

INSTRUCTIONS

This Planning Guide has been arranged to take you through eight key phases of your agency operation in the process of planning.

After reading the introductory and instructional material, you will be guided in the completion or revision of the agency's Mission Statement. It is difficult for any business or organization to sustain a positive growth pattern unless all employees and owners really know and understand the business' objectives or Mission.

You will then be given an opportunity to conduct a SWOT analysis of the various areas of your agency. (SWOT = Strengths - Weaknesses - Opportunities - Threats). Some potential goals for your agency are then listed. Once you have analyzed the various areas of your agency, some time should be spent brainstorming, in order to arrive at the priorities facing your agency. When that is complete, Action Plans should be drawn up to outline the individual steps to success and to establish accountability for completion of the individual tasks.

Starting with Section 4, Personal Lines, you will begin assessing your strengths, weaknesses, opportunities and threats. Following the pages listing the potential agency's Strengths, Weaknesses, Opportunities and Threats, you will find a page listing potential goals for the agency in the upcoming year(s). You should pick those goals that best suit your agency and then create action plans to assure your success.

On the ensuing pages of each section, you will find Action Plans that have been created as examples. If you have selected these as goals for your agency, you can use them in their present form or modify them to suit your particular circumstances.

Obviously, all of these specific goals and action steps will not exactly fit your agency, but they should stimulate your thinking to the point that you can make some modifications and have most sections fit your agency. Personal Lines may not be a concern for your agency, and if it is not, then simply skip this section and go on to the next.

Once you have been through the eight sections you will more than likely identify some other areas that need attention in your agency from a planning standpoint. Substitute that need for a section you have by-passed, because it was not needed in your agency at the present time. When everything is done,

you simple re-type the Table of Contents to create a correct title for each of the sections.

As a practice drill, go through the eight planning sections and pick the one that is of most interest to you immediately. Using the approach we have outlined above, move through the steps in that section to edit and revise so that it fits your agency. You will find that the material itself helps you crystallize your thinking and commit to writing what you would like to get accomplished.

This should give you a basic idea of how the process works. As you handle other objectives you will need to review them and revise as needed. Blank Action Plans and SWOT forms are provided to assist you to create plans not included or addressed sufficiently in this manual.

The key to success when creating a business plan is regular review. Once the plan is written, it needs to be distributed and explained to **ALL** agency personnel. In addition, you **must** keep track of the status of each individual task at regular intervals. This should be accomplished by monthly meetings that:

- o Reviews and modifies (if necessary) the SWOT analysis of each
- o Reviews progress in attaining goals established and outlined in the various Action Plans.

Plan + Follow-up + accountability = Succe\$\$

Section 4 PERSONAL LINES

Objective: *Establish/Maintain a competitive position and provide profitable growth by the sale and retention of personal insurance*

Strengths:

- We have the following exclusive and competitive programs _____
- Our agency has competitive Auto rates with _____
Insurance Companies
- Our agency has competitive Homeowners rates with _____
Insurance Companies
- Our agency has competitive _____ products with _____,
- Employees are fully trained and are required to participate in regular educational seminars
- Employees have been trained in sales skills and regularly participate in role playing exercises and follow-up training
- Agency is computerized and all underwriting and account data is stored in the system
- Personnel use personal lines check list forms to protect agency from E & O losses as well as to solicit all lines of insurance from prospects and customers
- Employees are given objectives for new business solicitation, renewal retention and account development and are held accountable
- Agency has a marketing plan established that insures us a steady stream of new business prospects
- Agency has a sales manager to establish, coordinate and be held accountable for sales effort
- Regular internal meetings are held to discuss sales, automation, personnel and company issues
- Duties have been divided to allow certain employees to provide customer service and sell and others to process
- CSRs perform annual renewal reviews with all customers
- Agency has developed target markets and actively pursues those accounts
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Section 4 PERSONAL LINES

Weaknesses

- Our agency has less than _____% of its customers with 2 or more policies
- We have no exclusive and competitive programs
- Our agency has non-competitive Auto rates with its Insurance Companies
- Our agency has non-competitive Homeowners rates with its Insurance Companies
- Employees have not been trained in sales skills and do not regularly participate in role playing exercises and follow-up training
- Employees are lacking in technical knowledge and are not required to participate in regular educational seminars
- Our agency is not computerized
- Agency is computerized but all underwriting and account data is not stored in the system
- Personnel do not use personal lines check list forms for new business
- Employees are not given objectives or goals for production, account retention and account development and are not held accountable
- Our agency does not have a marketing plan established that insures a steady stream of new business prospects
- Agency has no sales manager
- Regular internal meetings are not held to discuss sales, automation, personnel and company issues
- All personal lines employees do everything: sales, service, claims, etc.
- Our agency does not have enough business to attract any viable and competitive personal lines companies
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Section 4 **PERSONAL LINES**

Opportunities

- We have _____ customers with less than three (3) policies with our agency that we may contact and solicit collateral lines
- We have established rapport with the following Real Estate, Escrow, and Mortgage Companies that will provide us with Homeowners leads:

- Our agency has been provided leads from the _____ Insurance Company to pursue _____ target market
- Establish a series of objectives, accountability and bonuses to insure the attainment of our financial goals
- Hire a sales training firm to instruct our people in sales techniques
- Ours is a growing area with many new residents, homes and businesses
- A rate decrease has been given in our area by _____ Insurance Company for Auto or Homeowners
- Full computerization allows our CSRs to spend more time in account development and sales
- Placing our personal insurance business with company service centers will increase our account retention and profitability
- Contacting **all** customers for a renewal review will allow us to write more policies per customer
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Section 4 PERSONAL LINES

Threats

- Banks, auto manufacturers and credit unions have entered the property-casualty insurance field
- Direct writers (specify) are becoming more competitive in our marketing territory in commercial lines
- Consumer legislation could force companies to suspend writing business in our state/marketing area
- Without providing our customers with some perceptible "Values Added", they will leave us for a small price differential
- Inefficient use of our computers could cause us to lose money as commissions shrink
- Shrinking commission percentages, lower premiums and a bad economy has decreased our income per account and our profit
- Without a contingency, our agency will have no profit
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Section 4 PERSONAL LINES

Potential Goals:

- Implement Program Of Account Development
- Establish System Of Referrals To Develop New Business
- Hire A Sales Manager To Assure Agency Of Continued Growth
- Establish A Telemarketing Campaign To Develop New Business
- Establish A Direct Mail Marketing Campaign To Develop New Business
- Develop Strategy To Attract New And Competitive Companies
- Load All Data Into Computer System
- Begin Electronic Filing In Personal Lines
- Restructure Personal Lines To Separate Processing & Customer Service Functions
- Hire Consulting Firm To Assist In Restructuring Commercial Lines Operation And Train Sales People
- Provide Additional Computer Usage Training For Employees
- Provide Additional Technical Training For Employees
- Provide Sales Training And Follow Up For Employees

Personal Lines Action Plan

Objective: Implement program of account development

Plan Coordinator: Personal Lines Supervisor/Agency Owner

Step #1: Identify the products and services that we have available for our customers

Responsible Party: Personal Lines Supervisor/Agency Owner

Start Date: _____ Completion Date: _____

Comments:

Step #2: Identify those customers to whom we could provide additional products and services

Responsible Party: Personal Lines CSRs

Start Date: _____ Completion Date: _____

Comments:

Step #3: Create plan to distribute new products and services to clients

Responsible Party: Personal Lines Supervisor/Agency Owner

Start Date: _____ Completion Date: _____

Comments:

Step #4: Establish sales training program for those people whose job it will be to account develop and sell

Responsible Party:

Start Date: _____ Completion Date: _____

Comments: