

Team Sales Strategy

The core philosophy is to get teams of Producers to work together utilizing unique abilities and strengths. These teams of Producers will use their individual strengths to maximize retention and increase new business production.

HOW IT WORKS

The process can have a vast number of variations. The most effective is to have three Producers on each team. One Producer is the “Lead Producer”. Some will call this person the Strategist. The Strategist is someone that has more experience, strong closing skills, and strong business acumen. He/she will typically have the largest book of business as well. The second Producer is typically a strong Technician. Many times this Producer has a solid book of business with successful retention. This Technician will focus on the insurance, insurance renewal, and the contracts with client/carrier. The third person is typically a young Producer in development. This person is going to do a lot of the dirty work. Go get things from clients and prospects, do site visits, run spreadsheets and do first look analytics, do research, and will drive the most prospecting/networking activity.

Please understand that each team will be different from the standpoint of individualized talent. But, these three positions are the most typical on successful teams.

Another note to keep in mind is that all team members have a responsibility to bring in new business. So, you don't get a prospecting pass because you are a technician. Each year the team will identify prospects and prospecting strategies. They will assign responsibilities to initiate and sell.

New Producers are brought on the team with an investment from the agency that fades to the team over time. Our recommendation is the following strategy:

- Agency pays 100% of the compensation to the Producer in year one.
- Team assumes 50% of the compensation to the Producer in year 2.
- Team assumes 100% of the compensation to the Producer in year 3.

WHY IT IS EFFECTIVE

1. Young Producers work on larger business earlier in their career and get valuable experience.
2. People are living inside of their highest and best use of talent vs doing all things on all accounts.
3. Books of business are easier to perpetuate because they have multiple Producer contacts.
4. Teams have stronger accountability because they have to discuss prospecting activity weekly.
5. Younger Producers get more wins because the team brings credibility.
6. Clients feel better about doing business with a team vs a single person.
7. More experienced and successful Producers can actively mentor new Producers as a part of the daily job vs being pulled out of daily work to go help someone.
8. Producers can actually take vacations and now worry about the book of business.
9. Young Producers can see a clear future of wealth if they do a good job because they will potentially inherit a larger percentage of the compensation if they continue to develop their skills.
10. The compensation model inspires the team Producers to make sure the young Producer is bringing in opportunities to justify the compensation they will absorb in the future.

WHY TRADITIONAL MODELS FAIL

- Young Producers work on smaller accounts and never get trained on big business. They try to shift later in career and never learn it effectively.
- No time to mentor young Producers.
- Every Producer has weaknesses. Those weaknesses will take over and keep them from growing at some point in time.
- Producer book perpetuation is tough if not nearly impossible.
- Time management is tough when managing renewals and new business. So, new business tends to fail. In the other model, prospecting can be done weekly, all the time.
- Lack of accountability.
- Books get too big to manage and Producers stop growing.

ROLE DEFINITIONS CLARIFIED

- Strategist – Understands deal strategy, has strong business acumen, can organize the team, has leadership skills, holds people accountable, is the team leader, determines work assignments, guides and mentors young Producer, collaborates with technician, has strong relationships in market, is connected and continues to connect/network, has high conversion and closing rates.
- Technician – Strong insurance knowledge and education, knows markets, can explain coverage well to clients, mentors young Producers, organizes renewals, leads service team in marketing and proposals, helps with cross sell and upsell strategies, keeps committed to prospecting primarily through referrals.
- Producer – Prospecting is priority, networking, expanding networks, setting appointments, supporting workload of technician, follows up on client needs, makes sure service plans are followed with clients, committed to learning.
- Additional Producer can be added if the book reaches levels that support it. Four people is maximum. Need to split teams if book grows too big for four.

HOW TO COMPENSATE

Compensation is the hardest part to install but it becomes very easy when it is in place for a few years. The reason it gets easier is because this is an abundance model. Abundance works because the pie grows faster and it is easy to split up abundance. It is hard to split anything when it is scarce. Abundance thinking training is valuable in the process of designing this program. When everyone understands they are building a huge book of business, and everyone will make more money than building a book alone, it becomes easy.

Producers will typically begin the split based on what they bring to the book to start.

Example of two person team: A \$1,000,000 Producer and a \$500,000 Producer join as a team. The \$1m Producer gets 2/3rds and the \$500k Producer gets 1/3rd of the commission. Thus, neither of them take a pay cut on day one. They can also agree that they split the Production for the next year at the same split. After each year, they relook at factors to include in the annual discussion on commission splits. Factors can include:

1. Initiation of opportunities
2. Value in the sale (expertise, business acumen, deal strategy)
3. Continued growth and learning
4. Involvement in all aspects (technical, relationship, sales process)

After one year, the \$500k Producer may bring in 75% of the leads and put in a ton of time on making the deals happen. The Producers discuss and may switch the entire book to 62% / 38%. The best practice is to have them work this out among themselves and have management be involved if a mediator is needed. Management decision is final if it goes to that level.

EXAMPLE OF THREE PRODUCER TEAM

Strategist has \$1m book

Technician has \$500k book

Young new Producer – zero book and paid \$60k salary

Strategist will get 2/3 and Technician will receive 1/3 of the commission in year one. Agency pays for the young new Producer.

Strategist brings in \$200k of new revenue

Technician brings in \$50k of new revenue

Young Producer brings in \$75k of new revenue

Team now is responsible for \$30k of salary. Book is now \$1.85m. .016% of the book of business is now being paid to the young Producer. The remaining is paid 2/3 – 1/3 to the Strategist and Technician. If the team agrees, they can pay a bonus out of their compensation to the young Producer for bringing in new business (choice of team or agency).

In year three the Young Producer has brought in \$250k of initiated revenue to the team. The book is now \$2.5m. The young Producer will now get 10% of the commission and the Strategist is getting 61.6% and the Technician is receiving 28.4%.

Nobody is going backward in compensation. Percentage points decrease but the money grows.