

## ***Sharks Wanted*** ***By Chris Burand***

*"We don't want the people who swim with the sharks. We want the sharks."*

—Employment add from the *Orange County Register* (as printed in *Readers Digest*)

For many decades, the independent agency has been an entrepreneurial success story. The agency founder was a remarkable person. He or she started their business from scratch and served as the CEO, producer, CSR, bookkeeper, and janitor. And they succeeded! With greater success, they hired CSRs, a bookkeeper, and a janitor.

As agencies grow, eventually they require a producer and bringing in a nonowner producer seems to be the Achilles heel of so many very successful agency owners. These are people I admire, they are great salespeople, fantastic individuals, and people who cannot seem to hire a good salesperson.

Let me play Freud for a moment and ask, "Why do these owners succeed at so much but so often fail at hiring a good producer?" Maybe they do not subconsciously want the competition. They like being the best salesperson in the agency. This certainly is true in some cases where agency owners have capped, fired, or otherwise stifled good producers when the producer started making more money than the owner. One agency owner actually declared, "No one will make more than me no matter how much they sell!"

Other owners just hire bad producers to begin with so they never have to worry about the competition. In other cases it may simply be that having the talent to sell does not translate into a talent for identifying other people who can sell.

Whatever the reason for past poor hires, the number one problem in many agencies is the lack of production. So, if you really want to hire a good producer, do two things.

First, hire a good salesperson! Easier said than done, obviously. Here are a few suggestions:

- Hire a good salesperson. Be realistic and objective. Do not rely on inspired hopes.
- Hire a good salesperson even if they do not know insurance. Teaching insurance to a good salesperson is easier than teaching sales skills to most people that know insurance.
- Hire a good salesperson without a lot of former agency employers on their resume. Frequent job hopping may be acceptable in the high-tech field today but for most producers in our business it is usually a sign of failure. A good salesperson most likely would have stayed with one of their former employers, built a big book, and set a course for eventual agency ownership. As the old saying goes, "If a tree had apples last year, don't expect pears this year."
- Hire a good salesperson by using personality tests as filters. Since so many agency owners have proven themselves to be poor judges of future talent, these test are not perfect but they are better than nothing.

- Hire a good salesperson by being patient. Good salespeople are not a dime a dozen. You will be better off waiting another six months to find the right producer than hiring the wrong one too soon!
- Hire a good salesperson and have a plan to do so. Planning to hire a good salesperson is subtly, but critically different from talking about it. Many agency owners just wait for good fortune to intervene and drop a great producer in their lap.

Second, provide sales training!

- Provide sales training. Unfortunately, agency owners are very reluctant to offer training. According to Jack Fries of Fries & Fries Consulting, less than one half of 1% of agency revenues are spent on sales training. Even though sales is an agency's number one goal, agencies spend less on sales training than on postage, agency repairs, attorneys & accountants, or bad debts!
- Provide sales training. I believe many agency owners do not train producers because they themselves did not need training to succeed. They think, "Hey, I didn't have any sales training and I succeeded, so why should my producers need training." Or maybe training is so far removed from their needs that they do not even think of it as being necessary.

It is necessary though. For example, a friend of mine built a \$90,000 book at his first agency and then stalled. He and his employer became frustrated with each other and eventually parted ways. His new employer provided sales training. He produced \$100,000 in ten months and his book is still growing strong.

- Provide sales training. The old dictum, "Those who can, do, and those who can't, teach," holds true. Because most agency owners can sell, they do not make great teachers. Most owners should stick with providing direction and goals and send their producers to a good sales training program.
- Provide sales training. It does cost money, but even \$5,000 is a cheap investment. Consider what thousands of agencies spend every year on failed and failing producers. Suppose a new producer is paid an average of \$30,000 to \$50,000 per year. If after three years that producer's book only equals \$50,000, the agency has lost at least \$50,000 over three years. Training is cheap compared with failure.

Bottom line: Find the best sharks and train them to be even better sharks!

**Chris Burand** is president of Burand & Associates, LLC, an insurance agency consulting firm. Readers may contact Chris at (719) 485-3868 or by e-mail at [chris@burand-associates.com](mailto:chris@burand-associates.com).

NOTE: None of the materials in this article should be construed as offering legal advice, and the specific advice of legal counsel is recommended before acting on any matter discussed in this article. Regulated individuals/entities should also ensure that they comply with all applicable laws, rules, and regulations.