

The First Step in a Growth Strategy

The economy looks like it's getting better. The economic stagnation of the last two years is being replaced by optimism as both households and corporations become more confident. R&D money is increasing. Insurance companies are starting to talk about growth as a core strategy once again. If this describes your situation, here are some thoughts to consider.

One of the first steps in a growth strategy frequently has nothing to do with growth. It has to do with becoming more efficient, lowering expenses, ensuring that you have the right infrastructure and, most importantly, that you have the right financial and people resources. This is especially important if growing will be a long term strategy. Any company can grow and lose money or lower their service standards. That takes little talent. The trick is to grow, continue to provide excellent service and make money, all at the same time. Providing excellent service, having a low expense ratio and having excellent relationships with your agents are all "enablers" for growth.

Depending on your specific situation, you might need minor improvements, a major effort or nothing at all. Before you decide, consider that conducting a specific process or project to streamline and prepare your operational areas for growth has many advantages.

- It creates efficiencies that can free up capital at a time when you need it most.
- It lowers future expense levels and helps you become more competitive.
- It improves overall effectiveness and this improves customer and agent satisfaction.
- It identifies excess staff to do the additional work you expect or to train any new employees that may be needed.
- It ensures service levels are maintained as work volumes increase.

There are two other huge benefits you can get from starting this way. First, you can use this time to ensure everyone has a clear understanding of what this new growth environment will really be like. This encourages employees to identify and even solve potential problems before they occur. This helps everything evolve smoothly. Secondly, you can actually redesign your operational areas to fit what you will need. This can be an important, even essential change. It recognizes that sustained, long term growth that is attained without sacrificing profits is not the result of sales efforts alone. It is the result of every department working together in the most effective way. It is the result of everyone pulling on the same end of the rope. This doesn't happen by accident. It has to be designed into your organizational structure, workflows and work processes, job designs, even your success measures.

Best results are always attained when your employees conduct this effort. It doesn't usually work well to call in a consultant to tell you what to change and how to improve. Your employees know your situation better than any outsider. Besides, they will have to make any changes work. They need to do the analysis, identify the changes needed and then implement them. If you want to use a consultant, his or her role should be as a guide. One that makes sure your people follow a proven process and do a thorough analysis.

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