



## **The Stewardship Review...An Inefficient and Costly Retention Strategy or An Offensive Weapon to Impact Your Agency's Bottom Line?**

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

In the early years of my business career, I served as an Account Executive with Johnson & Higgins (J&H) in Philadelphia. Founded in 1845, J&H was the largest and most admired insurance brokerage in the world. At the age of 30, I had the distinct honor and privilege of participating on an Account Management Team who coordinated the insurance and risk management requirements for some of Philadelphia's most prestigious institutions including Comcast Corporation, Temple University and the University of Pennsylvania. The J&H model was built upon a foundation of intense customer intimacy, impeccable customer service and a passion to deliver value added resources outside the boundaries of the insurance transaction. Perfection was the standard. Referability and customer loyalty were the goal. We took great pride in viewing ourselves as the Ritz Carlton of the insurance brokerage community.

J&H's client centric service platform created a unique "customer experience." It included numerous tools and strategies, including but not limited to, risk management service timelines, quality insurance protocols, action plans, marketing logs, and much more. While each piece of the J&H service platform had a special purpose, the "jewel" was the Stewardship Review.

The Stewardship Review was conducted six months after the inception date of the insurance program. Its purpose was to confirm that J&H's insurance and risk management strategies, goals and objectives were aligned with those of our client. Beginning 30 days prior to the scheduled Stewardship meeting, we would begin a labor intensive process of assembling and analyzing volumes of information ranging from claims management reports to risk mitigation initiatives to insurance program design accomplishments. Charts and graphs were prepared. Schedules of insurance were updated. Industry trends were studied and our client's performance was benchmarked.

Countless hours were spent on these prized clients in gathering and researching data, crafting the report and preparing for the Stewardship Meeting with the Risk Manager and his or her Executive Management Team. A few days before the presentation, the J&H Account Management Team met to make final adjustments to the report and rehearse our presentation. Everything had to be perfect. The performance had to be impactful and memorable. This was our moment to shine as we knew that the Stewardship Review was our special weapon in communicating our value proposition, building enduring relationships and enhancing J&H's brand identity. Put simply, the Stewardship Review was a "big deal"!

Why? Why was the Stewardship Review process so important? Why was J&H willing to invest so much time and energy on this strategy? The reasons are plentiful:

1. The Stewardship Review demonstrated our knowledge of the client's business and risk issues.
2. It gave us the opportunity to reinforce the quality and integrity of our work product.
3. We had a captive audience consisting of not only the Risk Manager but his or her Executive Management Team including the CEO, COO and CFO.
4. The process was strategic, diagnostic and consultative – the Review reaffirmed our business partnership with the client.

It has been years since I worked on my last Stewardship Review for Comcast Corporation, Temple University and the University of Pennsylvania. However, I now have an increased understanding of the financial rewards of the process. The Stewardship Review improved retention, cross selling opportunities, referability, as well as our ability to charge more for our services. The Review also enhanced the organization's brand and value – an amazing strategy to impact J&H's bottom line.

The dictionary defines stewardship as "managing for others, one who directs affairs. Guardian. Manager."

After departing J&H and starting The Addis Group in 1990, I blended key components of J&H's large account service platform to create the Addis Process™ including risk management service plans, claims management systems, quality assurance protocols, pre renewal strategy sessions and a stakeholder intimacy system. After much consideration, I made the conscious decision not

to include the Stewardship Review into The Addis Group's "original," middle market focused business model. I viewed the Stewardship Review as:

- Most appropriate for larger businesses.
- Tedious and time consuming. Expensive to deliver to the middle market business segment on a consistent basis. The ROI could not be justified solely as a client retention tool.
- Duplicative. The risk management service plan and quality assurance protocols were already ingredients in the Addis Process™.

Through the 1990's, The Addis Group demonstrated positive organic growth, profitability and brand differentiation without the Stewardship Review. However, we were beginning to see outside competition target our key accounts. We also believed that our cross selling strategy needed creativity and structure. That being said, I began to question the strength of the Addis Process™ without Stewardship Reviews. I also vividly recall a member of the staff offer the following curious comment, "the Stewardship Review must be the first and most important piece of our insurance renewal process." What was she thinking?

Historically, The Addis Group had viewed the insurance renewal process as starting 90 days in front of the expiration date, not 180 days. As the staff pondered her comment, we soon realized the brilliance and potential impact of the thought process. The Addis Group created a streamlined Stewardship Review process focused on deepening client relationships, differentiating ourselves in the marketplace and enhancing our referability and retention results. The Stewardship Review would:

1. Reduce outside competition on key accounts
2. Create more referrals
3. Enhance cross selling opportunities
4. Improve our reputation and brand

We designed a significantly different formula from Johnson & Higgins. The Stewardship Review would not be a strategy to "tell our story." Rather, we concluded that a thoughtful lunch or dinner meeting focused on listening to our client talk about his or her visions and goals – personally and professionally – would be most impactful. We encouraged the client to speak about the strengths of their business, opportunities for growth and potential risk issues which may impact optimum performance. We saw no reason to spend countless hours gathering and analyzing data, preparing reports and strategizing about the meeting. Rather, sharpening our listening skills.

The impact of the Stewardship Review was more than we imagined. The return on investment was immense as measured by reduced competition on outside accounts, cross sell and referral opportunities. We learned firsthand that the Stewardship Review is the first and most essential piece of the insurance renewal process.

The Stewardship Review...An Inefficient and Costly Strategy or An Essential Weapon to Impact Your Agency's Bottom Line? You decide.

#### 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.