

Should I Stay or Should I Go Now?

A BMS touches all departments of the brokerage. Thus, if a change to another system is being contemplated, many questions should be considered.



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I recently had a satellite salesman knock on my door, soliciting our business. As the salesman started his pitch, my children and dog made a break for the open front door, and the pot started overflowing on the stove. I abruptly said: “Thanks anyway, but we’re happy with our current provider and not interested in your offer.”

I hadn’t even heard the offer yet.

He politely asked who our provider was. He then asked if he could come back at a more convenient time, because he was 100% confident his company offered enhanced service and benefits at a reduced cost. “Okay, gimme an hour.” I replied.

He was right: the offer was appealing. But the thought of switching providers wasn’t. Before we could responsibly decide, we researched all competitors’ offers and spoke with our current provider.

This experience is similar to what our broker clients, prospects and internal sales team encounter. Whether you are a broker striving to win new business from the competition, or fielding calls from vendors, the question ‘Should I stay or should I go?’ can be a challenging one.

BUSINESS IMPACT

A BMS touches all departments of the brokerage. It can streamline or hinder operational productivity, expose or minimize E&O exposure, sup-

port growth initiatives or erode profits. In thinking about a change, some questions to explore include:

- Why are you considering a BMS switch? What are the specific areas you’d like to change with your current system or vendor relationship?
- Are your current workflows a result of technology limitations? If you designed ideal workflows, could the BMS support them?
- How consistently are procedures being followed, especially those with the greatest E&O risk?
- How secure is the brokerage’s data?
- Does the BMS support and measure marketing efforts? Can you segment your clients? Can you use the BMS to create campaigns, track success and measure return on investment (ROI)?
- Is your opinion sought after and valued by the vendor? Do you have a beneficial relationship? Do you see your provider as a business partner?
- Does your BMS provide you with retention figures on PIF (policy in force), premiums, commissions by insurer, CSR, producer, branch or insurer?
- Does your BMS electronically balance your agency and direct bill statements?
- Is your book of business providing the information you require to see how your brokerage is performing daily?

Selecting a system to meet today’s needs is im-

portant. The system should be adaptable to change and offer robust features to support future endeavors. For example:

Scalability: At Keal, we continue to see healthy mergers and acquisitions (M&A) activity. As a purchasing brokerage takes on new staff and clients, the system must scale to accommodate that growth. Whether a result of M&A or other business reasons, it might be necessary to segregate the brokerage's accounting into separate divisions and departments, for example. Does the BMS support this?

New Business Initiatives: Many brokers are looking for ways to offer enhanced customer service and identify new revenue streams. Premium financing is a perfect example of both. Does the BMS offer integrated premium finance options to create your own finance division or partner with a third party?

Web 2.0: Statistics Canada data show more than 75% of Canadians aged 16 or older used the Internet daily in 2009. Most brokers know being online is critical, but few have attempted to tie existing Internet opportunities back to their BMS. Keal's BMS, sigXP, uses an application program interface (API) to allow broker Web sites to speak directly to sigXP and even instigate automated processes, drastically saving time and sustaining market efforts.

Attracting and retaining top talent: Today's labour force is increasingly tech-savvy, especially the younger generations entering the workforce. They expect to work in a tech-savvy office and won't stick around if they are confronted with outdated, labourious workflows riddled with duplicate data entry.

Longevity of software architecture: Consider the technological architecture upon which the BMS has been developed. Is the database modern, supported and still being developed? If not, it will be more difficult to effect bug fixes and enhancement requests.

INTEGRATIONS

When evaluating a BMS, the level of available integrations cannot be overlooked. Sophisticated integrations will reduce or eliminate duplicate data entry

and offer opportunities with third-party vendors to further automate the brokerage. Key areas to investigate include:

In-house BMS vendor integrations: Software applications planned, developed and supported by one centralized vendor offer more comprehensive integration and efficiencies. Does the BMS vendor offer its own commercial management system (CMS), document scanning and management system, premium finance options, etc.? You might not require

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these tools today, but you may need them in the future.

Insurance companies: Efficiently transacting business with insurance companies is a requirement, but not all broker management systems offer the same degree of connectivity. Explore the BMS/CMS's available company integrations and participation in industry initiatives like Insurance Brokers Association of Canada (IBAC) Data Exchange project. How strong are the relationships between the BMS vendor and carriers? Is there a structured partnership between both that spells out future development projects?

External or third-party connectivity: What other integrations have been developed to further extend the BMS benefits? For example, direct writers have been leveraging the benefits of integrated call recording for years. These benefits are now available for brokerages of all sizes.

TECH TALK

What's under the hood of the BMS? The BMS is the engine of the brokerage, pumping business critical information to all requiring it. Researching the technology and process used to build the software begs the following questions:

- What is the database structure? Problems can arise if the BMS is built on outdated technology.

- Does the BMS offer an Application Program Interface (API)? Think of this as a gateway to allow other systems — such as the brokerage's Web site, for example — to integrate with the BMS.

- What type of future development is being planned? How often are new releases available?

- Does the vendor offer an Application Service Provider (ASP) service? Many brokers are choosing to outsource their server and IT requirements by having their data hosted offsite. What is the Service Level Agreement (SLA) and security features?

- How are new releases prioritized, planned, developed and tested?

TRAINING AND ONGOING SUPPORT

The BMS is a sophisticated tool that can be underused — especially without sufficient training and tenured support. Inconsistent and inefficient workflows will emerge without training custom tailored to your unique environment. Investigate how purchased software will be supported, by asking:

- Is the support and training offered by live in-house employees or via pre-recorded standard videos?

- What is the tenure of staff supporting and training the applications?

- How will the training be delivered? (Online, in-person, via CDs or manuals, etc.)

- Does the vendor have an independent, active user group representing the users' interest?

- What ongoing training and user documentation is available?

- How are new version upgrades supported?

CONVERSION AND IMPLEMENTATION

A brokerage's business is based on its data — client, carrier, historical and financial data. Securely extracting data from one BMS to another requires experienced, exceptionally trained professionals. One should therefore ask:

- Has the vendor done this type of conversion before? Can they provide references?

- Can all data be electronically moved from the existing BMS to new BMS?

- Will there be any down time?

- What set-up work is required by the brokerage? ≡