

Is Your Company a Marketing Organization?

Conversation overheard between an underwriter and a claims examiner

"I'm going to New Orleans next week," said Mary Thompson an underwriter at Partnership Insurance. "Jim Smith of the XYZ Agency invited me to spend the day with his agents and office staff."

"That sounds exciting. Why did he invite you?"

"I've been working with him on a big and difficult case. I did some special things with our reinsurers, worked with Jim on several coverage issues and we created a better result for his client at a lower price than he expected. This is a big client of his and he liked the way we went the extra mile for him. Now I want to leverage this good will to help us move Jim's agency into our top tier of producers. With a little more training and special attention I believe their agency will become one of our "premier" agencies."

"Are you taking anyone else with you? I have some Claims issues with a couple of their clients. I'd love the opportunity to talk to his office staff about how to expedite things. The faster we get involved, the better our service and the lower our overall costs."

"I think that would be great. The more value we provide, the more they will appreciate our company . . . and the more business we'll get. I need to bring Bob Barker in Agency Management up to date on what we're doing. After I talk to him I'll let Jim know you'll be joining me."

There's a new, exciting paradigm that's growing in the insurance industry. Companies are realizing that sales, agency relationships and revenue growth are not just the responsibility of sales and marketing. They are everyone's responsibility. Sales people have known this is necessary for a long time. But it is being implemented now in a real and meaningful way.

Teams of people are being created that include agents, sales support, underwriters, claims examiners, customer service representatives and others to be accountable for the total results of accounts and blocks of business. They are organized around groups of customers, market segments, geographic areas, industries, agencies or combinations of these -- but regardless of how they are organized or what their focus is, these teams are accountable for bottom line results. They are profit centers in the true sense of these words. They are accountable for the business fundamentals (profit, sales growth, retention / persistency and customer and agency satisfaction) of their book of business.

And their results are fantastic. When you walk through these areas you can feel the energy and excitement. Employees who used to process transactions are now running businesses. They are focused on attaining real, concrete business results. They work individually and as a team to exceed their team's goals, resolve problems and, most importantly, find ways to excel. Since their goals are balanced and all must be met, they are able to maintain their professional discipline while also focusing on revenue growth.

Their competition is still working under the old paradigm. Each department operates separately, in a silo environment. An agent writes a piece of business and is delighted. Underwriting receives it, is suspicious and focuses on the problems. Claims looks at each claim as a separate entity and fails to consider total account management needs. (This may be explained a little too severely but you get the point.) Comparing these two approaches, which company do you think will be most successful?

In our management consulting practice we help companies reach their full potential. This is our vision. This includes creating marketing organizations. It is what we do. Please visit our website (McDonaldConsultingGroup.com) if you want to learn more about our firm.