**Agent performance analysis of an Insurance company**

**INSOFE**

**Abstract**

The undergraduate program of study requires that each student conducts an engineering project in their area of engineering and submits a report on it in consultation with the faculty member(s) supervising the same. The Bachelor’s Project is included in the curriculum with a view to synthesise the education gathered during the various courses credited by the student during the undergraduate program at IIT Kanpur. Creating a report of the project is part of the training of skill building of the student on of technical communication. Here the emphasis is on presenting a technical matter in an objective written form. This document is a record of the requirements for preparation of the Report of the Bachelor of Technology Project submitted at the end of the undergraduate program of study. It prescribes typical contents that a Bachelor of Technology Project Report usually should contain, and provides the format of its presentation. Some guidelines are mandatory to follow during the preparation of the report, while the others help in improving the presentation of the work accomplished in the project. All students pursuing Bachelor of Technology Projects are urged to read the contents and form of this document carefully, and prepare their Bachelor of Technology Project Report as prescribed. It is hoped that this document will lead to a modest beginning in the Institute towards imparting education in professional written presentations.

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# Introduction

Technical report writing is an important skill, and will stand you in good stead in your future career. It's much more precise than many other forms of writing. A project report is not quite the same as a technical report[[1]](#footnote-1), however it should show the same level of care and attention to detail.

This document was written to provide a few pointers about what I look for in a project report, and some tips for writing these documents using Microsoft Word. It is written in the form it recommends, and contains examples of both good and bad styles. It is intended for undergraduate project students, and post-graduate students in their first year. It assumes a reasonable familiarity with Microsoft Word (although not at the level of an expert user), and a reasonable grasp of English grammar.

This introduction chapter introduces this document, and contains some advice about writing reports for me to review.

(You've now read the first couple of paragraphs of the introduction, and you should have a good idea of what's in the rest of the document, whether you have the necessary background to be able to understand it and might find it useful, and what's in the rest of this introduction chapter. All reports should start like that.)

## Background to the Report

## How is the best way to measure the business’ success Often business owners have a good grasp of the financial indicators and sales of their business. Knowing sales is important – owners might know off the top of their head the sales figures for the month. They know the revenues, expenses and profit for the previous year.This is a good start. However, most agency owners look at past results to manage their business. This is reactive and not proactive management. The typical agency owner doesn’t take the time to collect and analyze the important numbers that will make a difference in the success and growth of their business.One cannot change the past, but one can influence the future. Instead of having a rough idea of what has happened in the past, the focus must be on current and predictive indicators. Managing the activities that lead to success will create success

## 1.1.1Writing Reports for Me

This is important, I want everyone to read this, so I’ll put it here. Strictly speaking you could argue that this section should be placed in the body of the report since it is not an introduction to anything that is discussed in more detail later, but since it’s short I can get away with it.

I am happy to read draft copies of a report before submission. However, I am not happy to read slightly different versions of the same chapter over and over again, and I won’t have time to read anything if I am presented with a large document only a few days before the deadline.

I have come up with a few rules for how this can best work for both of us:

1) Run all chapters through a spelling and grammar checker before they get to me, and take note of the advice provided. This is particularly important if English is not your first language. If the grammar and spelling are so poor that I have difficulty in understanding what you are trying to say, then be prepared to have the document returned. I’m afraid I don’t have the time, experience or qualifications to teach English as a foreign language. (There are a lot of on-line grammar tutorials on the Internet, which you may benefit from, and other help is available in the University – contact the University’s Centre for English Language Teaching <http://www.york.ac.uk/celt/> for more advice.)

2) Send me individual chapters one at a time, as soon as they are complete (or as soon as you want some comments on them). This minimises the amount of reading I have to do at the end of the projects, and I hope will encourage you to write as you go along, always a good idea.

Sadly, despite my best advice, every year some students leave their writing up to the last few weeks, then present me with a large document to review at the last minute. They are then disappointed when I don’t have time to do this.

Recently, I’ve been given more project students to supervise, so I have had to be strict with the following rule: I will look at one chapter (or about 15 pages, whichever is shorter) every two weeks for each project student I have. If you give me a document with more than one chapter to review, and don’t tell me which chapter to look at, I will only review the first chapter. At busy times, I will operate a queue system.

I’m sorry about this, but I really don’t have time to do anything more; and this rule will enable me to be fairer with the amount of help I can offer to different students.

3) If you are sending me a chapter for the second time, then please clearly mark where the changes have been made, so I don’t have to read through the whole thing again. (Try turning on ‘Track Changes’ in Word, or do a comparison of the current version with the last version I looked at then mark the new sections, perhaps using colour.)

4) If English is not your native language, it is almost certain that there will remain a lot of grammatical and usage points which the computer’s grammar checker will not pick up. Experience has suggested that the best thing is to leave these until the end, and then for a native English speaker to go through the document once, to correct the grammar. It is better if this person has not been involved with the project, so they don’t get too bored.

## Structure of this Document

The remainder of this document is arranged as follows: chapter two introduces some of the basic concepts of writing a project report, of common mistakes, and techniques to ensure that your report looks good. Chapter three is specific for users of Microsoft Word (the word-processing package being used to write this report), and is concerned with more detailed information about how best to write project reports using this program. Chapter four provides a brief introduction to some issues if you choose to use LaTeX instead of Word. Finally, chapter five provides a few conclusions, a checklist, and makes some recommendations for how this report could be improved in the future.

(A section like this, describing what is in the remaining sections of the report, should always be included in the introduction section of a report. Often, it’s the last thing in the introduction.)

# The Basics of Project Report Writing

This chapter introduces some basic techniques and considerations about writing project reports: when to write; the structure of the project report; what sections should be included; what order they should be placed in; and what kind of information I am looking for when I read a project report.

There are a lot of good introductions to report writing out there already (see for example, the information at <http://www.amp.york.ac.uk/internal/ugrad/gen/tskills/t_skills.htm>), and I won't try and repeat all that information here. I will assume the reader is familiar with this material already (if you're not, do look up and read these pages). Instead, I will concentrate on the particular nature of the project report, the idiosyncrasies of Microsoft Word, and highlight what I have found to be the most common problems.

## Before You Start

The two most important things to do at the start: make a plan about how and when the report will be written, and find out who your target audience is.

As far as the target audience is concerned, in the case of an undergraduate project report, you should be writing for any of your fellow students who are doing completely different projects. This means you can assume any knowledge covered in the core courses, but not in any of the option modules. In the case of a first-year post-graduate report you are writing for someone with the core knowledge of an electronic engineer, but no knowledge about your particular subject area.

There is an exception to this rule, which occurs when the academic supervisor who has been assigned to you knows nothing about your subject area, not even what is taught in the core courses (in my case, this happens when the project is done in JAVA, as I don't speak the language). It's always a good idea to check with your academic supervisors (or whoever else might be reading the report) what they know. In the case of a project written in JAVA, I would appreciate an appendix on "introduction to JAVA and OOP". (An appendix is an ideal place for information that only some of the readers of the document will require.)

The previous paragraph has a mistake in it. OOP is an acronym, and as such, it should be defined the first time it is used. (Having a glossary at the beginning does not eliminate this requirement.) So it should have read "introduction to JAVA and object-oriented programming (OOP)".

### Planning and Top-down versus Bottom-up

In terms of how to write the report, just as with computer programs, reports can either be written top-down (start with a list of chapter headings, then add the sub-headings, then write each section individually); or bottom-up (just start writing, and then fit a structure around what you've come up). And just like with computer programs, the best results usually come from a combination of the two approaches. Top-down ensures that you don't leave any important sections out; bottom-up allows you to write freely, without thinking about what you should be saying, and a more fluent and readable style can emerge.

And please do write in fluent, easy-to-read styles. This isn't a technical report going to your boss, this is a document that will be read by an academic over a weekend, when he's probably got about seven others to read as well, and a dry ‘academic’ style can be tedious to a point beyond the ability of the brain to tolerate. (This is one of my personal preferences: other academics may prefer a more formal, dryer style. I see no reason why technical documents should not be a joy to read; and I wish many more of them were.)

In terms of planning, as soon as you have an idea of what the project document is likely to contain, I would recommend writing a top-down structure and setting a timescale for when each section will be completed. Any plan you come up is almost certain to change as the project progresses; but it’s better to have a plan and change it than not to have a plan at all.

Then, up to the last three or four weeks, I’d recommend working in a bottom-up style, just writing about whatever interesting things have been going on at the time, and your current thoughts. As the project nears completion, these bits of writing can be fitted into the top-down structure, and any gaps identified. It’s an iterative process (the top-level plan often changes when you find there’s very little to say about something), but I would strongly recommend managing the process, rather than just hoping things will fit together at the end.

### When to Write

You have been writing as you go along, I trust, even if it’s just keeping a detailed lab-book? This is one of the most important things. Leaving all the writing up to the end never results in a good report. This reflects one of the key differences between project reports and technical reports: a technical report is concerned with what has been done and what the results were; a project report is more concerned with how you did it. Remember, we are trying to give you a mark for all the work you did throughout the project (including the problems, bugs and dead ends), on the basis of a single document handed it at the end. In fact, we're almost more interested in the problems and bugs than in the final result.

Leave all the writing to the end, and you will forget about some of the more frustrating bugs you found, irritating problems you had, and all the things you tried before you finally found a solution. Yet these attempts, ideas and frustrations are exactly what we want to read about. There are lots of marks available for having inventive ideas and problem solving, but we need evidence to award these marks: please let us give them to you.

This is also one of the benefits of sending weekly emails with current progress, issues and concerns. They can be used as a memory-jogger if the relevant sections of the report are not being written up as you go along. Another benefit is that they provide a diary of events that can be used to plot progress against the project plan.

## Structure: What to Include

A project report should include a front page, an executive summary or abstract, a table of contents, possibly a glossary, an introduction, a literature survey or market survey, some sections describing the work done, a conclusions and further work section, acknowledgements, bibliography, references, and appendices. There's no need for version control or a revisions page: a project report will only have one revision (another difference between project reports and technical reports). A few more thoughts on each of these sections follow:

### The Front Page

Probably isn't part of this document, and can be prepared in a separate file if necessary (certainly that helps keep headers and footers off it). You're often given specific instructions about what should be on this page and where. Stick to them.

### Executive Summary or Abstract

One or other of these should follow. An executive summary is never any longer than one page, and often rather less. It is a one-page summary of the report, including the key results. It is written for managers who only have time to read one page: bear this in mind when you are writing it. An abstract is a description of what is in the rest of the document, without necessarily containing any of the key results. It's about 100 words long, usually one paragraph, and acts as an advert for the rest of the report. After reading the abstract, a potential reader should know whether he wants to read the rest of the document or not.

Both executive summaries and abstracts get separated from the main report, so they must be capable of standing alone. That means no references and no cross-references in either.

In most examples of an undergraduate or first-year postgraduate project report, I would suggest that an executive summary is more appropriate. Abstracts are more appropriate for technical papers, from where they are collected in abstracting journals and made searchable on the web; this isn't going to happen here.

### Table of Contents

Always include one of these (Word can generate them automatically[[2]](#footnote-2), provided you use heading styles for your chapter and section headings), but make sure it's not too long. For a project report, much more than a page isn't sensible, it would take too long to find what the user wants to find. Not every sub-sub-sub-heading has to be here: use some discretion. Bear in mind that this is a table in name only: it doesn't need a caption, and it shouldn't have a border; that makes it look very odd.

Word can also automatically provide tables of figures and tables of tables as well (and tables of formulas, but that's going too far). Include them if you like, I don't mind. I don't find them particularly useful myself, but they do add a couple of pages to the report if it seems a bit on the thin side.

Individual chapters can have mini-tables of contents themselves; and this can be quite useful if the chapter has a lot of sub-sub-sub-headings that have not been included in the main table of contents. This is a bit awkward to do in Microsoft Word (it's very easy in LaTeX), so if you're planning to do this, proceed with care.

### Glossary

I like these, I find them very useful. Not just for the acronyms, but any terms that you are using to represent a particular technical concept (for example a "method" in OOP) can be included here. However, note that this doesn't mean you don't have to define acronyms when you first use them.

### Preface

Some reports – notably PhD, MPhil and MSc thesis, have a preface at this point. The purpose of the preface is to place the report in context of the degree, and to allow a statement that all the work that has not been attributed to others is your own. Have a look at some other theses to get examples of the requirements for this: it depends on which degree you are doing.

### Introduction

The introduction has two functions: to introduce the project (why you're doing it, what part of your degree it takes (if you haven’t already said that in the preface), and what the aims were), and to introduce the report (what is coming in the following sections). After reading this, the readers should know what the project is about, why you are doing it, whether they have the necessary background to read the rest of the report, and know how to find whatever they want in the rest of the report.

As one famous American orator once said, when asked how he planned his talks: “first I tell 'em what I'm going to tell 'em, then I tell 'em, then I tell 'em what I told 'em”. While I wouldn’t entirely agree with that advice for presentations, it’s not a bad structure for a technical report. The introduction is the chance to tell the reader what you're going to tell him.

Probably the most common fault with introductions is that they go into too much detail, too fast, assume knowledge that the reader doesn’t have, and don’t put the report in context. A useful vision image is that of a cone: the first paragraph of the introduction should be very broad, giving the so that everyone can understand how the subject of the report relates to something they are already familiar with. Then the following paragraphs should narrow the focus, explaining what part of the previous paragraph the report is concerned with, and explaining why it is an interesting part of the wider problem. The last paragraph can then introduce the specific subject that the rest of the report will consider.

### Literature Survey or Market Survey

This should be the next section in: a literature survey for theoretical projects or a market survey for projects that ask you to build something for production. It’s evidence that you have looked at what others have done in the field. As the saying goes “a couple of weeks in the lab can save almost an hour in the library”. If you haven’t looked up what others have done before, you are almost certainly not working efficiently.

### Sections Describing the Work

I’ll try in this section to give some advice about how to describe work done; this is often one of the hardest sections of the report to structure in an easily readable way. *[Hypothesis/Purpose]*

For a project report, I’ve found these are best written chronologically, almost like a diary of how you got to wherever you did; this is the easiest way to impose a structure on the document. Of critical importance are the reasons why you made any decisions you did (if you don’t write these in the report, you are sure to be asked about them in the viva). *[Previous experience.]*

If the project has different strands (e.g. if software and hardware were developed essentially independently), then these can be separated in different sections; otherwise I’d suggest writing them in terms of the phases of the project: planning, implementing and testing, perhaps; or whatever else seems appropriate. Each section, and each subsection of a report can be divided along similar lines; this section of this report included. Of course not all of the sections mentioned here will be relevant to every part of your report, but you might like to think about them, or use them as a structure. When reporting on an actual experiment, I would expect to see all of them, though. *[Experiment design.]*

For each section, it is often useful to consider exactly what you are trying to say. A lot of the time you can use the structure:

1. Hypothesis/Purpose. First, state what you are trying to find out, or trying to do, as clearly as possible.
2. Previous experience. Describe relevant information from the literature review, advice gained, and any other relevant facts.
3. Experiment design. State how you designed the experiment, simulations, including what results would be considered to confirm the hypothesis, and what results would be expected to reject it (with supporting maths if appropriate).
4. Experiment execution. What happened when you tried to run the experiment, what went wrong, what unexpected things happened (if any).
5. Experiment results. Was the hypothesis confirmed or rejected?
6. Conclusions. Including what you would have done better.

*[Experiment execution.]*

I’ve tried to divide this section of this report along the lines it describes. It’s not a perfect fit, since I am not describing an experiment here. Nonetheless, I hope you can see how this section is structured. It’s useful to consider the structure of every document, and every section of a document, along these lines. It really does help the reader if there is a logical flow of ideas, rather than a whole series of facts and observations in no real order (or at least not in an order that is clearly stated at the beginning).

Of course, there are a lot of parallels between the hypothesis/purpose to a section, and the introduction to the whole report; and between the previous experience and the literature review sections. Good reports are like fractals: no matter on what scale look you should be able to find the same structures. *[Conclusions.]*

### Management

Unlike projects in industry, we don’t really ‘manage’ these projects, we don’t have time. We just supervise them. You’ll have to manage yourself, in the sense of setting milestones, budgets and monitoring progress. In your report, it would be good to include a management section, including a breakdown of what you spend most of your time doing, how you planned your time, whether your original time-plan was followed, and if not, why not.

### Conclusions and Further Work

This is always one of the most interesting chapters to read (anyone short of time will tend to read the introduction and this chapter first). A couple of rules about conclusions: they should always follow logically from the rest of the work, and they must never reference any material not included elsewhere. There should be no new information contained in this chapter, it is just a summary of what has been stated before, and what can be logically deduced from it.

If there are a lot of ideas for further work, this could be separate chapter, coming just before the conclusions.

### Acknowledgements

It’s always nice to thank people that have helped you[[3]](#footnote-3).

### Bibliography

A bibliography is a list of sources that you’ve found useful for background information, but haven’t directly quoted, or taken any specific piece of information from. Alternatively, they might be sources that the reader can look for to get further information. They appear after the main text. Project reports may or may not have bibliographies, but they always have references.

### References

A reference is a source from which you have taken a specific piece of information. Unless your work is completely original (highly unlikely), you will have references. The golden rule about references is that they should contain enough information for the reader to easily find the original sources without using a search engine. For a technical paper this means name of author(s), title of paper, journal or magazine title, date of publication, volume number and page references; for a book this means name of author(s), title of book, edition, date of publication and publisher. For a web-site, just the URL and the date you accessed it might be all you have, although most web-pages have titles, and if you know the name of the author then include that as well.

All academic publishers have their own set of (very strict) guidelines about the format of references. Unfortunately, they do not agree: the IEEE style is not the same as the IET style, and the Kluwer style differs again. The important thing is to be consistent. You could do worse than adopt the IEEE style[[4]](#footnote-4) [2][[5]](#footnote-5). This includes such details as the titles of books of papers, conference proceedings or journals should be in italics, and the authors initials and surname should precede the title, which is placed in quotation marks. Book titles should be followed by the edition number, publishers and publication year; journal titles by the volume, page numbers and date[[6]](#footnote-6).

Web-pages are usually not good references for two reasons: firstly many web-pages are not peer-reviewed and have not been edited for accuracy, so the information is not reliable; and secondly web-pages can change at any time, and anyone looking at your reference might not see the same thing that you saw. At the very least, the reference should have information about when you viewed the page.

Wikipedia is (sometimes) an exception: articles are read (and corrected) by many people, so that much of the information about technical subjects is often quite good (although there are some exceptions). There are two golden rules for using Wikipedia as a reference source: always read the “discussion” pages so you are aware of any controversy and can check whether anyone else has reviewed the article; and reference the actual version of the web-page you are reading (Wikipedia helpfully keeps a historical record of all previous versions of articles). This is easy to do: just click on the “Toolbox” link on the left-margin menu, select the “Cite this page” menu item, then choose whichever version fits into the referencing style you have chosen (Chicago is a good one for engineering articles).

At this point, I should add that I don’t encourage people to use Wikipedia (or any other encyclopaedia) as a reference source, since it is not the original source of any information: anything in Wikipedia has been taken from other publications available elsewhere, and there may have been an error in the process.

It’s much better to go to the original sources of the information (the ‘primary sources’) and read and reference them. However, Wikipedia is often a good place to start, and there are often a good set of references at the end of the articles.

Some examples of references in an acceptable and consistent style follow (there are lots more in the K-ROY booklet, available from <http://www.york.ac.uk/k-roy/referencing/index.htm>).

[1] G. Murray, et al., “LaTeX class file for IEEE publications,” <http://www.ctan.org/tex-archive/macros/latex/contrib/IEEEtran/IEEEtran.cls>, (accessed on September 17th 2004).

[2] B. Crow, I. Widjaja, J. Kim, P. Sakai, "IEEE 802.11 Wireless Local Area Networks", *IEEE Communications Magazine*, Vol. 35, no. 9, September 1997.

[3] Wikipedia contributors, "Reference," *Wikipedia, The Free Encyclopedia,* <http://en.wikipedia.org/w/index.php?title=Reference&oldid=50359148> (accessed June 17, 2006).

[4] J.G. Proakis, “Digital Communications”, 4th edition, McGraw-Hill, September 2004.

(The last example is a reference to an entire book, not to an article within a book.)

Key Performance Indicators

A Key Performance Indicator (KPI) is commonly used by an organization to evaluate its success in reaching its strategic goals by measuring the performance of the critical activities toward a goal.

There are all sorts of KPIs. There are some basic ones that can apply to most businesses, such as financial ratios and sales growth rates. Others are industry-specific, such as sales per square foot for retail or a defect ratio for manufacturing.

Choosing the right KPIs starts with a clear understanding of key drivers to success, but it’s important to note that key drivers will depend on the department measuring the performance. For example, the KPIs used by the commercial lines service staff will be quite different from the KPIs to analyze producers.

Many things are measurable. That does not make them key to the organization’s success. It is critical to limit KPIs to keep everyone’s attention focused.

KPIs and Organizational Goals

Every business is unique. There are no “right” KPIs for an agency’s management to track. The KPIs that are tracked must be a reflection of the goals of that agency.

An agency that has a goal related to customer retention will have a KPI that tracks customer satisfaction or customer service by department.

If the agency tracks its customer retention rate, they would be tracking past performance, which will not allow for proactive management. However, getting customer satisfaction feedback will allow management to make adjustments close to real-time.

KPIs for Insurance Agencies

When choosing KPIs, it is best to work with real-time or predictive KPIs. Knowing the firm’s profit margin from last year is good, but it does not help with real-time management decisions.

What are some examples of KPIs that an agency might track? The key is to track activities that lead to success. Tracking a producer’s sales performance for last month is reactive management. Tracking a producer’s weekly call log is proactive.

Examples of KPIs for sales might include:

Number of new prospects contacted;

Closing ratio;

Average size of sale;

Number of referrals;

Connections with clients;

Customer satisfaction;

Retention of business rates; and

Percentage of cross-sold accounts.

Examples of KPIs for customer service might include:

Client satisfaction;

Problem resolution rate;

Calls handled per day and within 24-hours;

Mail handled in 24-hours;

Claims turnaround; and

Number of cross-sold accounts.

Examples of KPIs for administrative and accounting departments might include:

Meeting monthly budget;

Zero receivables over 30 days;

Accuracy rates; and

Speed in closing agency financials.

KPIs for agency financials are important KPIs, but they are a reflection of the past. They are important to know, but they are a retrospective look at the performance of the agency.

Financial KPIs might include:

Growth rates by department and by line of business;

Expense ratios for each major expense category;

Contingent commissions to total commissions ratio;

Reported profit margin;

Pro forma profit margin (EBITA);

Trust ratio;

Current ratio;

Age of receivables; and

Agency cash flow.

It is also important to track investment in new people, especially producers.

Collecting Data and Creating a KPI Dashboard

The data required for the chosen key KPIs by department can usually come from the firm’s accounting system, agency management system, Excel spreadsheets, handwritten notes, logs, surveys, etc.

Based on the circumstances the data can be collected daily, weekly, monthly, or even yearly.

Once the data is collected, it needs to be organized and displayed in a way that will help the user evaluate the situation and make decisions.

Excel is a great way to collect, analyze and display the data. There are many systems that will also help in the analysis of the data, such as the firm’s computer system, SalesForce, Constant Contact, BaseCamp, or any of a whole slew of software tracking systems that can be purchased.

The most important thing is to track the data. If it makes sense, the data can also be converted into some sort of graphic representation.

A dashboard is a collection of charts and graphs that display the information.

Some software systems automatically create reports and dashboards.Others, such as Excel, will need somebody to develop the dashboard.There are many companies that offer dashboard plug-ins for Excel, QuickBooks or ACT.

Take Action with KPIs

Now it’s time to take action. It is important to maintain the real-time data collection, creation of the dashboard and a review of the information that will lead to the success of the agency.

When the KPIs show the firm is off track, real-time changes can be made and then reevaluated at the next measurement. Creating systems that will track the key drivers of the business will allow the owners to make timely decisions that will improve the business and help attain the firm’s goals and manage proactively.

KPIs are the key performance indicators, and are used by organizations to assess performance. They are quantifiable measures that can help quickly identify historical, current and future performance, based on the type of KPI and used the platform chosen for use. For example KPI insurance agency could include the number of net new customers, net losses, growth renewal quotes producer, average book of the company by the producer, the Revenue Agency, and revenue per employee. For purposes of this article, however, we will focus on performance indicators for the producers of the insurance agency if the KPI is also a subset of key agency managers and owners.  
  
Key Performance Indicators should reflect the objectives of the agency, and it is very important to choose KPIs that help quickly identify tactical and strategic success of your marketing efforts. For example, Producer KPI are noted below and may be very similar to the KPI for sales industry many executives:

New Revenue Commission  
Term of office  
Ratio of net commissions new renewal commissions  
Book average firm by the producer  
Revenue by line of coverage  
Total new quote  
Close ratio (ratio of citations Farm)  
Underwritten by lead source  
YTD revenue growth (and every year)  
Turnover per employee

These key performance indicators to measure your activity, and provide indicators of past performance and future success. Year in income for the year to compare current performance to past performance, while Web meetings and proposals are forward-looking, an indicator of what your business might look like the future. If your new prospect meetings fell by 20% during the last quarter from the previous quarter, you can be almost certain that you will suffer a decline in new business. However, if you lived the same kind of down from a year earlier, you have a better indication that you are on track for year comparable sales a year.

KPIs vary by agency, but if they are to be truly useful to your organization, you must consistently and accurately define and measure them. KPI should incorporate the goals or objectives to monitor and measure performance. For example, our aim is to close the company 50% of our proposals and 25% of our prospects for meeting Web. For this purpose we measure against our KPI for this category to track our progress. Your agency may have a goal of maintaining a $ 1 million book of business for each veteran producer. You might have a different goal for new producers. These goals should tie into your overall monitoring KPIs, providing quick insights on the health of your agency, with strong indications of future performance. These KPIs can then be measured year on year - providing insight into your specific historical performance in critical areas of mission. Large agencies should consider using KPI rollups, where KPI sales, marketing, accounting and corporate services are monitored, with a mission of some critics of each department KPI roll to a list executive. This can be done manually or using an automated system.

What kind of systems can be used for the KPI? Your agency can use something simple, Excel spreadsheets, CRM, management systems, sophisticated Agency Dashboard KPI. Metric chosen gleaned from Web Analytics and Web monitoring tools are also used. KPIs must be kept at a modest number for optimal effect. For example, monitoring of 10 key performance indicators monthly is reasonable, but the monitoring of 50 would result in information overload. This is analogous to the dashboard of your car. Your actions could include the speed, fuel level, RPM, odometer, engine temperature and oil level. It's a total of six key performance indicators that can be monitored while driving. Some cars that offer more sophisticated KPIs, average miles per gallon, MPG current tripometer, and distance to empty. These additional KPI can not be permanently because they can not be considered critical to your driving. Think about your insurance agency KPI in the same way, followed closely only those that are critical to your success.

KPI’s are Key Performance Indicators, and are used by organizations to evaluate performance. They are quantifiable measurements that can help rapidly determine historic, current and future performance, predicated upon the type of KPIs used and the platform selected to use them. For example insurance agency KPIs might include number net new clients, net losses, renewal growth, producer quotations, average book of business by producer, agency revenue, and revenue by employee. For the purposes of this article, however, we’ll focus on KPIs for insurance agency producers though these KPI’s will also be a key subset for agency executives and owners.

Key Performance Indicators should reflect the agency’s goals, and it’s very important to select KPIs which help rapidly indicate the tactical and strategic success of your sales efforts. For example, Producer KPI’s are noted below and might be very similar to the KPIs for many industry sales executives:

* New Commission Revenue

Insurance Agency Key Performance Indicators

* Renewal Commission
* Ratio of Net New Commissions to Renewal Commissions
* Average Book of Business by Producer
* Revenues by Lines of Coverage
* Total New Quotes
* Close Ratio (Ratio of Quotes to Closes)
* Closes by Lead Source
* YTD Revenue Growth (and year over year)
* Revenue by Employee

These Key Performance Indicators help measure your business, and offer indicators of past performance and future success. Year over year revenues compare current performance to past performance, while Web meetings and proposals are forward looking, an indicator of what your future business might look like. If your new prospect meetings have dropped by 20% over the last quarter from the prior quarter, you can be fairly certain that you will experience a drop in new business. However, if you experienced the same type of drop compared to a year earlier, you have a better indication that you are on track for comparable year over year sales.

KPIs can vary by agency, but if they are to be truly valuable to your agency, you must consistently and accurately define and measure them. KPIs should incorporate goals or targets to track and measure performance. For example, our company goal is to close 50% of our proposals and 25% of our web meeting prospects. We measure this goal against our KPIs for this category to track our progress. Your agency might have a goal to maintain a $1 Million book of business for each veteran producer. You might have a different goal for new producers. These goals should tie into your overall KPI tracking, offe

ring rapid insights into the health of your agency, with strong indications of future performance. These KPIs can then be measured year over year offering accurate historical insights into your performance in mission critical areas. Larger agencies should consider using KPI rollups, where the sales, marketing, accounting and service KPIs are tracked departmentally, with a few mission critical KPIs from each department rolling up to an executive list. This can be done manually or using an automated system.

What type of systems can be used for KPIs? Your agency can use anything from simple Excel spreadsheets, to CRM, to Agency Management Systems to sophisticated KPI dashboards. Selected Web metrics gleaned from Google Analytics or other web monitoring tools may also be used. KPI’s should be kept to a modest number for optimum effect. For example, tracking 10 KPI’s monthly is reasonable, but tracking 50 would result in information overload. This is analogous to the dashboard of your car. Your measurements might include speed, fuel level, RPMs, odometer, engine temperature and oil level. That’s a total of six KPI’s which can be tracked while driving. Some cars offer more sophisticated KPI’s including, average miles per gallon, current MPG, tripometer, and distance to empty. These additional KPI’s may not be displayed constantly, as they may not be deemed critical to your driving. Think of your insurance agency KPI’s in the same way, closely monitoring only those which are critical to your success.

1. At least, I don’t think it’s quite the same thing. This is one of those points on which there is no agreement here, some people may tell you that a project report is a technical report. [↑](#footnote-ref-1)
2. For Word versions before 2007, see ‘Format → Bullets and Numbering → Outline Numbered’, and ‘Insert → Index and Tables → Table of Contents’. Or look up Microsoft Word Help on ‘Table of Contents’. This really does save a lot of time.

   If you’re using Word 2007, choose a suitable scheme from the Multilevel list button in the Paragraph pane in the Home window. I’d suggest the one that starts “**1** Heading 1”. You can edit the Heading styles by right-clicking on the styles in the Home window, and selecting “Modify...”. [↑](#footnote-ref-2)
3. The author of a useful guide on writing reports, perhaps? [↑](#footnote-ref-3)
4. There’s a useful guide to the IEEE style available from the K-ROY pages: http://www.york.ac.uk/k-roy/ [↑](#footnote-ref-4)
5. Note that the citation (the [2]) is part of the sentence that it refers to and comes before the full-stop. A lot of people seem to put it after the full-stop, so that it’s part of the next sentence like this.[2] Please don’t do this, it’s wrong. [↑](#footnote-ref-5)
6. Word 2007 has a set of different citation and bibliography styles built-in. Sadly, the standard engineering citation styles are not amongst the default styles provided, but you can add the IEEE style in relatively easily. For more details, see section 3.8.2. [↑](#footnote-ref-6)