



Acres of Diamonds... The Story of an Agency That Learned to Thrive Without Producers

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

Ben Jones, a thoughtful third generation agency owner, came to work on Monday morning three years ago to learn that his seven key producers had decided to exit his firm. They were leaving immediately to set up shop at Ben's biggest competitor located on the other side of town.

Ben was devastated by the news as he had invested so much in each producer. He treated them like family and compensated them fairly. He had even gone out of his way to make sure that each producer received a sizeable bonus at the end of each year. In his early 60's, Ben had hired an outside consultant over a year ago to work with the producers on a perpetuation plan. Although Ben was aware that the producers were anxious and frustrated with the length of negotiations he had no idea they would walk out, much less go to his biggest competitor!

A man of honor and integrity, Ben sat at his desk in denial and total disbelief. As he tried to gain his composure, he became distraught and emotional as he focused on the pictures of his deceased father and grandfather. Granddad Charlie has started the agency in 1921. Dad was

active until he passed away at the age of 72 ten years ago. The agency was a family treasure that meant more to Ben than anything in the world.

Ben knew he was in deep trouble as the producers controlled over 70% of the agency's revenues. Each producer had a book of business in the range of \$600,000 of revenue. Ben had been diligent in having each producer sign a Business Relationship Agreement containing non-compete wording. However, his attorney had advised that the agreements would most likely not hold up if the agency's customers "sought out" departed agency producers. Clearly, the \$6,000,000 revenue agency was at risk and the clock was ticking.

It was now 10:00 on this fateful Monday morning. Ben called a staff meeting for 1:00 to break the news to the remaining 36 members of his organization. He knew he had three hours to prepare for the most important meeting of his life. He needed a strategy to keep his team calm and focused. He needed a strategy to keep the agency customers from mass exodus. He also needed a plan to present to the carriers. Most importantly, he knew he needed a plan to protect the agency's brand and reputation in the community.

How would he accomplish this? Where would he begin? He needed an answer. The clock was ticking. The staff meeting was now only 2 hours away. As Ben looked desperately around his office, his eyes focused on the picture of Uncle Bill, his favorite uncle who had a story for every occasion. He was a man of great wisdom. Uncle Bill once shared a story with Ben entitled "Acres of Diamonds."

The story was about Ali Hafed; an ancient Persian, who owned a beautiful farm. Ali was a wealthy and contented man. One day a wise man from the East came to the farmer's home and spoke about diamonds the size of his thumb. He encouraged Ali to leave his family, farm and community to search for these rare jewels. With diamonds in hand, he could put his children upon thrones through his vast wealth. Ali Hafed went to sleep that night a poor man – poor because he was discontented. Craving a mine of diamonds, Ali sold his farm to search for the mysterious stones. He traveled the world over, finally becoming so poor, broken and defeated that he took his life.

A few years later, the man who purchased Ali Hafed's farm led his camel into the garden to drink. As the camel put his nose into the brook, the man saw a flash of light from the sands of the garden. He pulled a stone that reflected all of the hues of the rainbow. The man has discovered the diamond mine of Golconda, the most magnificent mine in all history. Instead of death in a strange land, if Ali had remained at home and dug in his own garden, he would have discovered the acres of diamonds.

Ben gained strength from the lessons learned in the "Acres of Diamonds" story. He jumped to his feet. He had a plan to save his agency. He was going to challenge his employees to help him build an "Acres of Diamonds" Stakeholder Intimacy and Relationship Management System. The System would have to be built immediately with keen focus on the agency's six key stakeholders

– clients, carriers, staff, centers of influence, prospects and community. Ben knew that he could not build the system by himself. He would need the buy in and energy of his entire staff.

At 1:00, Ben was confronted by 36 dejected and unsettled members of his firm who had many questions. Do I have a job? Will our clients leave us? Who will produce business? In the midst of the turmoil and uncertainty, Ben told the story of Ali Hafed. He challenged his staff to look deep in their hearts to save the agency. To a person, his associates were set for the challenge. Ben appointed a team leader for each stakeholder and asked each employee to participate on one of the Stakeholder Intimacy and Relationship Management teams. Six stakeholder teams with six staff members representing each. At 2:00 on Monday afternoon, each team went their separate ways to design a Stakeholder Intimacy and Relationship Management System. Little did each employee know that this exercise would change the face of the agency forever. By 5:00 that afternoon each team responded to the following questions:

1. Why are our stakeholders (clients, carriers, staff, centers of influence, prospects and community) so important to our agency?
2. What is each stakeholder's primary need?
3. What is the agency doing now to shine these diamonds?
4. What strategies should the agency consider to allow each stakeholder to know how much we value them?

The energy created by “Acres of Diamonds” Stakeholder Intimacy and Relationship Management exercise was exactly what the doctor ordered. In responding to the four questions, all 36 members of Ben's organization had a renewed vigor as well as a passion and purpose to implement change in the agency. Ben's staff believed they could keep positive momentum in the agency without the departed producers through an implementation plan reflecting the strategies identified in Question 4.

Within days, Intimacy Action Plans were built for each of the six key stakeholders – clients, carriers, staff, centers of influence, prospects and community. Each Plan contained a variety of services, strategies and tools to shine the diamonds.

By the end of the week, Ben's organization was prepared to introduce a new client relationship management system comprised of a 10-step intimacy and relationship management process including risk management service plans, quality assurance report cards, stewardship reviews, risk management leadership workshops, newsletters, E-newsletters, pre renewal strategy sessions, special claim handling procedures and a host of value added services -- wellness programs, safety opinion surveys, experience mod reviews, employment labor law audits, employee handbook reviews, disaster planning, etc. A key ingredient in the System was the opportunity for the client to build personal relationships with carrier representatives – underwriters, claims, risk control, auditor. Each of Ben's key clients would also have the opportunity to review and approve specifications prior to submission to the marketplace.

Ben's associates did not stop there. They created a PowerPoint presentation of the System. They also designed a Carrier Appreciation Program to recognize the efforts of their carrier partners.

A number of additional intimacy and relationship management initiatives were also in the works including center of influence lunch and learns, trusted advisor client roundtable discussions, staff and family events, and community outreach projects. All of Ben's precious diamonds were being shined simultaneously!

The results were amazing. Ben's staff did not lose one client to the departed producers. The insurance companies quickly came to respect the System and adored its Carrier Appreciation Program. Centers of Influence attended the Risk Management Leadership Programs and loved the newsletters. Client and center of influence referrals came in waves. The staff and its families were invigorated. Most importantly, the agency's brand and reputation in the community was preserved.

Today, three years later, the firm has crossed the \$10,000,000 revenue mark. All of its operating ratios have significantly improved. And, the staff is having a ball. Ben's Uncle Bill, Dad and Granddad would be so proud. Thanks to the "Acres of Diamonds" Stakeholder Intimacy and Relationship Management System, Ben's firm has learned to thrive without traditional producers.

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.