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# Agency growth guide: 4 ways to reach your agency's growth potential

How to stay ahead in an evolving industry using business success principles

Managing an insurance agency (or brokerage firm) has always been complicated. Unnecessary papers, files, and folders lead to disorganization and too many knee smacks into cluttered desk drawers that refuse to close. Investing time re-keying data, onboarding new employees, and wrestling with inefficient reporting has reduced valuable time you'd rather spend with clients. "Streamlining" has hardly been the name of the game — until now.

The industry is changing. With the rise of new technologies, new competition, and clients expecting a more accessible (and digital) user experience, it's no surprise that agencies need a better way to manage their business. Unfortunately, not all agencies are ready, or willing, to evolve with the industry and will inevitably fall short. Even if you are up to the challenge of evolving with the trends, knowing where to start can be daunting.

How can you say goodbye to those knee bruises and start your evolution today? Having insight, capacity, and flexibility in your agency is key, and can help you evolve with client expectations. In this eBook, we will dive into four fundamentals to help you take business growth to the next level — on your terms.

# 1. Measure what matters

You're eager to grow your business. According to the Best Practices study of 2019, analyzing your agency's existing growth, profitability, and productivity is the first step to making it happen.

**Measure your growth by analyzing:**

- Policy, premium, client retention rates, and number of new clients

- Cross-sell effectiveness

- Opportunities with new products or industries

- Sales velocity, which is "this year's written new business divided by last year's commissions and fees"

**Measure your agency's profitability through:**

- Operating profit. This is "reported profit, excluding contingent and bonus/override income"

- EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization), defined as "pre-tax cash flow"

**Measure your productivity by looking at:**

- Revenue per employee, which is "an agency's revenue divided by its full-time equivalent employees"

Gaining insight into where you stand in the three categories above, or whichever other areas that have an impact on your agency in the long run, will help you know where to focus your business growth efforts and how to prioritize them.



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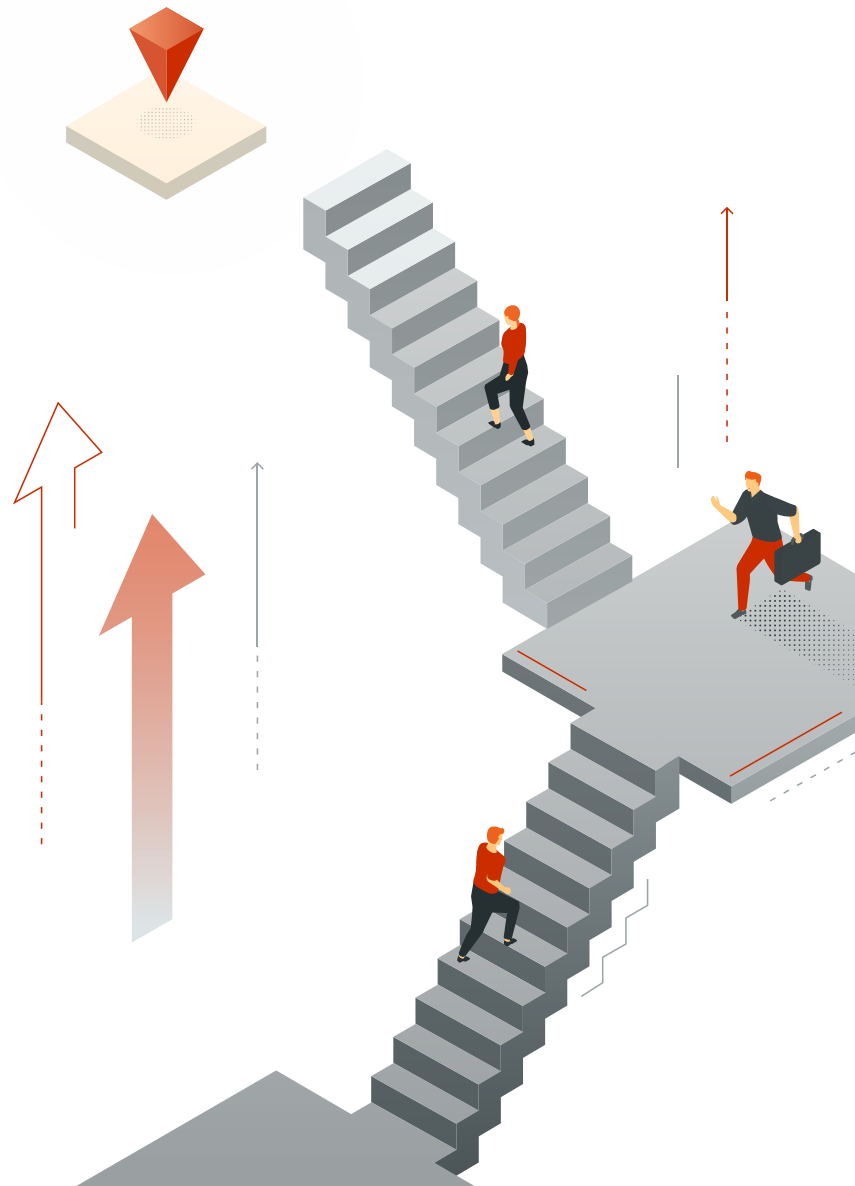
## 2. Do more with less

You undoubtedly want to deliver a smoother, faster, and more accessible customer experience. However, juggling all the priorities of an agency while trying to maintain client relationships can be difficult; even the most skilled multi-tasker can't be in two places at once.

**Or can they?**

Technology is getting smarter, quicker, and increasingly able to handle multiple jobs once. As tech continues to develop, more providers and competitors will use solutions based on their customers' heightened expectations. You can help your agency and its technology adapt to this change by learning how to do more with the resources you already have.

Increase staff capacity with software tools that eliminate mundane and repetitive work, allowing you and your team to accomplish tasks more efficiently and focus more time on your clients, all while your profitability rises. You'll be in three places at once in no time.

Customers' expectations are changing — your technology should, too.



**BlueSky Insurance Agency,** located in Richmond, Virginia, also wanted to grow into technology. They used an agency management system that provides the foundation for independent agencies to grow their business and boost their profitability. It helps streamline workflows, improve renewals and retention, and drive new business resulting in improved employee productivity and a superior customer experience... in short, this "enhanced the customer experience through automation and increased the ease of doing business."

## 3. Simplify your client experience with technology

You might have struggled with technology in the past and written it off as too complex to bother with. But the truth is, an upgrade in technology brings a much-needed upgrade in simplicity. With opportunities to streamline processes and provide ease to your clients, insurance doesn't have to be a struggle.

"We know we are not competing with our next-door insurance agency," BlueSky co-owner says, "we are competing on a broader level of what clients expect... What we need to think about as a business is how can we make it easier for our clients to do business with us?"

Simplifying your agency in a complex industry is easier with organizational systems that work together and provide a better overall user experience to your clients. Technology platforms with 24/7 service, automation, and mobile-friendly claims allow your customers access to the information they need, when they need it, at the touch of a button. This same technology allows BlueSky Insurance Agency to focus on one of their clear goals: "to communicate and provide relevant valuable information to our clients, when and how they want to communicate."

## 4. Experiment

Complacency will keep your agency from growing, and you'll no doubt be left behind. Don't get stuck in the mud — experimenting in your agency is a steppingstone to growth.

Experimenting can include anything from A/B testing in emails, trying out a new piece of software, or revamping the way your staff interacts with clients. The outcome may be unknown, but don't let that stop you from trying something amazing! No matter the result, you will grow because of it. Simply trying something new is a positive step in the right direction and will help you continuously improve. Everything else is moving around you — why don't you try it out?

According to Agency Equity, **only 7% of agencies** in 2019 had adopted technology to experiment with the way they interacted with clients, for example, through chatbots.

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# Build an agency that lasts

Whether you plan on selling your business or passing it down to future generations, having a long-term growth strategy will help you build your agency's value for years to come. By following the four guiding principles, you can be one step closer to reaching your agency's growth potential.

No matter what principles you choose to follow, be proud of your agency. Invest in it, and it will invest in you! In an age where people expect everything to be easier, smarter, and more efficient than ever before, rising to a higher standard can help satisfy the evolving customer expectation and increase insight, capacity, and flexibility in your agency.

BlueSky is already taking this opportunity
for growth into their own hands.

**Have a look at how their business is thriving
after they implemented these principles.**