



Your Internal Locus of Control...A Key to a Better Customer Experience

By: F. Scott Addis, CPCU, CRA, CBWA

Amid rampant economic uncertainty, owners of businesses, CFOs, and HR managers are craving advice on how best to manage and mitigate risks. They are looking for you to serve as a consultative, diagnostic, trusted risk advisor.

But how can you achieve this status? Trust does not happen overnight -- it evolves over time. Highly successful agents and brokers understand that trust produces bonds and connections that enhance both parties' opportunity for success. Have you developed a mindset and the self-confidence to maintain consistently strong bonds with your clients?

Beyond Insurance has discovered five main factors that support a high level of performance. Peak performance producers:

1. Are committed to excel and succeed, and show determination when it comes to achieving their goals.
2. Are confident in themselves and their technical skills, and refuse to let self-doubt enter their mind. They take responsibility for their performance -- whether good or bad.
3. Show emotional control and handle stress effectively, often using it to their advantage. In competitive situations, they change the game by moving beyond the transaction. They refuse to allow the client or prospect to treat them as a commodity.
4. Show exceptional self-discipline, and are always willing to learn and improve.
5. Use mental focus, visualization, and goal-setting skills to develop an Internal Locus of Control.

Locus of Control

As a trusted risk advisor, getting where you want to go in business is contingent upon your ability to demonstrate an Internal Locus of Control (LC) to your clients, prospects and centers of influence. Locus of Control is how you perceive the events and relationships in your life and career. Someone with an Internal Locus of Control appreciates that his or her actions have a direct bearing on the outcome. A person with an External Locus of Control, on the other hand, blames fate, destiny, luck, the incumbent, the underwriter, or some other force.

People with a strong Internal LC put in the necessary effort to succeed. They have high motivation, perseverance, and a willingness to serve their clients far beyond the transactional sale. By developing a strong Internal LC, you can exercise control over your career and create deeper relationships with clients and prospects. Henry Ford once said, *"Whether you think you can or think you can't, you are right."*

Understanding your own Locus of Control

For each of the following statement pairs, choose the one you believe to be most accurate, not the one you wish was truest (most true). There are no right or wrong answers.

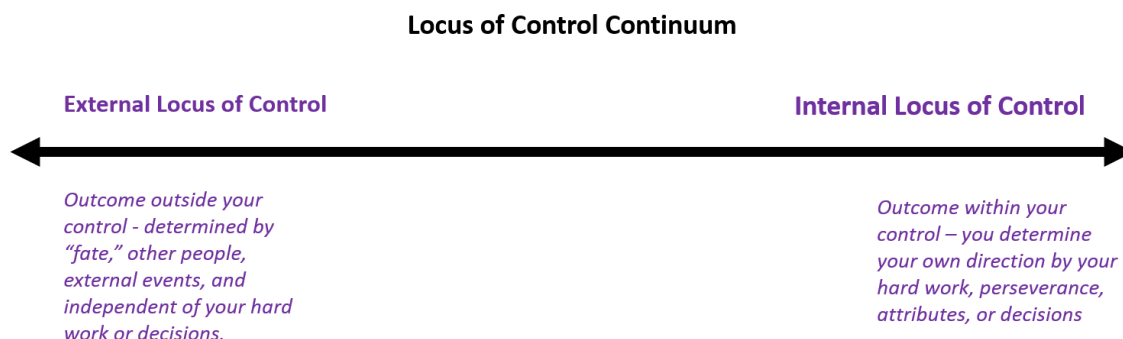
- 1a. Bad luck is what leads to losing an account.
- 1b. Losing an account is usually the result of a decision or action I made which is detrimental to the business relationship.
- 2a. No matter how deeply I commit to my clients, I am treated as a commodity.
- 2b. Commoditization only occurs when I do not listen to my clients and allow the customer experience to turn into a transactional sales process.
- 3a. Despite my hard work to become a trusted advisor, what I accomplish often goes unnoticed by my clients, prospects and coworkers.
- 3b. I "reap what I sow." In the end, my customer experience is directly related to my ability to identify, prioritize and mitigate risks.
- 4a. Customers treat agents and brokers equally -- evaluating our performance on the bids we deliver.
- 4b. Receiving a Broker of Record letter has more to do with how much the client trusts me rather than my ability to access the markets.
- 5a. There are some people in this world who will not trust or like me, no matter what I do.
- 5b. If I am committed to helping my clients improve their risk profiles, then finding customers to trust me is not difficult at all.

- 6a. If cross selling a customer is meant to happen, it will. There is little I can do to position it.
- 6b. I impact each customer's experience with me. I don't leave it up to fate.
- 7a. There is no point in preparing risk management service plans for my clients because the bid determines who ultimately wins the account.
- 7b. My commitment to service plans and stewardship reviews increases my likelihood of retention and referrals.
- 8a. It's whom you know, not what you know that determines whether one secures an account or not.
- 8b. To be successful, it matters less who you know, rather than what you know. Hard work and dedication to one's profession makes a difference.
- 9a. My career is like a game of chance. What I get or what happens to me is mostly a matter of luck.
- 9b. Luck doesn't play a large role in getting what I want out of my career.
- 10a. I often feel that I don't have control over clients choosing me or the incumbent.
- 10b. Turning prospects into clients is largely due to my unique diagnostic process.

Score Interpretation

More than five "B" answers – Internal Locus of Control

Note: This assessment is patterned after the Locus of Control Scale, by J.B. Rotter, as part of his theory on social learning. Please see the Locus of Control Continuum.



What does your Locus of Control Score Mean to You?

A score with mostly A responses indicates an External LC. A producer with an External LC may receive plenty of new business opportunities, only to be rejected time and again. He or she

usually blame lack of ability or fate stating, “I can’t control this market,” “I don’t have access to the right underwriters,” or “The consumer doesn’t value my approach.”

When these same producers with an External LC find new clients who accept their offering, they usually tell themselves, “Gosh, today was my lucky day.” Sadly, these people believe they are helpless participants in the 90-day bidding cycle. Such producers make rationalizations rather than put in the time and effort to build trust with clients. They often blame bad luck for their failures rather than developing the necessary skills to serve as consultative, diagnostic advisors. They remain blind to their personal limitations and lack of effort.

The research of Beyond Insurance has shown that successful producers develop a mindset that encourages consistent achievement. They attribute their career success to their ability to control outcomes...to consult and diagnose risk issues facing their clients. Instead of blaming others when failure occurs, they maintain a fundamental faith in their own capabilities and are motivated to move ahead. Healthy, successful producers demonstrate positive attitudes and remain confident in their ability to enhance relationships with clients and prospects. By doing this, their self-esteem, motivation, and ability to serve clients grow exponentially.

Clients and prospects will not share their goals, passions and struggles with you until they feel confident and comfortable with you. Your credibility, integrity, authenticity – your Internal LC – creates a relationship based on trust. Building that perception takes time and energy. Be patient. The rewards are plentiful.

The following three strategies will help you demonstrate your Internal LC to clients:

1. ***Value Proposition.*** Your value proposition represents the reason why a customer should buy your particular product or service, how it exceeds that of your competition and why it is worthy of the price they must pay. Your value proposition must appeal to your customer’s strongest decision-making drivers. A differentiated value proposition goes beyond functional product or service descriptions to express the results a customer can expect to achieve. The value proposition must not be about you and your firm. Rather, it must be all about the customer. Your ability to articulate confidently how you are uniquely qualified to help the consumer as a consultative, diagnostic advisor will distinguish you from others in the marketplace.
2. ***Create a culture of creativity and innovation.*** Your ability to “think outside the box” is best supported in a flexible, open, nurturing environment. Creativity is the act of producing new ideas, approaches or actions while innovation is the process of putting ideas into action. Creativity is a benchmark of your Internal LC.
3. ***Understand the customer.*** Consumers are willing to pay a premium, redefine the buyer/seller relationship, erect barriers to the seller’s competitors, and establish the seller as a trusted advisor when the seller reveals to the buyer an **unrecognized problem**

and establishes for the buyer an **unanticipated solution**. Both are accomplished with a thorough understanding of the business and your internal LC.

An Internal Locus of Control has been empirically correlated with successful customer experience journeys. Research clearly substantiates that producers with Internal LCs have higher levels of performance as well as client trust, satisfaction, and respect. They have to come to understand that success comes from a sustained commitment to their unique process. Finally, these producers are always seeking to learn and to transform. Where are you on the Locus of Control continuum?

About the Author

Scott Addis, CPCU, CRA, CBWA is the CEO of Beyond Insurance and is recognized as an industry leader having been named a Philadelphia finalist for *Inc. Magazine's* "Entrepreneur of the Year" award as well as one of the "25 Most Innovative Agents in America." Beyond Insurance is a consulting firm that offers leadership training, cultural transformation, and talent and tactical development for enlightened professionals who are looking to take their practice to the next level. Since 2007, the proven and repeatable processes of Beyond Insurance have transformed individuals and organizations as measured by enhanced organic growth, productivity, profitability, and value in the marketplace.