



9 ways to use technology for succession

Technology can be critical to driving the success of a brokerage, permitting growth and making the business more attractive to potential buyers

>> **BY PATRICK J. DUREPOS**

Regardless of where you are in your succession planning, clearly defined short- and long-term goals will help ensure you have a business worth buying. The first and most important tool every brokerage needs is a measurable business plan. At the *Journal de l'Assurance's* roundtable in November 2009, a panel of ten prominent small and mid-sized brokers were asked if they had a written business plan—only 5% of the participating brokers answered yes.

Coupling a business plan with the adoption of modern technology will further enable a triumphant succession. When it comes time to hand over the keys of your brokerage, a company that runs smoothly, and utilizes technology effectively in its day-to-day business will be more appealing to any potential buyer.

Let's review several examples of how technology can help create a business plan, make it easier to operate the company, and allow for a smoother transition as retirement approaches.

1 Maximizing the BMS: The Broker Management System (BMS) is a business intelligence tool where company, client, and carrier data lives in a secure system, not someone's head. A robust, secure and scalable BMS should provide you with answers in real time so your business position can be accurately evaluated and assessed at all times. Your BMS should be your first source of information for generating short- and long-term budget forecasts, production goals and staffing requirements. Brokers often use their BMS simply to capture the bare minimum;

an electronic Rolodex leveraging a small percentage of the system's true capacity.

Simple workflow and procedural changes, like collecting X-dates when quoting, give brokers meaningful metrics to measure and market against. Evaluating employee performance can be achieved through comprehensive management reports that measure and compare productivity such as: win/loss for new business and renewals, activities/suspenses transacted/pending for a given time period by CSR/department, in/outbound call volumes, length of call and success rates.

2 Marketing with the BMS: Using the BMS as the start and end point for marketing activities allows brokers to track effectiveness and measure ROI on campaigns. Marketing activities need to be executed through your BMS, allowing it to act as the central repository for all prospect, client and carrier communication. Brokers can create campaigns based on analysis of data in the BMS like monoline accounts, X-dates, and seasonal reminders to each insured segment that may trigger up-sell opportunities. The results can then be measured in real time. Brokers with integrated BMS and call recording can quickly modify call scripts and training requirements, based on actual results mid-campaign, and not in the post mortem after losing potential opportunities. Efficient, measurable and ongoing marketing efforts will enhance retention by building relationships that encourage policyholders to consolidate their insurance needs with your brokerage, making them less likely to shop around come renewal time.

3 Audit Trails: Technology should help businesses work smarter, allowing owners to trust and reward productivity based

on measurable outcomes. You won't know how well CSRs and producers are doing if you don't have retention reports and hit ratio statistics at your fingertips. Real-time audit trails and management reports generated out of the BMS are extremely important for establishing business value and prioritizing the owner's attention where it's needed most.

4 Going Paperless: Paper environments are inefficient, costly, and limit your ability to truly measure your brokerage's productivity. You can't obtain production reports by paper pushing, but you can when a Document Management System (DMS) is integrated into the BMS and all documents move electronically. Document integrity, audit trails and history, secure emailing and automated workflows minimize E&O exposure far more than a pile of paper on someone's desk. All details pertaining to most transactions should be entered directly into the BMS before ending the client call or visit. This verifies complete and accurate data capture, eliminates unnecessary back and forth phone calls, and ensures the transaction is actually completed to protect your client and business. In a paperless brokerage, clients are serviced quicker because employees can access all client information in seconds.

Also, in the event of a disaster with damage or destruction to the physical office(s), paperless brokerages are better prepared to resume business as usual. Restoring daily backups off-site can quickly create a virtual brokerage with remote connections even from your employees' homes with limited data loss. An efficient brokerage that can measure productivity and reduce E&O exposures is attractive to potential successors.

5 Call Recording: Call recording and BMS integration is the same technology that direct writers have been using for a decade now. Call recording provides

the benefit of using audio signatures, scripts and reducing E&O exposures and costs. It also provides templates for broker training and coaching.

6 Using Social Media: Your business plan and technology should respond to the growing popularity of Facebook, Twitter, and LinkedIn. In a recent Keal survey, only 8% of brokers thought that social media would not have a beneficial impact on the broker distribution network. Canadians are incredibly active online. In fact, according to Facebook, Canada has the 8th highest number of Facebook users in the world, with over 17 million users; a 61% growth in 24 months. Your brokerage should be communicating with them. Smart brokers are getting active and using social media to educate clients, attract prospects, and highlight the social and philanthropic side of their business. People want to feel good about the companies they do business with. Social media is a great place to showcase employees, community involvement, and charitable efforts.

7 Website Functionality: The next generation of policyholders only knows a digital world. They expect 24/7 availability and instant gratification. If they can't find you online, they'll do business with your competitor. Search Engine Optimization (SEO) to make your brokerage appear in browser searches will continue to be increasingly more critical. The Yellow Pages no longer cut it.

Moreover, your brokerage's website should no longer be a static advertisement page. Instead it should include an area where consumers can obtain a quote online, buy online, and be prepared to offer insureds self-serve options as consumer demands grow. Integrating your website directly into your BMS to create efficient workflows and real-time dashboards is critical to service digitally connected consumers with 24/7 availability expectations. A

vision that embraces online functionality will better position the brokerage to effectively compete and win business and be attractive to potential buyers.

8 Online Analytics: Free tools like Google Analytics track web visitors, including where they came from and their viewing habits on your site. This type of detailed analysis helps brokers focus their online communication and advertising efforts in the area that yields the most returns and consumer interest. Metrics like these are attractive to perspective brokerage buyers evaluating the long-term viability of the business. Your online presence may even help potential buyers find you in the first place.

9 Technology and Staffing: Recruiting, training and retaining motivated staff are an ongoing challenge. The new generation of workers expects to use technology to make life easier. They won't stick around if they feel they're wasting their time with onerous procedures. Use technology to bridge the generation gap. Senior staff can learn about communicating with tomorrow's clients through social media from junior staff who are personally connected. Engaged and involved employees are motivated to succeed. A strong team strengthens your business results, making you more attractive to buyers.

You should aim to be that well-planned broker who has intertwined technology within the business, marketing, and succession plans. Your team needs to be open to change because it will continue to come at you from carriers, vendors, and consumers. Technology will then propel you towards long-term success. Your efforts will allow your brokerage to thrive within ever-evolving challenges, while growing your business and ultimately handing over a more profitable business to your successors. ■

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