wanted more! They took it upon themselves to start conditioning the TeleTeam and made it clear they wanted the leads to be pre-qualified with knockout questions.

In some instances, this could be a great way to do it. If you have an in-office, or even remote but U.S.-based, TeleTeam, this can work well and eliminate the transfers that are likely not quotable. But in this instance, with an overseas remote TeleTeam whose first language is not English, we found it was way more effective for the TeleTeam to make the dials and sift through the leads. This isnÕt because the TeleTeam canÕt do more to pre-qualify leads; itÕs because the longer they stay on with the TeleTeam, the more rapport they develop with the leads, only to have that rapport broken and then needing to be rebuilt with the sales agent. Less friction sets up better results.

I listened to a bunch of calls and noticed that as time had gone by, the sales agents were doing less of the information gathering and waiting to have it all teed up by the TeleTeam. Remember, IÕd brought the TeleTeam in to replace the dials the sales agents were making, not to take over all of their work! I had to walk through the entire process again about why we needed the sales agents to be handling all of the questions.

I discovered that selling the agents on this concept with an expla.nation of how it would make them more money worked great. They hadnÕt realized that their laziness would also cost them a ton of money as it created more friction. Finally, our agents were convinced, so they got to work, which led to our biggest premium months ever.

Success (Finally)

It took two attempts at opening a second agency, and a ton of trial and error to get it right. Reflecting on that journey now, I see that all of the work we did actually led to our success! It was grueling and cost hundreds of thousands of dollars, but the result has been income in the millions. We did wonders in building the team quickly because we had a separate telemarketing team. Having the TeleTeam also made it way easier to attract new sales agents and was instrumental in retaining them.

.. Lead Strategy Insights The leads we bought required a minimum of 400 dials per day to maximize results. Sales agents needed to quote 8Ð10 households per day. 8Ð10 quoted households should be 4Ð6 hours of talk-time. 400+ dials can take up to 8 hours to make. A lower-cost TeleTeam was needed to ensure lead success.

Part III

Sales Conversion

Chapter 5

Your Script

From JasonÕs Journey

I wasnÕt aware just how important a script is until we started the hiring process. Our goal was to hire some really strong sales agents. During the interview weÕd give these agents a list of coverages to talk to us about and make them sell us the policy. I was utterly shocked by what I saw when these interviewees presented the coverages during their interview. Their presentations were terrible; it was as if theyÕd never sold any coverages. Over the years, and over the course of dozens, if not hundreds, of interviews, there was very rarely a rock star sales agent sitting across from me.

I thought to myself, How were they so awful? I mean, if a pro base.ball player came out to the ballpark to try out for an MLB team, imagine if they couldnÕt catch the ball, throw it, or even make contact with the bat! It would be bananas! Over and over, in interview after interview, these agents would talk like pros when they Òsold themselvesÓ to me, but when it came to selling coverages, they lacked confidence and sales skills, and they had no general flow in their pitch. They hadnÕt learned about telling the coverage explanations in story form, and quite frankly, I couldnÕt imagine anybody buying a policy from them. There was no way I was going to hire any of these people unless I had a means to ensure that anyone who could hustle could get results. At that moment, I realized how important the script was.

In the world of aviation, pilots file a flight plan prior to takeoff. The flight plan is a summary of everything and everyone involved in the flight. It serves as the process flow for the entire flight. Creating a pre-sales call flight plan, or script, wasnÕt something I thought was a Ògood ideaÓ Ñ it was a necessity! For one, it would keep our sales agents focused to ensure they hit all key points of the policy. Some.times our sales agents might get thrown off during a call, so the script helps bring them back to the proper flow. In the interviews, there was no rhyme or reason to how different candidates would Òsell me the policy.Ó Our script would ensure consistency on every call. This was important because as we trained and did call reviews, by having information on which parts of the script were helping get closer to a sale and which parts were hurting the chances of a conversion, we would be able to adjust the script. Without this kind of framework, weÕd never be able to optimize. I was done with ÒguessingÓ what worked!

See the Power of the Script

Fast-forward to an agency event that Craig and I did at his office in Tucson. This event was to help agents ignite their business and to replicate the same processes we used in our agency. I was about to speak about the sales process and script, and as I looked around the conference room on that first day, I made eye contact with one of our attendees, Josh Phanco, whoÕs now my good friend. Up to that moment, I had never spoken with him.

I looked at him, smiling, and asked him, ÒHey man, whoÕs the best sales agent in your agency?Ó

He smiled warmly. I can remember the energy and passion he brought Ñ I could tell that he loves what he does. He replied, ÒI am the best agent.Ó

He wasnÕt a one-man shop. He had several sales agents at his office, yet he was still the best. I made this point, which Josh under.stood immediately. I said, ÒOur sales team should be better than us, or at least as good. Anytime we feel that we are better at something that one of our team members is handling, we need to create some sort of training that can bring them up to par with what we know.Ó I paused and asked, ÒDo you have a script you use when selling coverages?Ó

Josh cleared his throat and said, ÒNo; new agents shadow me.Ó

And I said, ÒWell, if youÕre the best sales agent and you have all that knowledge in your head, how would the other agents ever become as good as you if they didnÕt know what to say, like you do? You have all this amazing experience in great storytelling and an appealing approach in speaking about the policy in a very intriguing fashion. WeÕve got to get that out of your head and onto paper and into the minds of your sales agents.Ó

He sat quietly for a moment, and I could see the wheels turning as we stood in that room thinking about the weight of what IÕd said. I knew it too and was certainly guilty of doing some of the agency tasks better than my team members. I quickly jotted down a note about that: continue to train people to be better than I, and if it didnÕt work, to find better people who could get better results than me.

ÒWow, man, youÕre right. I need to start sharing my skills with the other agents so they can be successful too. This was a huge eye.opener for me! Thanks, man,Ó he said.

IÕd learned a lot in the few years of being an agent and met so many agents like Josh who were great at what they do, yet typecast themselves into the leading role of being the best at everything.

When youÕre the best at everything, your team needs you, and my team needing me is DEFCON 1 of the hamster wheel. It puts me square in the position of having a management JOB, not an ownership role.

Since that event in Tucson, Josh has crafted and launched a script for his agency. Making this change has helped make his sales agents so much better than they had been prior to having a script. Josh and I have spoken a lot since then, and every time we chat itÕs such a great feeling to know that sharing this with him has helped him change his sales agentsÕ lives as well as his own. ItÕs opened up one more little piece of freedom for him, as it did for me at my agency. But the knowledge of how to do it wasnÕt the most important thing that Josh got out of it Ñ it was actually doing it that got the results.

IÕve learned from people much smarter than me, running busi.nesses that generate 1,000 times more than mine annually, that better and smarter people (who maybe cost a lot more to hire) are worth every penny. Every person you hire who is better than you at some.thing unlocks more time and more freedom! We will dive deep into Hiring in Chapter 10.

The Core Parts of a Script

Now letÕs get into the four core parts that are a must-have for every script. Each part of your script has a specific purpose, which leads to the next part. The flow of the sales conversation is kind of like the flow for dating, only instead of occurring over days and weeks, your sales agentsÕ presentations will occur over as close to thirty minutes as possible. Even though Tinder may have changed how people meet, the dating process has remained relatively unchanged for decades.

ThereÕs an order to the madness: first, you meet someone and engage in some small talk. Your small talk is your window of oppor.tunity to create some sort of interest on their part to make the chat last longer. Once you connect on something, this longer conversation can turn into an exchange of phone numbers and so on. YouÕd never ask the person to marry you during the first conversation Ñ steer clear of this, my friends! I noticed, as I continued to hone my script, that if I didnÕt get super clear on the order and elements of the sales presentation, my sales agents would be asking someone to Òmarry themÓ before theyÕd even made it through the Òfirst dateÓ! In the same way that weÕd be much savvier in the dating scene, I learned that my team performed at a completely different level when they had a framework to follow.

Your Opener: The Pickup Line

The first part of the script is the opener Ñ aka Òthe pickup lineÓÑ something like:

ÒHey Tommy, itÕs Sam. I have all your information here, and I am super excited to get through your coverages and find you the best deal Ñ and make all of this real easy for you! I know youÕre super busy, so I will honor your time and move quick! Just want to verify that you still live at 2121 East 1st Street?Ó

The opener is so important in our world because with internet leads, itÕs imperative to meet the prospect where they are and to understand the situation they are in: they filled out a form a couple of minutes ago and eight different phone numbers have just blown up their phone. At this point itÕs the luck of the draw as to whether youÕre first to contact or not. Either way is fine, because, as weÕve learned from our analytics, very few leads will actually buy on that first call, on that first day. When you do get them that first time, theyÕre likely a little hesitant to stay on the phone with you, let alone believe anything that youÕre saying. Keep in mind that initially, their three main motivators are:

These are the main motivators (desires) that we noticed from buying and working hundreds of thousands of leads. As we optimized the telefunnelª, many of the assumptions weÕd made about how the results would shake out were quite different than anticipated. As an example, we noticed a high correlation between the ease of the sale and poor retention: we learned that the easiest ones to close, espe.cially when we were saving them a bunch of money, were actually the policies most likely to jump ship at the next renewal!

Back to our dating analogy: upon connecting with someone initially, we know for the first couple of minutes we cannot propose to them or try to convince them why we are the best Òsuitor.Ó YouÕll just want to match your message to their expectations so that they stay on the phone with you. This is not the time to tell your prospect why they need an awesome policy and that they have a crap policy right now. Think of the sales call as being completed in stages, with each stage having tactics and a well-defined goal. Your entire goal in the first stage, Òthe pickup line,Ó is just to keep them on the phone for over two minutes. WeÕve learned in our agency that if we can keep that person on the phone for over two minutes, theyÕll be quoted 80% of the time. At this point of the conversation, too much Òvalue talkÓ is a rapport killer. You just want to keep the conversation going, no matter what the discussion is Ñ even if itÕs not about insurance. Your opener is key. There are two things to remember in the opener:

1.

Never sound like a telemarketer or a robot. You need to talk to them naturally, like youÕre a long-lost friend and you are so excited to talk to them. This alone will help keep them on the phone for the allotted time. The more intense your excitement, the better Ñ over-the-top is okay!

2.

Keep on talking, even if the lead says no. You can turn at least half of the nos into quotes. This has been tested over hundreds of agencies, in hundreds of cities, calling hundreds of thousands of leads, not just in my own agency and CraigÕs agency, but in the agencies of many agents whom weÕve worked with. The opener is the first sale Ñ and itÕs sometimes tougher than the actual sale itself. Why? Because you have to sell them on staying on the phone. In the prospectÕs mind, they have something better to do than to talk to an insurance sales agent and are initially and by instinct trying to get off the phone.

Collect and Connect: Real Human Connection

The second part of the script is collect and connect. As I tested various scripts, I noticed that on the calls where the sales agents asked more personal questions, talk-time was usually longer and the call would more often end with a better result. Conversely, when my sales agents just went into the quote and the Òinsurance talk,Ó they had less likelihood of making the sale, even when our rates were better!

We need to gather a bunch of information about the client and, at the same time, ask them some personal questions to create a human connection (aka establish rapport). My advice to my team was to make their sales calls fun and personal. Most people love talking about themselves. Make sure that you, as well as your team members, have a very keen awareness of whoÕs doing most of the talking on a call. You need to get the prospect talking.

Getting your prospects to open up and share details about them.selves is a sign of trust on their part, and trust sells policies because the prospect acknowledges and understands that your intentions are to serve their needs. I developed a formula thatÕs been instrumental in making my sales agents significantly better than they were prior to using (and being held accountable for) this formula. TheyÕre held accountable for asking, and for creating CRM notes on that clientÕs big three: work, family, and fun (WFF).

YouÕll find that engaging in a conversation that weaves in these big three will buy you time when youÕre collecting data from them, and most importantly, youÕll find out what they like and donÕt like and be able to position the presentation to align with what they like. This part of the collect and connect is so important because this is where you create a real human connection. This is the YOU advantage Ñ itÕs the value that my carrier told me was most important for the clients and prospects.

Call some other insurance companies and get quotes. YouÕll find that the vast majority of companies donÕt do this, and if they do, theyÕre not great at it. This is why they are a commodity Ñ thereÕs no differen.tiator. With insurance (and really any product), you can create a price war (no one ever wins), or you can establish yourself as the expert and demonstrate why you have a superior core offer. You can only be the expert, however, once youÕve done a great job at connecting and collecting all the information and establishing trust through rapport. Your connection is your path to more sales. Accountability for CRM notes is part of the daily reporting that weÕve found helps move the needle. Every day, we spot-check the CRM notes to ensure that the sales agent has asked prospects theyÕve quoted about WFF.

The Presentation: Be the Doctor of Insurance

The third part of the script is the presentation, or in dating terms, the proposal. After you get to know the person and youÕve succeeded in keeping them on the phone, itÕs time to be what we like to refer to as the Doctor of Insurance. This is the part where youÕre going to slow down the call a bit and create the value proposition of your core offer.

You have a script to go by and youÕve practiced this over and over, as if you were the lead role in a play. The better you know your talk paths and stories to support them, the more youÕre perceived as the expert! This is what all of the interviewees in my office were missing

Ñ a script. They said it differently every single time, so they never got good at the presentation. Inconsistency kills the ability to effectively train and to create consistent and predictable results.

Being an expert, or the Doctor of Insurance, builds desire for what youÕre offering. No one wants to be sold, but everyone wants to buy something thatÕs going to eliminate some sort of pain or make their life easier. Your objective is to organize the flow of the conver.sation strategically, so that it is easily digestible by the person on the receiving end.

Again, itÕs kind of like dating. You want to empathize with them, treat them like a friend, and care about them as if they were suffering from a tough relationship. Show them how this new relationship with your agency is going to be so amazing and healthy for them! Once youÕve painted the picture through your presentation that eliminates the pain their previous policy could have created, you show them the solution and close.

LetÕs revisit the hiring story nightmare. Remember how the sales agents I interviewed were so disorganized when trying to sell me a policy? TheyÕd jump straight into the big shiny price tag, share how you get these other things, and then if you did x, y, and z, youÕd get a lower price. It was like watching a psychotic horse running into a burning stable!\*

You may not be crazy like me and love the art of infomercials, but hear me out: IÕll bet you remember those late-night infomercials back in the Õ90s. These guys had 30 minutes to pitch their product live with a call to action to buy whatever widget it was that they were selling. Two personalities/products that stood out for me were Vince Shlomi for ShamWow and Billy Mays (rest in peace, Billy) from OxiClean. The structure of these marketing pieces was fundamentally the same as what we are doing. Every element, movement, and line was scripted to ensure the best results possible. They had a very expensive time block, and if they didnÕt get enough people to call that phone number and buy, they were in the red.

I took a page out of the ShamWow/OxiClean playbook and applied it to my own agency. With my team, I pushed and pushed the notion of urgency. It can take dozens of call attempts to finally get some.one on the phone. Letting them off the phone after 50 dials over the course of 80 days is kind of like intercepting a pass that would have been a touchdown, running it all the way back down the field 99

\* The Birdcage (1996). United Artists Pictures.

yards, and then stepping out of bounds. We cannot let a good thing get away Ñ if this becomes Òbusiness as usual,Ó everything will take longer, and our results will suffer. We may have only one chance to nail this, and we need to fight for it if we want to accelerate our results

Ñ donÕt forget that speed equals freedom and wealth. To ensure the best outcomes, we tested, adjusted, tweaked, and re-tested all of the different elements of our script for years, to hone our ÒpitchÓ:

¥

Be aware of your physiology, your intention, and your tone

¥

Start with the coverages

¥

Build into the benefits

¥

Crescendo with disclosing the price

Being super intentional about the creation and implementation of your script is YOUR foundation to turning anyone who will do the amount of activity (quotes and follow-ups) needed into amazing sales agents. As you develop your script, keep in mind that your conversa.tion needs to flow nicely after you share the coverage, benefits, and price. If this part of the presentation is all over the place, your sales agents will appear to lack confidence and youÕll lose the prospect before theyÕve even heard the closing statement!

Reflect back to when a prospect told you or one of your sales agents that they Òneed to think about it.Ó In reality, this is the ÒI see no real reason why I should switchÓ objection. When youÕve engineered the proper script and effectively established rapport, youÕll address and eliminate a lot of these objections before they even arise. So, as we continued to test script variations, we learned that after giving the price, if we didnÕt assume the sale and just roll right into the payment information, most sales agents wouldnÕt even ask for the new busi.ness! Like clockwork, almost every time the sales agent gave the client a price, the agent would ask what the client thought or how we compared: you MUST eliminate this practice Ñ itÕs a conversions killer! Doing this gives your control away and shifts the focus back to price Ñ it gives them an out.

We found that once the price is given, you must go straight to the well-rehearsed closing statement and then shut up. ItÕs one of the most fundamental sales concepts that almost every untrained sales agent fails to execute. Once I set the expectation for my sales agents to ask for the business on every call, what would you guess happened? We closed more people and became more profitable Ñ just from forcing the ask! The old saying goes, ÒYouÕll fail 100% of the time you donÕt make an attempt!Ó In CraigÕs agency, following this same process, he went from an 8% closing rate on quoted internet leads to 13% Ñ over a 50% increase in results from leads!

The Objections: TheyÕre Not Real, TheyÕre Conditioned Responses

Your fourth and final step in your effective internet leads sales script is mastery of all of the objections. This is what every sales agent dreads. Most of the time, we see the first three parts of the script done really well, and because they havenÕt properly practiced their responses to objections, they fumble and lose the sale. I figured out that the reason my sales agents were so skittish about asking for the sale was because they didnÕt want to hear an objection.

ItÕs amazing how sales agents, and really people in general, will do anything to avoid something they perceive as painful. The same lesson I was teaching my agents about finding the prospectsÕ pain buttons was what was showing itself to me in the form of my sales agents avoiding these most important steps.

I had a sales agent who was incredible on the first sale (the pickup line), near perfect in collecting and connecting, and amazing with the presentation Ñ up until it was time to ask for the sale. At this point, heÕd lose confidence and ultimately give up. As a younger sales agent, he felt intimidated once it got into the Òmoney talk,Ó unless we were saving the prospect a ton of money.

At several of our morning sales meetings, I talked about how sales skills werenÕt just useful for getting better paid in any career because of the communication and persuasion skills, but that these skills were equally important in everyday life. Any interaction, whether business or personal, will have a better outcome when youÕre helping people get what they want. I showed my team how being able to master each of these four steps could likely be the most important skill they ever learned and would serve them for their entire life.

I was able to address my sales agentÕs fear of closing and handling objections by showing my entire team the difference it would mean to their bank account if they just did it. Using the same framework to sell them on doing this as they were to do with prospects, I got them to buy in to facing their own fears centered on their prospectsÕ objections. The pain of losing out on money became greater than the pain (fear) of handling the objection. That agent finally bought into the concepts IÕd been training him on and went on to become one of my best sales agents.

One of the best ways to tackle objections with your team is to pull out your whiteboard and workshop the objections that they hear frequently. At the end of the day, there really arenÕt that many objec.tions, and when you do this exercise, youÕll get buy-in. Once you have these objections written down, organize them from the most to the least common. Next, identify what would be a great way to overcome each objection, and help move the prospect closer to buying. One of the most common objections we hear is, ÒCan you email me the policy?Ó Another one we hear is, ÒI need to talk with my spouse.Ó As you write up all the different things you hear, you start working through all of the potential responses that could help get past the roadblock the prospect has thrown up. Keep digging, peeling back the layers of the onion. Continue to be curious and helpful, and youÕll get to the real objection.

That exercise alone will help lock down mastery of the objection portion of the script. Your best results will come by serving your team as a coach and leader: help them drill and practice until their correct response is automatic. When your sales agents nail this, at the end of their presentation, the confidence they gain is infectious! To be Doctors of Insurance, they need the confidence that only grows out of hours and hours of practice.

Having any script for your sales agents to follow on their daily calls will quickly unlock a better way for you to train your team. Installing a really solid script (built off of the chassis of the script IÕve covered in this chapter) will propel your sales agents into a new sales dimension.

You may have tried a script before, and it didnÕt work, or you struggled to put it into widespread use. ItÕs okay; this is typical. I, too, struggled a lot in getting my team to change their ways. It was an uphill battle that was tough to break through. I wasnÕt going to continue to pay for leads, a TeleTeam, an amazing dialer, and all the other tools if my team wouldnÕt follow all parts of the script. That was the ultima.tum I gave them: face me eliminating the TeleTeam and leads (which would mean the sales agents become the cold-callers, and essentially, theyÕd have zero business), or use the script and join the mission to be Best in Company. They didnÕt call my bluff, and the next couple of years we did land top awards, thanks to their hustle and consistency!

Chapter 6

Your Sales Agents

From JasonÕs Journey

Rock star sales agents are the bread and butter of our machine Ñ theyÕre crucial to the growth of our agencies. The sales agents on my team have helped my agency win awards and hit agency records, but this didnÕt come together magically. I had to take some hits and get a few bumps and bruises before I started getting results. I learned a ton about the other most important funnel in your agency: the hiring funnel.

When I first came into the insurance world, we had a small team of four people. There were some goals that we had to accomplish to keep the agency running. This agency was running on life support when I bought it. The agency itself hadnÕt seen any success in ages! Nevertheless, we had to sell policies in order to hit the agency goals that my captive carrier had set. The four of us immediately started selling and saving clients.

IÕd been told by several people there could be more clients falling off the books than normal (after my purchase) and that it was integral to the life of my business to get on the phone and start talking to them. Because of this and also having a smaller team, selling new business took a back seat, as our focus was on saving. We were averaging around fifteen policies sold at best, per month.

At the time I didnÕt understand the math, nor did I know how import.ant it was. In retrospect, I can see that I was doing all of the wrong things, but with the right intentions. Unfortunately, business doesnÕt care about intentions; business is unemotional and data-driven. I was trying to fix things by plugging the leaky holes and it was an uphill battle. My team was at capacity, and all we were doing was stopping some of the bleeding. Even if my retention went from 83% down to 80%, having four team members plus myself running ragged for a relatively small amount of premium may not have been the best use of the resources at hand. Check out this illustration:

We were barely writing any new business, and that 3% dip we were trying to save would result in only $550 less revenue. I was spending the payroll of four people to prevent $550 from going down the drain.

Hybrid Sales Agents

Our agency, like most agencies I talked to at the time, was set up with what they call hybrid agents Ñ meaning their agents did service and sales and pretty much anything else in between. With a new book of business in hand and wanting to grow to increase the value of my new purchase, I knew we had to have consistent sales. I noticed there was too much conflict between service and sales Ñ theyÕre like oil and water! If the sales agent didnÕt get back to clients they were servicing, they blamed it on trying to get more sales. If the agent didnÕt make enough calls for sales, they blamed it on having too many people to service. Can you see what countless headaches this chaos caused? The book was tanking, I wasnÕt making enough, and I began to ques.tion my decision to become an agent.

Because of the pressure to sell more policies, we knew this hybrid model just would not work. It was imperative to separate service from sales. I appointed two of the most service-qualified agents to exclu.sively handle customer care, and the other two as our sales agents.

I learned another lesson: itÕs really tough to convert a service or hybrid employee into a sales agent. If theyÕre naturally a service person, itÕs been my experience that they almost always gravitate back to service. When I pushed them to make sales, they ended up leaving because they just were not interested in becoming sales agents; they wanted to remain hybrid.

I was becoming even more discouraged, as I now had only two people. I was getting to the office before sunrise and leaving after dark; it wasnÕt sustainable, and I felt burned out. I was at my witÕs end!

The Struggle to Reach High Targets

At the end of that first year of running my own agency, around Octo.ber, I was told by my sales leader that we were on pace to receive a bonus. This was a big surprise to me. Now, we had a new mission: to figure out how to sell 200 policies (if we made target then weÕd win our bonus) in two and a half months. One thing I knew for sure: I couldnÕt do it on my own. My team already had their hands full as we were closing in on December 31.

The solution? I invested in live transfers from one of the lead companies and began the process of buying these. We also hired a sales agent to strictly sell, so we could hit our target.

You see, I had a friend who was crushing it with Òlive transfersÓ from the lead companies. As he began describing his process of using a CRM to receive the leads, the sales agents following up with them, the sales script they used, the follow-up process, and how to monitor call volumes Ñ I began to understand the entire process and how to make the system work.

I realized the only way to get a decent number of sales in a short period of time was to have somebody specialize in this live transfer process. I immediately called around to find a sales agent. There was one sales agent who came to me and said, ÒI really want to do sales, but my pain point is that IÕm expected to get a ton of sales (with zero time to actually focus on this) while doing all the service for clients as well.Ó So, it was a perfect fit; we hired Miguel to do the sales only.

We sat down, facing one another, at a desk and started pounding the phone lines. Miguel and I sat down at our computers, right next to each other, and figured out how to close these live transfers. We were really struggling at first, as we didnÕt have much of a process. We realized we had to throw down a quick sales script as well, so we did that. I remember only selling two policies out of one hundred, which may not seem bad to start, but when youÕre spending $80Ð$120 per live transfer, it adds up quickly. My buddy said, ÒDonÕt worry about it.

It takes a while to close. Just keep up the momentum of buying them, continue quoting them, and ensure you keep those follow-up calls going.Ó So, thatÕs exactly what we did.

Our sales started rolling in slowly but surely. And by the middle of December, it looked like we might be able to sell two hundred policies. We did our best, but we were short by a few policies. The great news was that we got our agency bonus that year. ThatÕs when I knew there was something to this. We had partially cracked the code on what we needed to write and then used math to figure out what level of activity it would take to get there. It made it seem pretty easy: pay money, get calling, close the deal. If we got better at closing, weÕd make more revenue.

Keep Your Eye on the Ball: Focus on Sales

With all the bonuses and all of the extra commission we can get as an agent, it is imperative to have a sales team in place that is solely focused on making sales. At the end of the day, growing the book of business is the most important outcome (if you ainÕt growing, youÕre dying), and any way you can leverage extra cash flow (bonuses, contests, spiffs) will create a snowball effect as you cycle extra cash flow back into your telefunnelª sales machine.

Once weÕd maxed our capacity and some renewals were stack.ing up, I realized we needed more sales agents. Since I couldnÕt be in two places at once to sell and do everything else, I decided to appoint Miguel as the sales manager. He was setting the bar for sales success at our agency with his hard work and willingness to be coached and actually implement what heÕd learned. ItÕs import.ant to note that neither Miguel nor I were great at sales; in fact, I am comfortable saying that we were terrible at selling, but we were determined to Òdo the work.Ó Creating consistency of the message with the script allowed us to test what worked and what didnÕt and then switch it up when needed.

As we brought on other sales agents, Miguel was the role model; he was proof that stellar sales were achievable. My role as the captain was to Òsell the missionÓ of growth and our concept of high activity, high results to our new hires Ñ to paint the picture of my agency being the best opportunity for any sales agent. I invested more and more in leads for Miguel so he could build confidence with our new team. I wanted to make my agency the most desirable place to work for any sales agent!

A killer sales team is also your agencyÕs bread and butter. Sales agents are a different animal in your agency, and youÕll see why in a moment. Remember when I wrote about having hybrid agents in your agency? When I unwound the hybrid role, the vast difference in personality between a service agent and a sales agent became appar.ent. Sales agents are not very detail oriented, but they love talking to people and they love the hunt. A true sales killer wants the rush of getting that next sale! Sales agents also love speed. If theyÕre sitting at their desk, prospecting all day, they feel like theyÕre getting nothing done. ItÕs like kryptonite for them. They need energy, movement, and those dopamine hits that come from the sales!

In running my agency with and without leads, I found that my sales agents got really pumped when they had lots of leads, and lots of transfers coming in. Well-fed sales agents get so many more opportu.nities than sales agents at other agencies who are forced to prospect. ThereÕs no time to prospect when you quote eight households a day! You will be best served by taking some time to consider loading up your sales team; they need leads so they can run! ItÕs kind of like if you had a race car and only went twenty miles an hour for a little bit of time every day Ñ that sports car would be completely underused. And if the car had feelings, it would leave you.

Feed These Sharks Some Leads!

Impatient sales agents are like sharks who havenÕt been fed enough

Ñ ever. If theyÕre true rock star sales agents, theyÕre hungry for action and not afraid of the Òno.Ó Their aim is to get the sale, so we need to feed them a lot of leads! Boring and monotonous paperwork wonÕt hold their attention for long. Unhappy sales agents will not hang around, and as such, itÕs important to identify their driving force and to cultivate that from the start. Fail to do this, and they will eventually find another agency that will paint the picture of a better opportunity. If we make our agency the best opportunity they can find, theyÕll be stuck to us like superglue.

On the flip side, there are also so many agencies and coaching programs with training geared toward sales agents bringing in their own leads and prospects. ItÕs the thinking of the old guard of agents: ÒMy sales agents need to hunt AND kill Ñ itÕs what I had to do.Ó This mindset has always been mind-blowing to me. Imagine for a moment if McDonaldÕs asked their employees to bring in people they knew who were hungry, and their pay would be tied to how many burgers their ÒsalesÓ were responsible for! If prospecting is the most time-consum.ing portion of a sales funnel and requires the least amount of training and a lower-grade skill set, why would we force our highly trained, higher-cost licensed agents to spend time on an activity that a) they donÕt have time to do if they are doing the required amount of quotes,

b) we can pay significantly less for, and c) they donÕt want to do anyway (especially since we know that forcing dials causes turnover anyway!).

But for now, letÕs assume these agents do bring in some of their leads and prospects. ItÕs not something thatÕs going to be sustainable

Ñ that well will dry up very quickly. Unless you get them something to quote, they will spend all their time just finding people to quote instead of actually doing the quoting.

Buying leads isnÕt a luxury; itÕs a necessity for ensuring that your sales agents are on the phone all day having meaningful conversa.tions, with a desired outcome of closing new business. The best part is, the more times a sales agent gets up to that plate and swings at the ball, the better they become every day. The more chances they have in a day, the quicker they get better. This will be vital to hiring because you want your new hires to fail fast to get good. Speed is the path to quantum growth!

Tools for Your Rock Star Sales Agent

WeÕve seen how hard it is to find great sales agents. ItÕs like finding a needle in a haystack. When you come prepared by establishing your script and a tight lead process, youÕll leverage these tools to attract sales agents who are motivated to get results. The great news is that even if theyÕre not yet a rock star sales agent, the proper tools will help to facilitate their transformation into a sales rock star! All the sales agent needs are the drive, motivation, and tenacity to get the needed activity done. Having more opportunities for sales agents also makes hiring much easier. The script and the process elevate your agencyÕs vibe, and they help to create the kind of culture that sales agents want to be part of!

Hiring is one of the hardest things to do within an agency. If you donÕt have an incredible process, then having a great sales team is very attractive for new recruits. When you bring them in for the inter.view, your candidates can see your team in action. If youÕve built it as weÕve laid out thus far and created the energy that sales agents love, your candidates should be drawn to the excitement of what your agency has to offer.

WeÕve had great results by feeding our new agents a huge number of leads up front to get them up to speed as quickly as possible. We like to do this to set them up for success from the very start! ItÕs doing the exact opposite of what I have heard happens in some agencies. In these agencies, the new sales agents are often forced to prove them.selves by doing the activities that are the least desirable, and most easily outsourced (for way less money): making dials on leads. These agents believe that the only way a new agent can make it is if they suffer through what they had to suffer through themselves. We both know because we believed this as well, only to see a lot of costly headaches, whining, and sales agent turnover.

As soon as a new sales agent starts, thereÕs a short window of time when they come into your office and decide if this is going to be the right job for them. Once youÕve clearly set the expectation of whatÕs required, for the first couple of weeks youÕre going to have them dialing and making transfers, and once they nail their script, theyÕll dial and quote the people they get a hold of. When they get about 80 quotes under their belt, they can start taking transfers from the TeleTeam.

Over the years, IÕve learned that no matter how good someone is at the interview, you never know what their real work ethic is. Listen for important cues, such as ÒI need to learn a little more about the product,Ó or ÒI am not comfortable with the quoting system yet.Ó Folks who say these things are destined to fail Ñ theyÕre showing their call reluctance right up front. Last, you must watch their attendance Ñ anyone taking unplanned time off or calling in sick in the first 90 days could indicate a pattern that will be extremely costly. Although we know we shouldnÕt throttle our lead numbers up and down, or worse, turn them off, when we donÕt have enough people in the office to do the quotes we need, weÕll miss our goals.

We close people all the time who are paying less with their current company because they like our agents! We also have a ton of clients who come to our agency because theyÕre impressed with the persistence of the agentsÕ follow-up. I hear itÕs like pulling teeth for people to get a hold of their old agents. When you hear a pain point, have them expand on it. Make them talk about that terrible experience they had. That pain will pull them toward you and away from their current insurance provider.

ÒBefore weÕd separated our service and sales teams and clearly defined expectation in activity, weÕd been stuck on the hamster wheel of zero accountability and medicore results. We were so buried in the weeds, we couldnÕt even fathom how much of a quantum change this could have. Execution was a struggle at first, and we learned from the adversity: itÕs where the real growth happens. When your team is focused on specific roles and skills, they will be expertsÑand the more experts you have on the phone, plugged into your own telefunnelª the faster and more easily youÕll scale.Ó

-David Seagraves CO

Chapter 7

Service Agents

From CraigÕs Journey

Many parts of the first decade of agency ownership felt sort of like being run over by a fire truck. I read somewhere that the path to success in business is littered with the bodies of the ones who failed and gave up. There were many times in those early years where a costly mistake (now I like to call it tuition) made me wonder when IÕd be one of those bodies. The demands of owning the agency, pushing hard to get results that werenÕt equitable to the resources put in, had taken a toll on me. To learn more about my journey of losing control in 2015 and how I was one bad decision away from becoming another body along the path of success, check out my story on our website by going to www.theidudes.com.

I saw a major shift in the role I was playing in the agency. I had to pull back from the day-to-day stuff that ate up all of my time. I would never be able to make a big leap without taking big measures, and this usually meant investing some money. The clarity of what to do and the vision that I had to get there was my driving force.

Around this same time, I realized the only way I could focus on the big picture and grow into the big-boy league was if I hired an operations manager. Having someone to run the day-to-day business, be the go-to person for the sales and service teams, and ensure everything ran smoothly would unlock over 40 hours a week for me. The invest.ment would be steep, but the freedom it would create was priceless. I brought on an operator to see to all of the fires that were pulling me in all directions. I stopped answering the phone and instead hunkered down and worked on the business instead of in the business. WeÕll touch on this some more in Chapter 10.

My goal was to tighten up all of the processes in the agency and to eliminate as much friction as possible for everyone: both my team and our clients. I tore up the 20-year-old process manual that had been around years before me and started working on the new Pretzinger Agency Process Manual. I remember hearing somewhere that you ÒcanÕt scale chaos.Ó (I believe it was agent Laura Harris on Episode 170 of the Insurance Dudes Podcast, if memory serves correctly.).

I grabbed a yellow legal pad, drew vertical lines to create three columns, and wrote ÒRetention StrategiesÓ at the top of the first column, ÒDevelopment StrategiesÓ over the middle, and ÒAcquisition StrategiesÓ above the third column.

As I was defining the processes in my agency for the activities that my team needed to focus on, I realized that anything any of the team was doing had to serve one of the three columns. If it didnÕt, it needed to be handed off to operations. You may find that organizing your agency right on that pad of paper is a great way to start! LetÕs take a look at each of these strategies from the perspective of the service department of your agency.

Processes NOT People

I read a story about an advertising man in the mid-20th century. He had a knack for creating advertising campaigns that got results. On many occasions over the years, when given a choice between the clientÕs Ògreat ideaÓ and the firmÕs creative offering, the client would choose their own lame idea because it ÒfeltÓ right.

This is why I stepped back from the day-to-day operations and was in this creative mode of my own: to build the processes to support the agency in scaling. I have learned that we cannot make business decisions just because they ÒfeelÓ right. Sure, on your call with a client, when youÕre connecting, of course youÕre going to involve emotion; itÕs required for humans to have great exchanges. But there are times when you must use data when making business decisions. For example, developing processes are worth investing time, money, and energy in (to achieve an incredible return on the resources invested).

A simple tool that I used for this is illustrated on the next page. ItÕs simple and very instrumental to making decisions about which processes to start using in my agency.

I had a blank slate, but at the same time, I didnÕt want to just create processes for processesÕ sake. I wanted to create processes to streamline operations and optimize all aspects of the agency. The first thing I did was take the list of processes that were in each column (Retention, Development, and Acquisition) and add them, one by one, to the Benefit/Investment columns above.

In the past, I would share a Ònew wayÓ weÕd be doing things moving forward. I would promptly bury my head in the sand until I checked on it again way down the road and would be angry it hadnÕt worked. Of course, IÕd get angry, come in and make some heads roll, and go back to whatever I was doing. IÕve heard this referred to as seagull management where you fly in, poop on everyone, and fly away again. Clearly this was ineffective at creating consistency and very effective at losing respect as the leader. To eliminate this happening in your agency, you can follow this final step of the process creation frame.work: create a process repository document, name and define the process, and outline the process flow.

I prefer Google Docs, as it can be accessed from anywhere and itÕs easy to work with. I assigned a specific Google Doc for each process and then a table of contents with the process name and the hyperlink to each process. Having a dedicated place for Òhow toÓ do anything in the agency makes it very clear how to do anything required. I found that leaving any sort of ambiguity will typically result in a breakdown of stuff actually moving forward.

Find the Hours

I did a time study to audit everyoneÕs productivity. IÕd read about this concept in a book, and it seemed like the next logical step for what I was doing. I knew that changing everything up from a process stand.point would likely ruffle some feathers, but it was time to tighten up the ship. Anyone who wasnÕt interested in the new order could go elsewhere. I was prepared to lose some people over this.

Prior to starting the time audit, I brought it up in our morning huddle every day for two weeks. ItÕs been my experience that when you make big changes or ask for some tasks that could lead to some grumbles and complaints, itÕs good to create a bit of a runway leading up to your big action. Firmly prepped, when it was time to go live, everyone (including myself) tracked their time in increments of 15 minutes for the whole week. Nothing fancy, just a legal pad with the day broken out into 15-minute increments.

People with complacent behaviors dislike when the spotlight shines their way. It was my thinking that theyÕd either get their acts together or self-eliminate when the new changes were put into place. I decided I was not going to tolerate any pushback, and because I had hired the operations manager, I wouldnÕt have to be the enforcer. The time audit had revealed that there was plenty of time available for existing service people to take on some proactive work.

So, we assigned about two hours a day of work that is tracked and measured. All service people also have to cross-sell and close business that comes in from any inbound inquiries. We set up some processes that could be fulfilled based on the available workloads that were uncovered. LetÕs dive into some of the different processes that I found have worked well for Retention and Development. I wonÕt be going into Acquisition, as itÕs covered extensively in other chapters.

Retention

If youÕve been around a while, you may opt to skim or skip some of this portion as it could be something youÕve already mastered, but for someone newer to this world, itÕs a foundational concept that needs to be understood for setting minimum results goals, and, as you learned in Chapter 2, is an important part of calculating average client lifetime and client lifetime value.

The retention metric is a lagging indicator, meaning that it gives you information based on past results. ItÕs often a 12-month moving average of what percentage of your clients renew. ItÕs also important to note that the larger your book of business becomes (the more premium and households you serve), the more difficult it is to move this number.

Regardless of what carrier youÕre with, you should have access to some sort of reports that provide access to your analytics: retention, premium, renewals, and so on. For my carrier, all of the reports for the prior month were available around mid-month. You may have something similar, or more real time. Whichever it is, you must have a good sense of how many policies you have for various lines and how many are falling off the books each month.

Back when I was answering phones and taking payments, I was so far down in the weeds that there was no time for reports. When I shifted my role away from operator to that of owner, making Telefunnelª metric-based decisions, my path to travel and freedom became apparent. The ability to see where I should move resources and focus energy (in the way we do things and why we do them) was something new, and it exposed areas that we were wasting time or money.

As an example, if you have $2 million in premium and an 80% retention rate, you will be losing around $33,333 in premium per month. If your retention rate were 85%, then youÕd only be losing $25,000 per month. Doing the right activities to raise that retention rate will help you grow faster (less premium needed to break even).

YouÕre also well suited to figure out what that premium equates to in revenue. If you have a 10% renewal commission, using the numbers from the example above, with an 80% retention rate, youÕre losing around $3,333 per month, and with the 85% retention rate, youÕre losing around $2,500 per month. Improving a massive 5% in retention will only capture an additional $833 per month, or close to $10,000 per year Ñ hiring someone to move your retention up 5% would be a losing investment (take what youÕd pay them and subtract that extra $833).

The numbers above matter because any new retention processes that involve additional resources (time, money, sweat) need to be weighed against the revenue saved as a result. There are three core processes that must be done that will help keep retention a little higher than if they hadnÕt been done, and those will be shared shortly. Before diving into that, IÕll share a quick story of why itÕs important to run your cost/investment study before implementing an additional retention process.

About five years into owning my agency, I read somewhere that sending out birthday cards and anniversary cards to the clients was a great way to bump up retention. It made a lot of sense to me! People love their birthday! Sending out cards required that I go to the store, buy a bunch of cards, pass them out to the team (who all had to write messages in them), put them into envelopes, add postage, seal enve.lopes, and take them over to the post office. The whole process ate up a lot of time that could have been spent on any of the core three. Not to mention we were spending over $1,000 per month on cards and postage. The labor and opportunity cost involved (not doing the core three) could likely be in the hundreds, if not thousands!

We did this for a year and my retention rate barely moved at all. Even had it gone up a full percent, I still would have been in the negative based on the investment into the program. This is why youÕd be best served using the Benefit/Investment process outlined earlier in this chapter.

Your Core Three

These are the three processes that support retention in every agency setting, and which IÕve found to be the simplest and most effective. The three of these combined can easily be tackled by the roles youÕll now have defined for your agency and your service team. Be sure to draw out the specific process flow using a Google Doc, as shown before.

Cancellation Calls / Late Payments The top level of the core three is making cancellation calls. With our carrier, if someone fails to make payment, thereÕs a small window where we must capture payment. If we donÕt, the policy is likely to lapse, and then we will lose the client. Often, if the auto policy termi.nates for non-payment, any bundled policies can also terminate.

YouÕve probably heard that itÕs easier to close your current clients than it is to close a new client. ThatÕs what we are looking for here too.

Every interaction with a client can provide a positive outcome, even when they are upset. I used to get super worried about calling people on the cancellation list (I felt like I was a bill collector).

I found that the way in which this call is framed really impacts how the call is received. When I called and said, ÒYou have a balance due, and we need to get this taken care of or your policy will lapse,Ó it lacked the empathy that people were looking for (part of the reason I am not best suited for service work). We found that being super empathetic and ensuring that the clientÕs perception is that we are here to help worked wonders. It sounded like this: ÒSomething must have happened with the bank; weÕre calling to make sure everything is okay. As a courtesy, and a perk of being with our agency, we individually call our whole list of clients who have some sort of payment issue.Ó WeÕve found blaming the bank helps relieve a little of the pressure.

As one of my coaching clients said once, ÒI learned from this that if we shift our own focus from collection of payment to instead Ôhelping the clientÕs protection stay in force, uninterrupted,Õ combined with help.ing to shift the clientÕs focus away from being embarrassed or offended by a Ôcollection call,Õ we get way better and more appreciated results.Ó

We also look to end the call with two potential outcomes:

1.

Obtain a Google Review (see example 2 of process docu.ments in the images below)

2.

Book a review if necessary

I wonÕt outline ÒhowÓ to set up some of the mechanics to make Google Reviews easy to grab, but we found a lot of friction was elim.inated when we created a texting and emailing template, a shortened link of our Google Review link, and a small bonus to my team member for every Google Review received that had the employeeÕs name recorded.

LetÕs take a look at cancellation calls using your process frame.work as an example for your agency:

Process document example 1

And hereÕs a sample of the Google Review process defined:

Process document example 2

We cannot go for a sale on every phone call, and IÕve found that the Google Review ask is much softer and easier to obtain whilst making cancel calls. Setting up this process will definitely require some training and hand-holding if your team hasnÕt done this one before. If you have not done this in the past, it is probably the lowest-hanging fruit with the quickest turnaround for giving your retention number a lift.

Pr e-Renewal Calls Pre-renewal calls are your second most important of the core three retention processes. As you craft your pre-renewal calls, itÕs safe to assume one of your service team members can handle this in addi.tion to their current workload. Pre-renewal calls are a great way to add an additional touch point before the renewal, and to solidify the relationship so that we can extend the client lifetime and increase the lifetime value of their household.

When we started doing this in my agency, we found that we did save some policies from people who had been Òshopping around,Ó and they appreciated us checking in with them. A couple of things that we shoot for as outcomes of this call:

1.

We want to get a Google Review

2.

We want to find out if theyÕre renewing their policy

3.

We want to identify any opportunities to cross-sell and Òset upÓ the cross-sell for a subsequent Òreview callÓ

4.

Get that call booked and confirmed

Now, the information gatherer and Òset upÓ person takes some pressure off of the owner of this process. I tested multiple ways, but the best results came from using the initial call as a Òset upÓ and the follow-up as a cross-sell call.

I set a specific goal of calls made per day, appointments to be set per day, and Google Reviews captured per day. Holding your service team member accountable for these will help you retain more of your book, increasing lifetime value of the households touched. We saw a larger retention rate for the households we were able to connect with versus those whom we were unable to reach.

Policy Reviews The final process I added to my agency as a leg of the core three was policy reviews. I found this policy review process to be effective whether done by a dedicated person whose sole job is to do these reviews or by an existing service team member as an extra duty.

Policy reviews are interesting because they are both one of the core three retention processes and a component of the three swings development processes (discussed in the next section below).

When properly set up from the pre-renewal process, your clients will be ready for the review. We have a one-pager that we use called a Build-a-Wall. This easy-to-follow client review sheet helps gather more detailed information than is usually gathered in their initial quote. We have had great results using this process because it helps to show the client the gap in coverages they could have based on any life changes theyÕve had occur.

When done correctly, the Build-a-Wall will help your client policy review specialist provide some incredible value to the client. WeÕve had a ton of testimonials and Google Reviews written just because of this process. ItÕs been a great method for our agency to bolster our retention numbers.

Defining your processes, especially those associated with the core three, will help you to enforce the activities that you expect from your team and really contribute to improving your agencyÕs retention number.

Development

This arm of your service team is also an undercover sales strategy. Another term for development is ascension, as in Òlifting up.Ó To really understand this, itÕs important to look at your core offer Ñ whatever youÕre leading with is your core offer, your special expertise Ñ and how it relates to your value pyramid. When I was creating and building out my agencyÕs development processes, I wanted to keep it really simple and have an easy-to-understand framework for my entire team to follow.

Creating the value pyramid was instrumental in conveying the overall agency goal for every new relationship. Having the graphical framework made it easy to weave this into the fabric of my agencyÕs processes and culture and further illustrated the vision to my team. They were seeing that we were taking the agency in a whole new direction, and all of the things I was doing were to make it easier on them as we ratcheted up the volume.

Take a look at the value pyramid to see what I went over with my team:

As you can see in the value pyramid, when we add more and more policies, the retention goes up, which of course increases the client lifetime value as well (if you forgot the calculations on this, refer to Chapter 2). Simple as the concept is, my team didnÕt Òbuy into itÓ until I went over this graphic and showed them the annual difference in what they would make moving people up the value pyramid versus only sticking to the core offer.

To create a process around moving people up the value pyramid, I established our three swings development process. LetÕs see what this looks like and then dive into the nuts and bolts of why it works and what you need to do to get it running smoothly in your agency.

The Three Swings

The three swings are another service-side growth process designed to hit the client shortly after the sale with three different touchpoints: First Swing, Second Swing, and Third Swing. I designed them with efficacy in mind, and they are goal-based, time-bound activities that need to occur at the times described. Look at the graphic to see a sample flow of when you can use the three swings. The Third Swing will occur around 45 days prior to renewal, which is similar to the pre-renewal process covered earlier in this chapter. Once the new business renews the first time, the client will drop into the normal pre-renewal flow.

First Swing The first step of the three swings process is the First Swing. When I first started this system, I wanted to make it as simple and Òuser-friendlyÓ as possible. By this point, IÕd gotten rid of one of the team members whoÕd refused to adapt. She didnÕt believe that we were making big changes and assumed that because sheÕd worked for me for over five years, she was somehow exempt. We gave her a month to get on board, and after multiple Òwrite-upsÓ (which I passed out to rolling eyes), we let her go. That event was a major turning point in getting everyone to follow all of the new processes.

The firing of the staffer showed that I meant business right at the time they all realized that things were changing for the better and that there was no other agency around that would provide all of the tools and resources that I was promising (I also told them about different tools weÕd be investing in). The team was actually coming together and showing some purpose!

I decided that in trying to grab just a little more buy-in, I would build the swings out with the team. I figured that if they had some owner.ship in the creation of the swings, they would be far more inclined to execute on the processes.

First Swing, as illustrated in the example above, was to occur within 48 hours of the actual sale. Everyone needed to call, text, and email at around the 24-hour mark, and not remove the person from the list until theyÕd gotten a response. You can use paper, Excel, Google Sheets, Trello, or any other system, as long as you track where the person is in the three-part process.

First Swing is a quick Ònew policy walk-through.Ó The outcome of the call is to establish another touch point and merely set up the follow-up call (Second Swing). YouÕre essentially checking that they have finished all of the housekeeping they needed to do to ensure everything that you quoted stays at the rate you quoted. Depending on the carrier, you will have specific actions that could be required. During the First Swing, we also make mention of any gaps in coverage (low limits vs assets, monoline, etc.), and on this call we do not try to make any changes. This call is purely set up and done as a show of goodwill.

End the call nicely, asking for a Google Review, and immediately text them the link. ThereÕs no need to stay on the phone for them to receive it. In fact, itÕs almost better that they ÒforgetÓ to do it. We want them to feel obligated to us later because theyÕd forgotten to do it. The ultimate outcome of this is to set up a day and time in a week from today to go over a couple of other things that should make us Ògood until about 45 days prior to renewal.Ó

Second Swing For the Second Swing, we call, text, and email to get the client on the phone. (Notice a trend here? Also make sure your team adds any actions to your CRM as a note.) At this point, we want to let them know that everything is in good order OR to have them do the things they were supposed to do. Be super clear that you are acting on their behalf, from a place of caring for them.

Your Second Swing is where you will take action. If they only have one line of coverage, youÕll tell them about the discount theyÕre missing and present the quote for the line that will create a discount. YouÕll also ask about toys such as boats and ATVs as well as rentals, additional properties, and life insurance.

They may give some pushback. At this point, we relieve the pres.sure by advising that itÕs no big deal if they donÕt want to protect these things, or even save money with the discount, as we just have to update the notes in their file (CYA, in the event that they come back later and suggest we never brought it up). We want to demonstrate that we are doing all of this because we care about them and want to protect them. If youÕre anything like me, youÕve seen so many policies written incorrectly or with inadequate coverage. ItÕs our role to save the client from themselves.

Wrap up by asking if they left that Google Review, to which they will likely say no. This is when you stay on the line, text or email them the link, and walk them through leaving you a 5-star review by writing out a few quick sentences. We ask the client if theyÕd rather write the words themselves or if we should send over something that they can use. Either way, we ask them to include the service personÕs name in the review. Using Second Swing, your service agents should identify lots of opportunities to move people up the value pyramid.

Third Swing Third Swing is your final contact with the client before they are moved into the regular pre-renewal queue. Call, email, and text to make a quick connection. We are sure to always thank them for their trust and let them know that we are here to help answer any questions they have or provide support in any way. If there were opportunities during your Second Swing that didnÕt pan out, itÕs time to revisit those. This is why itÕs so important to include quality notes in everyoneÕs file. I found that the only way to ensure that WFF (Work, Family, Fun, in your CRM notes) and other important information is included in the notes is, again, to spot-check peopleÕs notes weekly and to tie some sort of compensation to having notes in good order.

To sum up, your service team is your frontline team who must help minimize the flow of cancellations (retention), find cross-selling opportunities (development), and run quick reviews (development). ThereÕs no way to actually eliminate clients leaving, but preventative maintenance in the form of renewal processes and the three swings and handwritten thank-you cards will go a long way toward raising your retention rate. The result is that more of the hard-earned new business renews more times, and more of that new business is booked as growth instead of just merely replacing the lost clients.

So, whatÕs the key takeaway from this chapter? Proactive and preemptive activity beats reactive activity every time! As you push your team to new levels so that you can make quantum leaps within your agency, stay positive and know that you will have setbacks, you will have pushback, and you may even have to fire someone to make your point. But would it be worth it to change everything?

Part IV

Sales Optimization

Chapter 8

Management

From JasonÕs Journey

How do you know whether or not somebody is going to be a fantastic addition to your team? We learned that we had to identify the traits that made a great sales agent versus the traits that made someone not so great. Prior to putting a lot of effort into adding team members and figuring out who would be most likely to do well in the role, weÕd had very mixed results with staffing. Someone would seem incredible on paper, or even in the interview, but on the sales floor theyÕd crumble. So we went back and tried to identify the exact types of people who did well in the sales agent role.

Benchmark Idol: Observing the New Sales Hire

My second sales hire was someone from another agency, and she was an amazing sales agent. She was sharp, well spoken, very coachable, and did all of the activities required to be successful. She came highly recommended by multiple people. As you can imagine, I was very excited to have her join our team. On her first day in the office she was firing on all cylinders and started getting some really great traction. After a little time, however, I noticed that the sales would fluctuate

Ñ some weeks were great, while other weeks were horrible; some months were awesome, and other months were just terrible.

During this time, we were trying to figure out exactly what needed to be done on a daily basis to get stellar results. I used this hire as my benchmark for success Ñ a model employee. When she had a really great week, I wrote down all the activities that she was doing, such as:

¥

How many dials she made

¥

How much talk-time she had

¥

How many quoted households sheÕd done

In the early days, I really focused on encouraging the team to get more sales. We learned that the sale is tough to create accountability around. The activities done are what gets us to the sale, and you can calculate what the right amount of the right activities actually needs to be, and then manage your sales agents around those metrics.

So, we started gauging people on their activity and held them accountable for follow-up dials, talk-time, transfers taken, transfers quoted, and sales. We learned that really paying close attention to the activity metrics and holding sales agents accountable for the mini.mum activity levels is ultimately what moved my team members from $10KÐ$15K a month in premium to $25KÐ$50K a month in premium.

YouÕll see way more consistency by requiring everyone to report their daily activities at close of business each and every day! If everyone on the team is required to post their daily activity numbers somewhere for everyone else on the team to see, theyÕre much more inclined to get the necessary activity done Ñ no serious sales agent wants their numbers to look bad. We learned how imperative it was to have everybody doing these things, and it was a game changer in getting the best results!

As they developed their pipelines, I realized that my responsibility was to keep them motivated and focused. We found that in the front end of the sales agentsÕ pipelines, there werenÕt a ton of sales. The sweet spot happened about two to four weeks in, depending on how many leads we were pumping through the telefunnelª. I noticed that because they hear ÒNo!Ó over and over again, they can get discour.aged. Our job is to keep their levels up! When tracking these metrics in your agency, itÕs important to separate the results from the activity because of that lag between a new lead entering your machine and that leadÕs journey to becoming a client.

Taking the spotlight off the sales results and putting it on the most controllable activities took the ÒpressureÓ off the team ... and helped them get clear on what was expected of them every single day. Once we had set the expectation of the exact number of calls required to be made, the exact talk-time, the exact number of quotes to write, and how many sales would result from that activity, we started imple.menting scorecards.

Your Sales AgentÕs Scorecard Ñ How We Started Tracking

Once my superstar knew what she needed to do and focus on each day, her sales became way more consistent! She really appreciated this process that we, as an agency, had created. Thanks to these scorecards, she knows exactly what her commission is going to be based on her activity. This means it puts the control back in her hands rather than guessing. ItÕs so much easier to manage daily activities than it is to manage people. This creates a sense of respect for oneÕs work and makes the sales agent accountable for their duties.

Furthermore, anything you can do to make things easier (while at the same time better) is a no-brainer.

At the start of running my agency, when I was incredibly stressed out about trying to push everybody to sell more, I remember reaching out to an agent and explaining how frustrated I was managing our sales agents. This agent gave me some of the best advice, but it wasnÕt really clear to me. He said, ÒManage processes, not people.Ó At that time, we had very few processes in the agency so I couldnÕt quite understand how this was going to help.

He leaned over (very close, in the same way my friend at the lead company had, as if telling me a secret) and told me to track their number of outbound calls (dials per day) and the number of quotes done per day, to start out.

I took his recommendation and ran with it. Our team started writ.ing down just those two numbers, and things became crystal clear! I saw a pattern of results related to the amount of activity. When one of my sales agents whoÕd had a bad day said the reason was that the leads were bad, I just showed them the lack of activity. It was never the leads. I even tested this by renaming the lead campaigns in the dialer system we use and told them weÕd gotten better leads (I actually changed nothing except the vendor name).

I donÕt like to make things up, but it was important for me to figure out whether the leads were really to blame. I noticed an increase in the results from the same minimum required activity, all because IÕd suggested the leads were better. I realized how much of this relied on mindset and made a note of that. My sales agents needed to be in the right headspace daily.

We instituted minimum numbers to hit daily, and once this was officially being tracked and measured, we saw our sales becoming so much more consistent! As we grew, the agency was fairly easy to scale, because I was managing processes and not managing people and emotions. When I met with my team members for one-on-ones, we focused on the activity, not excuses; theyÕd either done it or they hadnÕt. If they hadnÕt done it, IÕd ask why and then get agreement to get it done moving forward, or there would be consequences (i.e., termination). That alone turned things around to our advantage on the management side.

Frontline Caller KPIs

This concept of scorecards can be used across every single division in your company. ItÕs like having a dashboard for your company to know exactly how well each team member is performing. Your score.cards should include the top KPIs that produce the most results per division or team. For example, frontline callers or your TeleTeam have KPIs like:

¥

Dials

¥

Talk-time

¥

Transfers

¥

Failed transfers

¥

Quoted transfers

These are all a great way to know how efficiently theyÕre oper.ating. For instance, thereÕs a certain number of dials that somebody can make throughout the day. Usually, itÕs around 500, and anything above that is just gravy. Talk-time becomes a little less important with the TeleTeam because their role isnÕt to create rapport or quote, itÕs to make contact! Transfers are a great KPI but not the most important. We want to make sure that they are attempting to transfer everybody theyÕre getting a hold of. But really, we want to see how many failed transfers there are, compared to quoted transfers. This shows us whether or not theyÕre just trying to transfer somebody or actually trying to help the agents get that transfer quoted. Once you have everybody posting these numbers, you can quickly see who is putting in the hard work and who is slacking.

Your Sales Agent KPIs Having the sales agents post these numbers is incredibly valuable for the reasons outlined above. They need:

¥

Dials: Sometimes you donÕt get the agents dialing enough, which is okay if theyÕre getting a ton of quotes.

¥

Talk-time: If their sales are high, their talk-time should be high.

¥

Quotes: If their quotes are high, you want to ensure that talk-time is high. Otherwise, they didnÕt connect very well with those people they quoted (with a low talk-time) and are less likely to convert these quotes to sales.

¥

Sales: If their sales are high, you need to ensure that theyÕre still getting in the quotes, or else their pipeline and funnel will run dry quickly.

In the description above for sales, lack of balance between closing the quotes and getting new leads/quotes in their funnel can cause the roller-coaster effect. You may have seen this before where you end up having a huge week or month, only to be followed by an equivalent period that can only be called a dud. Nothing is worse than spending a couple of thousand on leads and not seeing any sales! ItÕll make you sick to your stomach. This is precisely why we need to use the scorecard to track and measure sales agent activity (and hold sales agents accountable). Keeping continuous activity is key to the consis.tency of sales for your agency, and you can never let up!

You can have scorecards even for your service team. Now, we all have different KPIs with our service team, such as some of the general passive activities including:

¥

Answering phone calls

¥

General customer service

But we also need to create consistent outbound activity, which includes:

¥

Onboarding calls

¥

Win-backs

¥

Rate increase or claims calls

¥

Outbound calls

¥

Inbound calls

¥

Missed calls

¥

Talk-time

Once we implemented the scorecards with our sales team, we began to see a lift in their results. Over time, these results became better and better to the point where I realized we needed to imple.ment scorecards with every person in every department. It makes it so much easier for your team to know where they are at currently and where they need to be. It was a matter of figuring out the amount of activity-doing tasks that it took to achieve the result. WeÕd then set the number of those activities and make the daily minimum activity for that person. You saw how to create a step-by-step process in your agency in the last chapter.

Scorecards are something that youÕre going to want to review with your team, daily and weekly. But with your management team, you might want to review these monthly or quarterly; itÕs really up to you how you do it, but again, consistency is king. Once everybody gets well adjusted to using the scorecards, they become much more confident in their role, and they know exactly what they need to do to perform at the highest level and make your agency better, which should improve their career as well! Taking the guesswork out for everyone involved created a much better culture at my agency.

Creating scorecards in your agency will free you from having to manage people. As a result, itÕll release a ton of pressure thatÕs usually associated with hiring and firing. Anytime someone isnÕt making the cut, you merely look at the data and ask them if they are committed to working there or not. Put the onus on them! Putting the choice in their hands either forces them out or forces them to the next level.

Chapter 9

Daily Meetings

From CraigÕs Journey

When we first started producing The Insurance Dudes podcast, we had some stimulating conversations with more and more of the big results-producing agency owners. As discussed before, we saw many patterns emerge with the agents whom we interviewed. These various pieces helped us connect all the dots so that weÕd have all-around amazing agencies. All we had to do was lay it all out and go! We found another commonality across the board: daily meetings with their sales team. WeÕd never really done meetings consistently; it always had been a snooze fest for me, talking about the doing instead of actually doing.

As someone with a lot of energy, who has never been a big fan of meetings, daily meetings seemed like overkill, at first. I knew, though, that the only way to achieve the same results as the big agents who were really crushing it, was to model everything they were doing Ñ not just pick and choose the activities I liked. After all, wasnÕt Òchoosing only the activities I liked or felt were most importantÓ the reason I was limping along? If I wanted big change in the agency, to scale and create quantum growth, I needed to change the inputs, change the energy, change everything!

I read somewhere that as humans we try to stay comfortable. We are hardwired to avoid pain, and meetings were 100% pain for me. It made sense now why weÕd done very few meetings over the years. Mostly weÕd done one-on-one coaching, but very rarely did the whole sales team sit in one room to go over things. I began to feel a little anxious at the thought of being committed to a specific time and having to come up with something every day.

I realized, as I kept overthinking everything, that all the different reasons I was coming up with, excuses for not being able to do daily meetings and why they werenÕt needed, were that I was just creating my own mental roadblocks. I pushed into that pain and started the new process of holding daily sales meetings right at the start of business. WeÕd let the phones go to voice mail and focus on a topic or exercise for 15Ð30 minutes prior to hitting the phones.

You may be thinking to yourself, Meetings every day? I donÕt have anything I can talk about on a daily basis. I get it! This is precisely what I was thinking as well. I realized, however, that I was getting great at making up reasons to not have the meetings instead of coming up with brilliant solutions for how to hold fun meetings daily.

ThereÕs a law of thermodynamics (the second law, to be precise), which states that ÒUnless outside energy is provided, a system will find entropy (disorder), staying the same or increasing as time goes on.Ó This law of physics applies to everything in our universe and is also applicable here: if we donÕt run sales meetings (outside energy) to keep the sales conversation consistent, our sales teamÕs message will accelerate toward disorder over time. This is a fact: if I leave my sales team alone to run quotes without any coaching, call reviews, and script, IÕll then have a team of non-closing, price-focused order-takers who happen to hold a license.

Not only were daily meetings a nonnegotiable for the best agents in the business, but they were proven to be necessary scientifically! Now I had to fundamentally change the cadence of how my agency operated, and so daily meetings were born.

Of course, when I announced it, I felt as if they were thinking, Here he goes again with another big idea that wonÕt stick. And to tell you the truth, that voice in my head is precisely what I used as the energy to focus and ensure that we would develop a routine of consistent daily meetings.

I started the meetings routine by emailing and getting verbal acknowledgement from everyone on the team that the following Monday, we would be holding our first morning meeting for the sales team, and that it was mandatory Ñ failure to show would result in termination. I needed to ensure that everyone was present as we kicked off the new process. Over the course of the next week, I dropped some pre-planned material with the goal of launching our own Telefunnelª and really creating excitement. I had my players; now I had to sprinkle the pre-game magic on them.

The Vision Speech

In that first meeting, I delivered my first Òspeech,Ó aimed at selling the new marketing vision, the new expectations theyÕd be accountable for, and how that would impact them positively. The team had already seen the big changes with the addition of an operations person, and then again with the service processes. I needed to create the buy-in from my team: the stakes were way too high given the amount of money I was going to put into marketing. The vision speech is a very effective way to move your sales agents into action. It gives you the opportunity to make decisions around the future of your agency based on their reaction to your new direction.

Jason and I had talked a lot about these speeches and the importance of doing them as a kickoff to daily meetings. Your teamÕs commitment to your vision must be unwavering.

When you deliver your own Vision Speech, be sure to pay close attention to everyone on your team. Interact with them and feel out their responses. There must not be negativity on the team. If you notice someone hasnÕt bought in from your delivery of the vision speech, itÕs time to have a private conversation with that person and have them decide if theyÕre onboard.

This happened with my original team when I shifted to this new strategy because they had been set in their ways and change didnÕt come easily to them.

Investing in You Ñ Speech #1: The Telefunnelª The next day, I kicked off the meeting with the first ÒI am investing in you,Ó speech, which would be the 40,000-foot view of the Telefunnelª I wanted to build. I showed them the numbers (the real math) weÕd learned from interviewing agents, meeting them, and even coach.ing some. I wanted to manage their expectations on how this would change their day by eliminating the front-end prospecting, but stressed that they would be held accountable to daily activity metrics (dials, quotes, talk-time, and sales) that were non-negotiable. I was crystal clear with them about what it would take.

With the expectations partly out of the way, I became more and more excited, wanting to inspire my team. I crafted a picture of how my commitment to them (of time, leads, and telemarketers) would result in totally amplifying their incomes and changing their lives. I was serious, I was feeling it, and they were aligning with me Ñ it was working!

I actually drew all this up on the whiteboard in my conference room in December of 2019 (and a couple of other times since then, when I needed to remind them of what they may be taking for granted).

I had started the meeting with a question: ÒHow different would your life be if you had an extra $2,000 in your pocket per month?Ó I looked into each oneÕs eyes and connected with each one of them. My intention at that moment had been to inspire them. I knew if I could persuade them into being believers now, it would be much easier than if I had to keep working at it over and over. I was resolute in knowing this would all work and that nothing could stop my mission to be at the top. I wanted this team to be the ones who did it (and got all the credit).

I started with reminding them that there were very few agencies that provided the type of opportunity for their sales agents that we were offering. I told them that I would be investing three significant resources into each of them: 25 to 50 leads per day and around two lead dialing specialists putting dials on those leads per sales agent, and IÕd help them become some of the best insurance salespeople in the world. ÒCan I get an ÔamenÕ?Ó I literally did ask that. I wanted to have them acknowledge their excitement; so far, it was all gifts to them!

Investing in You Ñ Speech #2: Tons of Leads

I started by telling the team how many leads I was going to purchase. In the past, because I hadnÕt understood the sheer number of leads needed and the number of dials needed for each of those leads, weÕd been buying 5, 10, or 20 leads at the most (never consistently), and weÕd make maybe a few dials. What I hadnÕt realized back then was that I was setting myself up for failure: plugging this kind of activity into the real numbers, the likelihood of making contact with a lead, let alone closing one of them was highly unlikely. ItÕs a numbers game, and without the fuel (leads) and the engine (dials), the parts donÕt come together for any meaningful results.

As I zoomed back into the telefunnelª to show the team what everyoneÕs role would be, they understood what they needed to do, and all agreed to do the activity that was required. I assured them that with the lead volume I was committing to, coupled with the dials from the frontline callers, theyÕd be up to $40K in premium each (and $5,200 in income) within the next couple of months.

I remembered how so many of the agents weÕd spoken with had told us about the mental game. They had told us how most agents

Ñ even if they ended up buying the right number of leads and had the right number of frontline callers doing the right number of dials Ñ usually didnÕt mentally prepare for the ramp-up (and learning) period, where a lot of money is going out and not much of anything is coming in. I shared this with my team. It was important that we were all on the same page. The ÒsupportÓ we could provide each other by preparing for the slow results at first would serve us well. Anytime someone was discouraged because they were Òdoing all the workÓ but not yet getting results, we all made sure to reinforce positivity, to rein them back in and help them get grounded.

I told them how we were in a culture of instant gratification, selling a product using a mechanism that would never yield instant results. I showed them in that meeting how over 90% of the leads would take a minimum of eight dials to close, and the majority would require well above twenty dials to close. I reminded them how they wouldnÕt be making any dials unless it was to people weÕd already quoted. This was reassuring to them.

I know that talking mindset or emotion can get a little fluffy, and some of us hardened sales vets may intuitively feel (no pun intended) turned off with this, but I can assure you, our most important role for our team is to manage our own emotions and to be hyper-perceptive to their emotions as well. Any deviance from an all-in, can-do atti.tude needs to be corrected immediately. I learned the hard way, too many times, the cost of not keeping my own or my teamÕs emotions in check. With what was at stake financially, we had to be cool like Fonzie; no exceptions.

Investing in You Ñ Speech #3: TeleTeam/ Frontline Callers/Dials

I have always been a do-it-yourself person. When I was a kid, I would take apart the radio and put it back together. I loved to know how things worked. While this has been a great skill over time, it can be the AchillesÕ heel of a great leader. You see, a leader who gets too buried in the how of everything can get lost and veer off course from the what. An effective leader has the ability to read the landscape and make the big strategic decisions that will set the pace and direction of your agency.

Shifting from the doer to the visionary was a big change, but it was the only way I could see that would unlock wealth and freedom for me. I could craft the plays, like Jason and I had done with the elements of the telefunnelª or the script, but I couldnÕt run the plays. These speeches were shifting my role from the doer to the mover of the energy.

After having had in-house telemarketers in the past, I knew I was not going to be able to dedicate the amount of time it took to constantly hire and train them. HereÕs what I knew was needed for the telefunnelª to function properly:

1.

Leads needed lots of dials Ñ more than my sales agents would ever do

2.

Each sales agent needed to quote 8Ð10 new households per day

3.

Not only would my sales agents not make the needed dials, but they also couldnÕt make them Ñ because 500 dials take all day; they couldnÕt make dials and quote the needed households

4.

I needed to have frontline callers to make the dials

5.

Outsourcing remote, pre-trained callers to Òsift throughÓ the leads to find the 15% that answer the phone was needed

6.

If the labor cost of the frontline callers was less than minimum wage, weÕd be in great shape

7.

Giving my sales agents an obnoxious amount of leads and call.ers would extend the lifetime of a sales agent with my agency

8.

Reducing turnover would save me tens of thousands of hard and soft costs per sales agent kept, per year

I found a source that would provide me with the trained telemar.keters I needed to make the needed dials. I figured if I could get my leads in at around $5 per lead, and the TeleTeam to make a minimum of 500 dials per caller, then, with the right number of leads, weÕd clean up! With somewhere between 25 and 50 leads per sales agent, and two telemarketers calling per sales agent, the math would get us around $40K in premium if the sales agents could close above 12%. My team was a little overwhelmed, but they were believers.

Sharing all of this with my team was creating a ton of goodwill Ñ it was binding us together as a team, like a symphony, where I was the conductor and they were the musicians. As long as I could break old habits and get great at being the conductor, weÕd be golden. It was awesome that everyone knew they had a journey ahead, and that they were ready.

Investing in You Ñ Speech #4: Commitment to Coaching

The last bit of investing in them was my commitment to coach them. I had been coaching agents who were closer to the start of their jour.ney. The coaching had not only helped those whom I had coached get results, but it had really improved my vision, as I saw elements of the sales process work better and better.

Every day, weÕd work on a different part of the script. WeÕd listen to calls, where weÕd stop the call at various parts of the script and discuss how what was said either helped or hurt the call. Actually hearing themselves, and then experiencing the feedback, made for vast leaps of improvement. To think that at one point theyÕd hated call reviews; now the team looked forward to them because theyÕd always have great days after breaking down one of their calls.

WeÕd role-play various parts of the script. IÕd always found that sales agents were too technical with their coverage explanations. People donÕt care about ÒlearningÓ about insurance. They care that if and when something happens, they arenÕt screwed, and it isnÕt a pain in the rear. There are no other words to convey the feeling that they need to experience about the risk theyÕre taking with their current insurance and the solution that you and your team will provide as the Doctors of Insurance. Our role-plays focused on practicing how to elicit that emotion on their calls. I look at role-play kind of like the gym: if you only go to the gym once a week or once a month, not a lot is going to happen. If you go daily for many months in a row, you see great results. You will get your team to the next level by doing role-plays daily. We talk about this a lot on our TeleDudes Elite calls. (To find out more about TeleDudes Elite, scan the QR code in the back of the book.)

Meetings Every Single Morning

After a couple weeks of running meetings every morning, we were gathering steam. We had a couple of early wins that I am certain would not have been sales had we not been practicing the script every day. As the telefunnelª continued to fill up with leads, and those leads continued to collect more dials, weÕd get more and more quotes every day.

We started seeing days where weÕd quote as many as 100 items in a day. When this kind of volume is done day in and day out, anyone will get results. At first, I noticed that the CPS was way too high: sometimes over $1,000! But what would happen over time is that as we analyzed the results over 30 days, 60 days, and 90 days, the CPS would trend all the way down to close to $100 for some lead sources! I thought to myself, How many times agents must have thought theyÕd failed with their leads because they didnÕt Òrun their playsÓ for long enough. A $1,000 CPS would never work, but the knowledge that the CPS would trend down, and could take 90 days to consistently hit those numbers that made sense is what kept me focused and resolute.

The team started to Òget itÓ and really became excited for objec.tions because they knew how to handle them. The energy in the office was electric as we started to see $10K+ days regularly, and sometimes as high as $25K in a day! Back when IÕd started, weÕd fig ht tooth and nail to get $25K for the month. I couldnÕt believe how it had come together.

The Payoff

Jason and I worked over the course of the next few years, honing the script that my team was using. The real magic happened over time as we updated and optimized script components based on how calls went.

We got very scientific about it, testing different lines and call flows to lock down what worked best and what didnÕt. I am grateful for the team I started this journey with, as they were extremely coachable. Their openness to improvement was what accelerated us into flow state, where the momentum led us to breaking $300K in December of 2020 Ñ one year after weÕd done less than $90K in new business. The amazing thing is that I never thought it was possible to even hit $100K in a month, let alone $300K! And as I have shared prior, even crazier was that my agencyÕs biggest month came while I was out of the office, in Cabo San Lucas, Mexico, for 14 of the 22 business days.

I reflect on the stress and excitement leading up to that December, and all of the huge months we had in 2020. The buildup to a self-sustaining and ever-producing telefunnelª had been a ton of work, but it had unlocked millions in future revenue that allowed me to start other businesses, helping other agents succeed. I canÕt express enough how blessed I am to have met so many amazing agents and to be able to show them these same strategies and tactics that I wish IÕd been shown so much earlier in my career as an agency owner.

The Final Stretch É

Think about this: If I were to sit down with you one year after youÕve finished reading this book and ask you what your results would need to be for you to look back on the past year as a success Ñ assuming youÕve followed all the advice in this book Ñ how would you respond?

Chapter 10

Team Building

From CraigÕs Journey

Who Is Your Number One Client?

Before we put a bow on this book project, letÕs get real about whoÕs the most important client you serve.

Remove Yourself from the Equation

With all this in mind, the answer to ÒWhoÕs your number one client?Ó is your team. My team and the plays that they run (processes and frameworks) were the only way I could grow my agency while simul.taneously unlocking freedom.

ItÕs a tricky position to be in as a business owner and a people pleaser: I found it very difficult to say no. For example, Ms. Smith demanded to speak to me because ÒItÕs important.Ó Prior to getting the processes in place that weÕve covered this entire book, I would have jumped on the phone, for fear of angering the client.

That Òimportant callÓ would inevitably result in our needing to add a car to her policy or advise her about a certain coverage, both of which could readily be handled by one of the team. As my coach asked me one time, ÒWhy have a team and a payroll if youÕre going to do the work?Ó

I remember responding with a litany of excuses. ThatÕs when it hit me square between the eyes: if I wanted to have real business ownership freedom and wealth, I had to think bigger and stop coming up with excuses to be mediocre.

If I spend 30 minutes with a client whoÕs generating $200 per year in revenue, after the CPS and all of our fixed costs are figured in, there isnÕt much left to pay my hourly. I had to fire myself from anything that involved the day-to-day operations! I set a date and made the announcement that I would be hiring my replacement (outlined in Chapter 7).

Things really started to work well once my operations manager was humming. I struggled with truly Òletting goÓ of the reins, and this continued, because even though we were doing well at this point, it was still a couple of years before the telefunnelª and we werenÕt yet close to where my sights were set.

I reflected back on a lot of the conversations Jason and I had had with the big agents who were doing tons of business. It dawned on me that they most certainly were not taking payments, filing claims, or doing any other sort of office work. I realized I could service every call in the office and maybe even make some folks Òslightly happierÓ than if they spoke with my team. But it also dawned on me that I could do this for 16 hours a day, still have clients left over who needed help, and still not make a significant impact on retention.

After some soul-searching, I concluded that my time was worth more than what I could pay someone to take a payment. At the time, I was making around $150K a year, so for a 2,080-hour work year, my value was around $75 an hour. In essence, for me to pay $75 an hour (my rate at the time) to take payments, hear complaining, plus having to actually do the work was crazy, and a pure waste of time! If my only focus was on growing the business through lead optimiza.tion, accountability, training, coaching, and other high-level activities, I could grow and basically increase my hourly rate.

The central and most important concept here was removing myself from client interaction. There was no way I could be the Òagent they could callÓ and at the same time scale at a rate of $3 million annualized premium per year.

Create Leverage: Hire Your Operations Guru

Finding the right person to assume my role was absolutely vital, because when I had the right person who could run operations, my time would be protected, and I could exponentially grow my own income. This person needed to be analytical, smart, driven, trust.worthy, and capable of running the agency. I would be an operator no more! I was very excited to have my right-hand person as IÕd have peace of mind knowing all would run smoothly in my agency and I could expend my energy on growing financially.

I once heard a business coach say something that really stuck with me: ÒIf I start a business and it still requires my attention on a day-to-day basis, 36 months later, itÕs not a business, itÕs a job.Ó When I first set off to become an agency owner, I remember how my carrier described the amazing life of being a business owner, but after a few years, I felt like I was stuck in a very demanding job that I had no way to quit! Hiring my operations person was my protection against reverting back to making this a job.

You may be thinking, ÒThatÕs easy to say when you have money falling out of your pockets.Ó ItÕs what I used to say when I saw agents putting up 200, 300, 400, or more policies per month. I had to make a decision at the start of installing my telefunnelª as to whether I wanted some income now or lots of income later. I chose the latter and injected about $100K of reserve capital into the agency for staff, leads, and a dialing specialists. Some of the funds were borrowed, and a portion of it was emergency cash. For me, it seemed like sitting on the cash for an ÒemergencyÓ and not taking action now was just a powder keg waiting to explode. After I unlocked a ton of time by firing myself from operations, I was free to orchestrate a telefunnelª success story, but I needed a sales team, stat!

As you can see, money was not falling out of my pockets; I was making a calculated bet, based on seeing the results from many other agents all around the country and deciding to go all in.

Filling Up the Hiring Funnel, Fast

As I was gearing up to open the third location, I needed to get that hiring funnel full Ñ and make it happen fast. It had been my experience that finding just one new sales agent was challenging, but six to ten new ones seemed cumbersome and near impossible!

Over the last couple of years, IÕd been really good at running interviews every week, regardless of whether I needed a new sales agent or not. Finding sales agents was tough, and finding a good one at the very moment I needed one seemed like an impossibility. There had been a cycle at my agency for years: we hired when we needed to and held on to people way longer than we should have.

It was the opposite of hire slow and fire fast Ñ this of course, was a recipe for disaster. When we hired from a place of desperate need, we always ÒsettledÓ for someone Ñ we chose from a limited number of candidates. The trade-off was based on the ÒeaseÓ of hiring some.one with a license who wasnÕt necessarily good, but whose role we needed to fill fast, as opposed to having patience and taking our time to hire someone who had an infectious energy, drive, and passion

Ñ not to mention stellar sales skills. Becoming aware of this can be attributed to some great instruction from various mentors, books, and my coach. Acting on this awareness, taking charge and re-defining my hiring funnel and what actions needed to be done for success, helped change my attitude from ÒThereÕs no one good out thereÓ to ÒItÕs amazing who youÕll find if youÕre always recruiting and interviewing!Ó

My experience has been that anyone can learn the product and the sales process, but very few people have the tenacity to follow up on their pipeline every day, get four to six hours of talk-time, and quote 10 new households. Since we were running the telefunnelª for new sales, buying a ton of leads, and having our dialing specialists make the dials, the opportunity to work at my agency was the best in the market, and likely best in the whole state. What sales agent wouldnÕt want to have hundreds of new leads come in daily?

Still, even with the best gig, finding six to eight new hires would require seeing hundreds of candidates. Not only that, we also needed them fast. We started to reach out to all of our ÒmaybesÓ weÕd inter.viewed from the last couple of years, scouring the job sites for resumes that fit the roles we needed filled, and even outsourcing to fill the front end of our hiring funnel (yes, our hiring process is also a funnel!).

In November of 2019, I was basically a hiring manager for the agency. Since the telefunnelª was ready to go, hiring was our high.est-value activity. All I needed to do now was increase capacity, meaning have more sales agents who could quote 10 households per day, and I could ramp up the telefunnelª with more frontline callers and more leads. In the beginning, I ran a one-to-one ratio of frontline callers to sales agents. Basically, once IÕd figured out the math that worked to get my sales agent the quotes we needed, I could plug and play lead quantity and dials. At the time, we ran about 30 leads per day, per sales agent.

Metrics for Hiring Are Vital

I also learned some critical metrics over the last few years as well. There were KPIs for the hiring funnel, just like with the telefunnelª. With the telefunnelª, you win because youÕre tracking, measuring, and diagnosing issues from lead type, lead quantity, dials, contacts, transfers, quotes, and sales Ñ in real time. The KPIs for your hiring funnel are similar to your telefunnelª, which are:

¥

Resumes (leads)\*

¥

Emails (dials)

¥

Responses/Scheduled interviews (transfers)

¥

Interviews kept (quotes)

¥

Offer letters sent (sales)

I had had enough analytics by then to know exactly how much gas to pour into the vehicle to get it to perform.

Finding the Right Candidate

Another important lesson in efficiency was to assess each candidate using the Sales Strengths Identifier with DISC to ensure that we were only interviewing people who fit the role. From the analytics we saw based on testing the results of thousands of candidates against their Sales Strengths results since 2016, we honed in on what qualities comprised a strong sales agent. The instrument:

1.

Assesses various personality attributes and ranks the candi.dateÕs likelihood of success

2.

Identifies top motivators, such as economic, aesthetic, polit.ical, and more

3.

Returns DISC results: Dominance, Influence, Steadiness, and Conscientiousness

\* Please note: the item in parentheses is the telefunnelª equivalent.

As we built up the sales team, we also zeroed in on more effective questioning techniques for the interviews. Here are some examples:

¥

Tell me how you stay motivated doing 10 quotes per day, every day

¥

Describe a time when you bent the rules

¥

Walk me through your insurance sales presentation

As we built this solid recruitment process, I became more comfort.able with letting go of the hiring component of the agency and having my operations manager fill that role. Because we were tracking and measuring the hiring funnel, just like our telefunnelª, I could see the KPIs all being met and leading to the results of new hires! We were hiring the right candidates, all driven to sell. From where I was stand.ing, there was no doubt that the hiring process at my agency was a well-oiled machine.

From this hustle to fill seats, we ended up doing $1.9 million in new business premium in 2020 and another $2.1 million in 2021. I invested a lot of money into leads, the dialing specialists, sales agents, and hiring. At the end of the day, the lifetime value of those renewals calculated with an 80% retention is $2.32 million in revenue! This LTV didnÕt include the annual bonuses for 2020 and 2021 that resulted in excess of $500,000.

My investment for those two years on leads and the dialing special.ists was a little over a million, so my gross income over the lifetime of the clients written will be a little over a million dollars plus over $500K in bonuses already paid. It all started by first getting very uncomfortable and committing to something weÕd seen work time and time again.

As an agency owner with razor-thin margins, IÕd always found it safer to protect my bank account with a scarcity mentality about my cash position. IÕd been around too many agents who would cut back at the very moment they should be spending more. For too long, I believed that the best approach was to Òget byÓ and Òwait for the opportunity.Ó Finding the right people to fill the right roles is imper.ative to your businessÕs success. Opening your awareness to what you need to do to get to where you want to be is your next step. We know you can do it!

Surround Yourself with Support from Peers

This all changed after we started the podcast because of the caliber of agents we were speaking to. ItÕs part of the reason we created the weekly call for our members: Jason and I both learned that support from peers was key to getting results because it kept the scarcity mindset out of the equation. We had to surround ourselves and our members with positivity Ñ itÕs what creates abundance. When youÕve made the commitment to avoid negative folks who point fingers and complain and instead focus on being a solution seeker and someone who doesnÕt give up, having a support network removes the feeling of isolation.

As we learned from COVID, humans are social creatures and when we remove the interaction, we definitely do not operate at our best. We need others with the same goals and desires around us. We create our mastermind from a collective of agents who individually are ready to win and together have the energy and combined vision to make it all happen.

A lot of agents who hear this story think to themselves, ÒYeah, but you have an operations person, and you have access to more resources.Ó I agree; at this point I do. But at the time I went for it, I did not. I have seen how easy it is to attack the wins because often people donÕt share the bloodied knees and broken bones it takes to get to the summit. Now, thatÕs the type of mentality to have to reach your peak of success! You just need to pave the path forward with the right tools, and itÕll create a smoother ride.

Afterword: Pour Gas

We want to congratulate you for investing your time in improving your agency by reading this book. We know that your time is your most precious asset, and youÕve chosen to spend it with us!

A lot of agency owners donÕt take the time to invest in their agen.cies, but you did, and it will have a ripple effect on everybody who works for you, not to mention the benefits to your employeesÕ families and your family as well.

Your AgencyÕs Journey Forward:

Key Learnings

If youÕve just finished reading this from cover to cover, weÕd like to express our deepest gratitude for picking up our book. Our intention is to see you succeed and hear your stories. With the holistic understand.ing of how to set up your agency operating system, we anticipate that taking our stories of wins and losses and applying them to avoid some of the mistakes we made along the way will create speed, wealth, and freedom. Robert Frost said, ÒFreedom lies in being bold.Ó Close your eyes right after you read the next three steps, in which you will:

1.

Close your eyes, sit comfortably, and take five deep breaths with this cadence: 8 seconds in through the nose, hold for 4 seconds, exhale for 6 seconds.

2.

Your mind should be cleared Ñ now, for the next 30 seconds to 5 minutes, continue breathing and visualize your perfect agency with all of the new tools youÕve gathered here.

3.

Notice how many people you have; what are their roles? How is your agency running? Watch one of your meetings through your mindÕs eye. VIEW the results you want.

Repeat this daily and let us know if itÕs had any impact after 30 days or so Ñ you may be surprised at how powerful it is.

Your first step to your first $100K, $200K, or higher was to read this book. Check! Now you must execute! We walked you through the journey, starting with creating your core offer, which is the one thing that your agency will be best at. Take some time to write this down!

I insist on a lot of time being spent, almost every day, to just sit and think. That is very uncommon in Ameri.can business. I read and think. So, I do more reading and thinking, and make less impulse decisions than most people in business. I do it because I like this kind of life. Ñ Warren Buffett

Next is lead acquisition. Keep a steady flow of leads coming in for your telefunnelª, and your team will thrive. Turning off leads today will have little impact today but will cause your sales to fizzle in 3Ð12 weeks.

A great friend and podcast guest, Tolga Demiral, said, ÒYouÕve got to make it rain in your agency.Ó He nailed it, because weÕve seen no cheap magic bullet thatÕll lead to consistent and predictable sales in your agency. A pool of leads and team of frontline callers were the path that we found led to the most predictable results, grossing millions in take-home dollars.

Now, weÕd better agree: spending time and money on buying a bunch of leads without the right tools to convert them to quotes is essentially a waste of money. But the right tools can turn those leads into a gold mine for you and your agency. It will also give you great insight on what leads are working well and whoÕs selling you the garbage. Essentially, what happens next with lead activation will help lower your lead cost dramatically over time. The more activity we put on a set of leads, the greater likelihood we will get sales over time. More sales from one lead set translates into lower CPS, regardless of lead cost. As an example:

You can see that even though the bucket on the right has fewer leads and CPL is actually higher, more time (and therefore more dials) has elapsed. As a result, the CPS is almost half that of the lead bucket on the left. YouÕll see examples like this over time. In this case, youÕd be best served turning up the volume on the right bucket and holding steady with the bucket on the left (too soon to unplug from the left bucket with only four weeks into the campaign).

Now itÕs time to convert those leads into todayÕs and tomorrowÕs cash flow Ñ your client lifetime value in the form of sales conversion. It starts with the callers duking it out on the frontlines of the battlefield. TheyÕre the ones who take the arrows for you, instead of your costly sales agents. Your team of dialing specialists are the people who sift through all your leads to get to the ones that are good enough for your sales agents. Once those hand raisers Ñ the ones who pick up the phone Ñ are identified, itÕs time to take that small group of people and transfer them to our sales agents. Now our sales agents have really amazing leads and activity to help them stay busy consistently. The agents will have their work cut out for them: every day theyÕll have transfers, a failed transfer list to action, and callbacks. Overall, they should never have to hunt for leads.

Now your sales agents can spend time on what they do best and convert those leads to sales. Once those leads turn into sales, itÕs time to onboard the clients and bring them into your agency. This activity includes cross-sells, upselling, and getting your overall customer life.time value as high as you can.

Once that whole process is put into place, your agency will be on track, moving at full speed. This is the point where a lot of agents tend to feel weak in the knees: the correct setup is key, but itÕs also time to optimize. I used to go real sideways when I would invest in marketing and not see immediate results. Sometimes the cost per sale at the beginning of putting this together is incredibly high. But it wonÕt stay that way Ñ not if you optimize your telephone system correctly. It takes time to optimize, and sometimes a little bit more time than others, but you will get there Ñ just like the hundreds of agents we have worked with who have reached full optimization.

By now, you know how important the script is and why you shouldnÕt go without it, my friends! To summarize:

¥

The script is your sales agentÕs best weapon to convert those leads to sales

¥

The script can take the pressure off agents: theyÕll have set responses that effectively work and create consistency in converting leads at a certain rate, no matter what

Your agencyÕs daily scorecards (KPIs) throughout your team will also aid in helping them feel confident about what theyÕre doing. The scorecards give them a self-report on whether or not theyÕre doing a good job, providing a clear path of what itÕs like to be successful in your agency. They will also give you the tools to be able to operate your agency from a managing process standpoint as opposed to a managing people standpoint.

Daily meetings are another tool to really optimize your agency. These meetings have been so critical in drastically helping Craig and me take our agencies to the next level. ItÕs been the one element which, if skipped or not done consistently, immediately affects the results of our whole operation. It is also one of the first things that you can implement in your agency to make a huge difference in productivity and continue to ensure growth, while motivating agents. It is one of the variables that separates my agency, CraigÕs agency, and all the other winning agencies from the struggling agencies.

Having the right hiring process that is continual is something that all high-performing agencies need. Believe in your team but prepare for winter by having a consistent flow of candidates.

If you owned the Super Bowl-winning football team, would you stop recruiting because you already had the best? Would you get rid of your scouts and other resources that attract new, faster, better talent? Of course not! Why should we run our agencies any differently? Scout for attitude and personality; train for skills and product knowledge.

We stopped fishing in the licensed-only candidates pond. It was too crowded with lines and filled with the leftovers who hadnÕt made it with other agents. Opening up our search to anyone who was a hustler and willing to do the required activity attracted some of the best sales agents weÕve ever had!

When you make it a mission to serve your team, and for your team to serve your clients at the highest level, your good fortune will follow. We started the podcast with no monetization in mind. Our biggest outcome was to gather the intel to get results and share it with you, our reader, our listener, our follower. If we can impact you and your agency, we know itÕll help make this ever-changing insurance world a better place, and hopefully youÕll pass that on by sharing what you learn with others.

We Walked Through Fire So You DonÕt Have To

Spoiler alert: itÕs not easy and thereÕs a lot to be done. ItÕll get uncom.fortable, it will be more than youÕre used to spending, and youÕll feel like giving up over and over. ItÕs okay to have those emotions. WhatÕs not okay is to give up! Most will. In fact, most folks who read this, even though they have this blueprint in their hands, know the numbers donÕt lie, and have seen Craig, Jason, and many of their clients having record months and seeing explosive growth ... still wonÕt take action.

For you, the action-taker, we hope you start putting this all together today. Craig throws this out there all the time: ÒWhenÕs the best time to plant a tree?Ó Answer: ÒToday, or 10 years ago.Ó The point is: get started now! You have help! ItÕs why we wrote this book. ItÕs our ÒWe donÕt want you to have to put up with all the trials that weÕve gone throughÓ mission Ñ the ups and the downs, trying every silver bullet, late nights and early mornings, and having that dreadful feeling when showing up to work. If we can be the catalysts to your freedom and wealth, we hope youÕll turn around some day and do the same for others.

WeÕve carried the burden of whether or not our agency was going to help us earn enough to support our families. Both Craig and I have been through months where we didnÕt take any pay. WeÕve both had to dig into reserves to gain traction. We were blessed to get the access to heavy hitters because of the podcastÕs eventual success and large listenership base. Those interviews and stories have crafted our own stories, and hopefully, as you push off on this journey, your own story will be written.

We know how hard it is, and weÕve both succumbed to the pres.sures that weÕve heard happen too frequently, including drinking and other self-destructive behavior, because we didnÕt know what to do. But you can steer clear of that. Let this book serve as your Agency Operating System Ñ a clear passageway to walk through to bring your agency up to a level of elite status. If we were able to rewire our minds and agencies to make all this happen, then weÕre certain, with the help of the frameworks contained herein, you can do it too!

There are two ways agents operate: either from fear or faith. On one hand, there is fear. Fear of losing policies in your agency, fear of losing agents. Fear of not having growth, fear of not hitting your bonus, fear of not taking home that paycheck. When you operate from the fear standpoint, youÕre taking a defensive position and itÕs scary; it feels horrible. When you stand in fear, thereÕs not much growth.

On the other hand, you can operate from the faith standpoint in your agency. This is where all the elite agents operate from. They have processes in place. They operate from knowing that they can convert leads into clients. They know what it takes and the path that they need to go down to be successful. And every day, they take those steps to make sure that theyÕre following the process that leads them to success.

ItÕs not easy, and we have to take it day by day. But if we follow the process every single day, elite agents are smart enough to know that they canÕt lose. They pour gas on the fire thatÕs burning in their agency by having golden processes and top-notch operating systems. They donÕt take away leads; they add more leads. They add more people. They add more callers to their telephone call. They seal the deal and make more sales. Elite agents help grow the lifetime value of your customers, which leads to the kind of results every agent across the globe longs for!

Co me Join Us! If you want a partner on that journey Ñ someone to help walk with you Ñ and you are the type of person who has a desire to grow and wants to be the Òelite,Ó join us in our amazing community Ñ including our Facebook group Ñ subscribe to our podcast, and check out our YouTube page. From there, youÕll see all sorts of tools and programs that can help you build your telefunnelª. DonÕt worry Ñ we, along with the whole group of agents we serve, are here for you!

Your Best Next Step

Ever bought leads and ended up feeling like you just threw money in the garbage? After reading this book, you have a clearer under.standing of what needs to happen for your leads to work. The next step is to get laser-focused on the lead acquisition component of your telefunnelª. Scan the code below to access your guide to getting your leads dialed-in!

Again, we want to thank you for your time, and we are incredibly excited to hear about your journey as an agency owner and creator of your own unique legacy!

About the Authors

Craig Pretzinger has been in sales and marketing since he started working post-college. Before purchasing his insurance agency in 2008, he was a financial advisor at Merrill Lynch, where he worked with a team managing close to $100 million in assets. After nearly a decade of trial and error with every program, solution, and strategy he could find, he connected with Jason Feltman.

Jason was a recent graduate working in the restaurant industry. Despite having no experience in insurance, Jason decided to purchase an insurance agency in 2016 with the goal of replicating the affluent lifestyle of his wifeÕs family. However, during his first year, Jason quickly realized that he was in over his head and was working long hours, with no hope in sight.

Determined to turn his situation around, Jason reached out to a friend who had a successful sales process and used it to qualify for his annual agency bonus payout at the end of his first year. Although Jason found that using live transfers was not very profitable, he was convinced to switch to internet leads by the same company that had sold him the live transfers. He initially struggled with internet leads, but Jason was determined to make it work and continued to persevere when he met Craig Pretzinger.

Together, they became experts in what seemed to be the most hated, yet most easily predictable, quoting source: internet leads. Dogged determination and an inquisitive nature led them, first, to create the successful process in their own agencies that enabled them to write over $6 million in new business P&C premium during a global pandemic, and second, to help other agents replicate this process in their own agencies! To their surprise, they found the key to unlock the shackles of their agencies, create freedom for themselves, and help other agents who chose to follow their lead.

Older and a little wiser now, Craig and Jason are motivated to share what inspired them to take action and the results that followed. Their mission is to help other agents just like them who may be strug.gling to find consistent results and unlock their potential, freedom, and long-term wealth by delivering this blueprint for predictable, scalable results.