

Success Brings Challenges

By Chris Burand

NASCAR has experienced incredible growth these last five to ten years. Some people have historically looked at NASCAR as a sport full of simple rednecks. However, considering the revenue most top-level NASCAR teams generate, I question the accuracy of that stereotype. These teams are quite successful!

The rapid growth of this sport though has many teams struggling, especially at the management level. Andy Graves, team manager for Chip Ganassi Racing, was quoted in *USA Today* as saying, "It's my job to keep everyone's environment right. I kind of think of it as a part-time baby sitter, part-time bartender. I have to listen to everyone's problems and make sure everyone gets along." The crew chief used to do this plus run the fab shop and engine shop, manage the crew and testing, and handle all the other details too.

This is very similar to insurance agency management. When agencies only have \$500,000 revenue, one person can sell, manage company relations, manage staff, and take care of most operating details. When an agency has \$5,000,000 revenue, one person cannot do all this. Ignoring the situation is an option many agency owners explore and work very hard to accomplish. Ignoring the need for more management though is not recommended.

Hiring or appointing specific people to manage or supervise the commercial lines and personal lines staffs is a fairly easy decision for most agency managers. Appointing others to oversee accounting and automation are also pretty easy. The most difficult aspect for many owners is not related to a reluctance to give up authority. Instead, owners find it difficult to accept that as the agency grows, key people need more management rather than less management.

In particular, producers need more management because their results are not as directly visible so a concerted effort must be made to know what and how they are doing. Furthermore, many producers know they are less visible so they will take advantage of their obscurity by writing less than desirable risks, cutting corners on their submissions, and pushing off their work on the staff. Most agency managers think producers should be totally self-motivated but this is only wishful thinking. Producers need to be pro-actively managed if a growing agency is going to succeed.

Very few agency owners got into this business to manage people and yet as agencies grow, managing people really becomes the key to success. In particular, very few managers want to be the one providing a shoulder to cry on. It is not in most agency owner's personality, especially when the line of people needing a shoulder to cry on seems unending. I think Andy Graves described very well the role a manager needs to provide. Again, he said, "It's my job to keep everyone's environment right. I kind of think of it as a part-time baby sitter, part-time bartender. I have to listen to everyone's problems and make sure everyone gets along." If the agency owner/manager is not going to perform this job in today's larger agencies, someone must.

Success always brings new challenges. NASCAR's challenge and many agencies' new challenge

are very similar: Learning to manage people and their emotions while still succeeding on the track. Many NASCAR teams have separated operational from emotional management with different managers in charge of each. Does this makes sense for your agency too?

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