Every insurance agency leader should have two broad goals:

1) Increasing revenue; and

2) Increasing agency efficiency and effectiveness.

Growing revenue increases your top line, while boosting efficiency increases ROI to boost your bottom line. Unfortunately, you can find much more information and strategies for increasing agency revenue than for increasing efficiency. But the inefficiency of most agencies is what drives down profits and drives up time demands. In other words, you have to work longer and harder to make less money.

Below you will find the top strategies used by premier agencies across North America to increase agency efficiency and effectiveness by automating, delegating and outsourcing critical tasks and activities.

In addition to these strategies, two additional highly-recommended resources for an agency leader are the business best-sellers *E-Myth Revisited* by Michael E. Gerber and *The 4-Hour Workweek* by Timothy Ferriss. In *E-Myth Revisited*, Gerber lays out a plan to create an effective business that operates independently of the business owner. In *The 4-Hour Workweek*, Ferriss shares specific ideas on how to save yourself literally thousands of hours each year and provides the specific tools and resources you need to leverage in order to take back that control and run your business on your terms.

By implementing these efficiency and effectiveness strategies in your agency, you can buy yourself and your staff more time for more high-value activities and drive more revenue to your bottom line, increasing both the profitability and valuation of your agency.

**Automate**

**Agency Management Automation**

The entry level into agency management automation is a customer relationship management (CRM) system. A CRM is an integrated information system that is used to plan, schedule and control the pre-sales and post-sales activities in an organization. CRM embraces all aspects of dealing with prospects and customers, including the sales force, marketing, back office and customer service. CRM aims to provide more effective feedback and improved integration to better gauge the return on investment (ROI) in these areas.
For more advanced automation, specialized **agency automation systems** are designed to meet the needs of insurance agencies. These systems provide a higher level of agency-specific functions, usually starting with simple functions like carrier data exchange, prospect/client database management, and email automation (i.e., autoresponders). More advanced functions include increasing employee productivity, raising CSR efficiency, and automating routine paperwork activities such as generating notices, filing, and policy history tracking.

**Phone & Voicemail**

There are numerous virtual systems as well as hardware to manage your phone… answering, routing calls and recording messages. Many of the online virtual systems are quite inexpensive yet offer sophisticated capabilities, allowing even a small agency to appear to be a large organization.

**Marketing & Communication**

**Email**

Automating part of the email process will dramatically enhance efficiency. An email **auto responder**, whether stand-alone or part of an agency automation system, is an email utility which automatically replies to an email message with a set reply when an email arrives at a certain email address. An everyday use of an auto responder is the ‘Out of Office’ reply which you can set up when you are on holiday, but in sales and marketing functions, they are usually used to send an initial sales or marketing messages in response to a prospect’s inquiry or response to a sales letter.

An important use of email auto responders is in marketing ‘drip’ campaigns that send prospects and clients a steady stream of marketing and other communications. (See **Prospect & Client Follow Up** below)

**Phone calls**

As with emails, automating the outbound calling process can increase efficiency tremendously. A telephone auto-dialer is an electronic device that can automatically dial telephone numbers. Once the call has been established, the auto dialer will announce a voice message (called a robocall) to the client. These calls can be renewal reminders, relationship contacts to keep in touch with the prospect, cross-selling messages about a product, etc.

**Client Newsletter**

Marketing guru Dan Kennedy calls a paper newsletter mailed monthly to your client ‘the most powerful marketing tool ever.’ Such a newsletter can build a wall around your client, create referrals, and generate cross-selling opportunities. But most agencies don’t produce a client newsletter – and many that have drop the ball – because it’s hard work that has to be done consistently every month to achieve its goals. But a **done-for-you client newsletter** gives you all of the upside benefits with your clients while requiring almost no work on your part. Some done-for-you newsletter programs even offer complete address and mailing services to make the process almost totally turnkey and hands-off.
Prospect & Client Follow Up

48 percent of sales people never follow up with a prospect and only 10 percent make more than three contacts. Yet studies show that 80 percent of sales are made on the fifth to 12th contact.

Email and direct mail drip contact systems allow your agency to automate this critical process to stay in touch with prospects and clients and move them through your sales funnel toward choosing to do business with you or, in the case of current clients, choosing to purchase additional products or services. Separate systems are available for email (see Email above)

These automated contact systems can make marketing communication extremely affordable. The leading system for automating direct mail, for instance, allows you to send a customized greeting card with your personalized message for as little as $1.06 cents—including postage. That’s less than half of what you would pay for just the card.

Delegate

Far too many agency leaders have difficulty delegating lower-value activities that prevent them from focusing on high-value activities such as tracking agency metrics, monitoring progress of the strategic plan, personal development activities such as mastermind and coaching groups, and rainmaking. Yet, these are the activities that can lead to massive agency growth and profitability.

Intentional efforts to shed lower-value responsibilities through delegation is a high-ROI activity for agency leaders, freeing them up to provide more of the leadership that only they can offer. Moreover, by delegating to staff these lower-value activities you have been handling, you increase the value of your staff and raise their sense of ownership in the agency.

Agency leaders should undertake a ruthless and in-depth analysis of their activities, asking of each, ‘Is it essential that I perform this activity? Does it drive the growth of the organization?’ Delegating all activities that don’t pass this test will greatly improve the effectiveness of any agency leader.

Outsource

Especially for small to medium-sized agencies with limited staff, outsourcing provides an economical way to delegate. Many agencies outsource operational functions such as payroll and accounting.

Many marketing functions also are ideal for outsourcing, such as marketing campaign strategy and design, telemarketing, your client newsletter, marketing material design, etc.

Activities and functions that lend themselves to outsourcing are usually either low-value activities (e.g., janitorial work or telemarketing) or highly sophisticated tasks (e.g., accounting, IT work, or marketing consulting). Regardless, outsourcing is an excellent strategy for improving the efficiency and effectiveness of agency operations.

The agency that embraces these types of strategies to increase operational efficiency and effectiveness can expect to receive dividends in the form of higher agency profits and increased agency value.