The BMS Gold Mine

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A lot of information required to maximize the efficiency of a brokerage is already located in the brokerage's BMS — it's just a matter of leveraging technology to employ it.

The way we communicate has drastically changed. Tools have become more complex to support our highly sophisticated customers' needs. Think of your telephone. We all still talk on the phone, but the tools and capabilities certainly don't compare to the old rotary dial!

Now think about your computer. How productive are you without it? How quickly would panic set in if it were suddenly to become unavailable? These are critical tools to function in business today. So is the broker management system (BMS), but too many brokers aren't exploiting the available capabilities — and it's hurting them.

The keynote speaker from the 2010 P&C Insurance Technology Conference, Kimberly Harris-Ferrante, vice president of insurance services at Gartner Inc., stated: "What has worked in the last 100 years selling insurance will not work in the next 10." What will your brokerage look like in 10 years? Who will your clients be and will you meet their expectations?

Technology has and will continue to change the way we do business with clients, carriers and staff. Consumers' access to information will continue to get easier, especially with social media's popularity.

Consider the stats:
• Facebook has 400+ million users, 13+ million in Canada alone;
• Twitter has 60 million users; and
• LinkedIn has 58 million users.

Many of your competitors and staff are online too. Fear of how staff will respond is often the reason cited for not changing brokerage workflows, not going paperless or not switching broker management systems. But technological change is nothing new for any of us. It just needs to be managed properly.

Complacency will stifle your business. Is the 'We've-always-done-it-this-way' mentality hurting your business? The Top 5 ways to exploit your BMS to benefit your brokerage include:

Workflows

Brokers have told us the necessity for them to change technology is driven by insurers, BMS vendors, rating software companies, consumer communication preference and so on.

Karen Gale, president of the CSU (Canadian sigXP Users), recently told delegates attending a property and casualty insurance technology conference audience: "We have no time to evaluate and implement all the new technology that comes our way, let alone adapt our workflows accordingly. We are busy serving our clients and bringing in new ones."

The need to question each and every

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workflow to evaluate cost versus benefit has never been more important. A popular workflow to tackle first is new business. This relates to all other departments, including finance, where we see automatic billing as another time saving workflow that isn't being fully used.

Most BMS vendors provide workflow consultants and best practices documentation. The documentation is adapted to the latest release of the software and contains proven procedures that can be easily applied to your brokerage. Hiring a workflow consultant can quickly provide you with a balance sheet showing the state of your brokerage. The consultant can help identify the most important areas requiring change and a roadmap to introduce new workflows.

What percentage of your BMS do you think you use?

Our consulting team recently reviewed a daily renewal process with a client. Each renewal averaged 22 minutes and transferred hands five times among three different people. By leveraging BMS functionality, the process was reduced by 10 minutes per renewal. How many renewals do you process each day, week or year? For this client, shaving 10 minutes off the renewal time saved $11,000 annually per TSR processing renewals. Leveraging automation within the BMS will save you money, but you have to look for it.

Call recording and BMS integration

Banks and direct writers have been using this technology for at least 10 years, and it has played a significant role in their increased market share. The technology used to be complex and costly, but it has evolved considerably. Now brokerages of all sizes can gain from this kind of technology.

Here's how it works: all incoming and outgoing calls are recorded with digital, analog or IP phones. Your existing phone system doesn't likely need to be changed. Calls can be linked in the BMS activity log at any point during the call. Listening to calls is available from the

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BMS, or from the management console of the call recording software.

Tracking employee efficiency becomes much easier, too. Why does it take one employee 12 minutes to complete an application over the phone and another employee 20 minutes? Listening to calls is critical in identifying where employees need coaching. Developing customized scripts for telemarketing campaigns or to help overcome price objections will enhance retention. Brokers are even binding business over the phone using a verbal signature with no paper. A handful of companies now accept audio signatures, saving a great deal of time.

What about E&O? Defending the brokerage in court is more straightforward when telephone calls are recorded and stored in the BMS client file to provide a more accurate, inclusive picture.

Paperless

A third way leveraging technology can make the business more efficient is by allowing the brokerage to go paperless. Gartner Inc. and PricewaterhouseCoopers say 7.5% of all documents get lost, and it costs $220 to recreate each lost document. Now consider the fact that more than 80% of corporate memory is on paper. The hidden costs — not to mention the liability exposure — of a paper-rich environment cannot be ignored.

Web Integration

Your marketing efforts should include driving prospects to your Web site. What they do there will have a significant impact on your ability to sell business.

Take the following example. Once at your Web site, a prospect completes an online application that generates a quote in real-time. The prospect has a question, so he or she initiates a live instant message chat with a CSR during the process.

The prospect clicks to accept the online quote, which electronically sends the data directly into the BMS for paperless processing. The policy is issued.

Using call recording, the broker calls the new client and binds the business using audio signatures. No written signature is required.

This technology is available now. Are you using it? Are your competitors?

Brokers need to accept business in a variety of ways and communicate with clients using a method the client wants. Web integration facilitates that.

Business intelligence

Think of this as a dashboard continuously monitoring your brokerage and telling you about areas requiring your attention.

Here's an example of how this works. One of our clients, Robert, commutes to work on the train. Every Monday morning, he reviews a report outlining the producers' results for the past week. Using this information, he knows who to congratulate and who needs support. He can review the cash flow for the brokerage. He can review the retention figures for the various departments, etc. He does all of this on his personal handheld device. By the time he gets into the office, he can invest his time exactly where it is needed.

Your BMS is a gold mine of information. But it's completely useless if you aren't using that data in a meaningful way. To determine if you are making practical use of the data, ask yourself these questions. Are you:
• evaluating in real time your retention results by producer, executive, CSR, office/branch, based on PIF counts, premiums or commissions?
• monitoring staff productivity and tracking lost business by activity type?
• creating individual X-date reports by executive with customer phone numbers or email addresses?
• viewing renewal totals by month and planning staffing requirements?
• identifying your top producers and customers?

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• analyzing premium volume and commission by insurance company, line of business, transaction type, executive and representative?
• measuring and comparing departmental productivity?
• comparing actual results to your budget projections?

Collecting well-thought-out information and analyzing it effectively will help you cultivate revenue through enhanced retention, up-sells, referrals and enhanced employee performance.

Your BMS has all the information. All you need to do is define what information you need. Most BMS providers can help you create the dashboard that will work for you. ≡