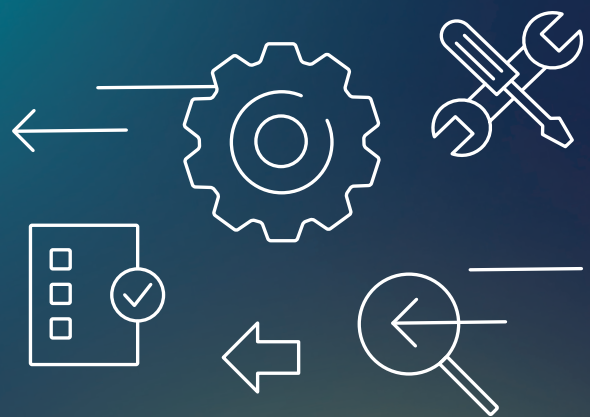
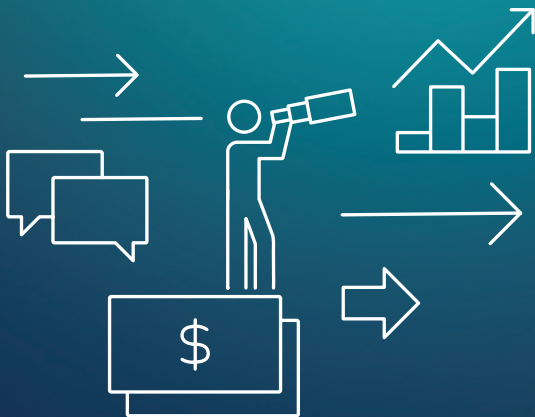


2019 SALES AND SERVICE SURVEY REPORT

The Costs of Misaligned Insurance Sales and Service Teams

Examining the common practices that diminish profitability, expose policy holders to coverage gaps, and threaten the reputations of insurance agencies.



EXECUTIVE SUMMARY

Objectives

The objective of this survey is to gain insight into the relationship between sales and service teams at U.S. insurance agencies to uncover:

- How well cross-functional teams collaborate and understand each other
- Which client services might be falling through the gaps creating reputational or E&O risks
- Which revenue opportunities are being missed

Method

ReSource Pro, Oceanus Partners, and Insurance Journal partnered to survey U.S. insurance agencies about the alignment of their sales and service teams on how they collaborate on new business and renewals.

Answers were segmented by sales, service, or management roles. Participants answered questions about processes within their organizations and their experience of working with their colleagues.

Demographics

- 600+ respondents
- Respondent roles:
 - o Management (37%)
 - o Service (19%)
 - o Sales (44%)
- Where respondents work:
 - o Commercial Lines (42%)
 - o Employee Benefits (8%)
 - o Personal Lines (9%)

How to Use This Survey

Gaps between sales and service personnel represent real issues for agencies. They indicate gaps in process, performance, and customer outcomes, potentially resulting in underinsurance, lost revenue, and E&O risk. Bringing sales and service teams together to discuss the survey results will be valuable for gaining insight on potential performance gaps within your agency and how to address them.

Aligned sales and service teams can unlock massive revenue potential, improve working relationships, and release energy to transform the customer experience.

Selected Highlights

- **STANDARDIZATION.** Standardized processes are not yet followed as the norm at agencies, with a third of producers reporting that their agency has no standardized sales process and only 22% of producers saying they rarely deviate from the processes they have.
- **“RENEW AS IS.”** Renewing an account without updated information is risky for both insureds and agencies. But it is still a common occurrence. Almost two-thirds of producers say it’s rarely done, but only 42% of service staff agree—that’s a lot of potentially unidentified risk left on the table.
- **URGENT PRODUCER REQUESTS.** 69% of management and 62% of service staff say that urgent producer requests are common, but only 24% of producers agree. 55% of service staff say producer requests interrupt work streams and complicate their workday, while only 14% of producers agree.
- **PRODUCER EFFECTIVENESS.** While 80% of producers say that they (producers) are “very effective” at facilitating account rounding, only 18% of service staff felt the same. Management responses agree with service teams. Large perception gaps exist between sales and service teams in terms of how effectively producers: (a) position the value of account manager services to clients, (b) communicate client expectations and service commitments to service staff, and (c) evaluate new and emerging risks during the renewal process. Almost 50% of producers rate themselves “very effective” at these activities while only 20% of service staff agree.

ALIGNMENT OPPORTUNITY

There is a significant opportunity to improve risk management and service differentiation by improving sales and service alignment, understanding, and technical insurance training.

SURVEY REPORT

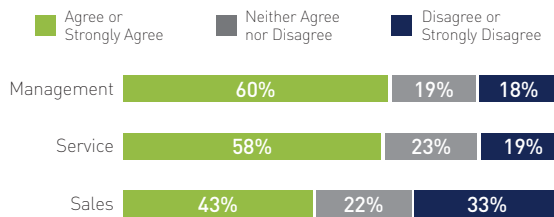
Findings

STANDARDIZATION

Standardized Sales Process

Standardized processes are not yet followed as the norm at agencies. 60% of managers and 58% of service staff agree that their agencies have a standardized sales process, while only 43% of sales staff agree.

Our agency has a standardized sales process.



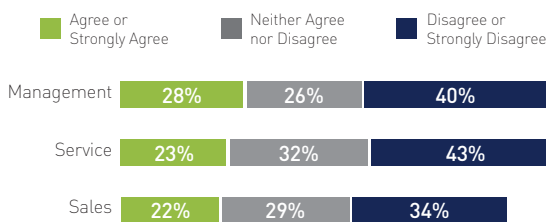
Graph 1

This tells us that some 40% of agencies are still operating without standardized processes, and if they have them, in some cases their teams aren't aware of them.

It might be possible that there is an established sales process, but some producers just don't know about it.

In those cases where a standardized sales process does exist, it appears that management, sales, and service all find that it is common for deviations from those standards to occur.

Our producers rarely deviate from the standardized sales process.



Graph 2

Only 28% of management, 23% of service staff, and 22% of sales staff agree that producers rarely deviate from the established sales process.

An incredible 40% of managers, 43% of service staff, and 34% of producers disagree with this statement.

Unmanaged process deviations have a number of implications for the health of an agency. They can lead to frustration and misunderstanding between sales and service teams, driving up inefficiency and cost. They can also lead to information falling through the cracks, increasing the possibility of coverage gaps for insureds and E&O risks to the agency.

Of producers who agree their agency has an established sales process:

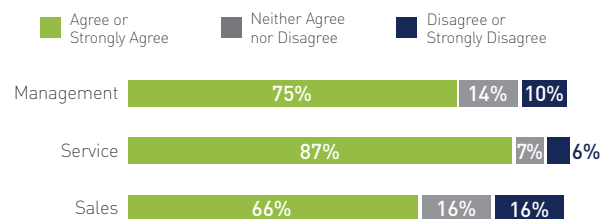
Our producers rarely deviate from the standardized sales process.



Graph 3

Of the 43% of sales staff who agree their agency has a standardized sales process, only 40% of them agree that sales staff rarely deviate from the process. 32% of sales staff who agree there is a process cannot affirm they stick to the process, while 28% actively disagree with the notion.

Our agency has a standardized renewal process.



Graph 4

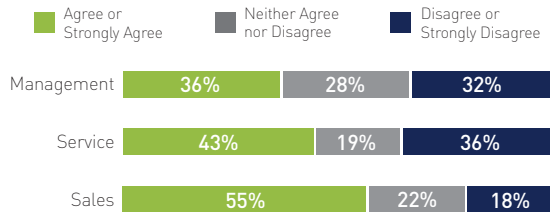
Standardized Renewal Process

Responses regarding standardization of renewal processes were more optimistic. The overwhelming majority of management, sales, and service staff agree that their agency has a standardized renewal process.

Additionally, 36% of managers, 43% of service staff, and 55% of producers agree that producers rarely deviate from the established renewal process.

Although renewals follow a standard process more often than new business, 18-36% of staff still see common deviations from the process.

Our producers rarely deviate from the standardized renewal process.

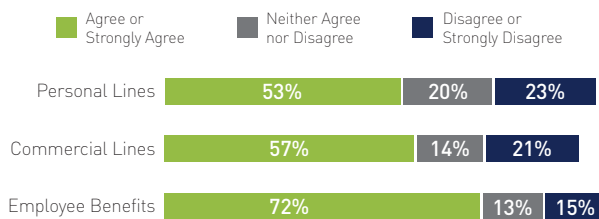


Graph 5

Standardization by Line of Business

Findings were mostly consistent across all lines of business except for two areas. Employee Benefits respondents agree at a higher rate that their agency has a standardized sales process, with 72% agreeing or strongly agreeing, compared to 57% and 53% for Commercial or Personal lines.

Our agency has a standardized sales process.

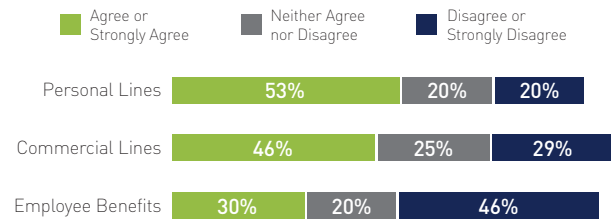


Graph 6

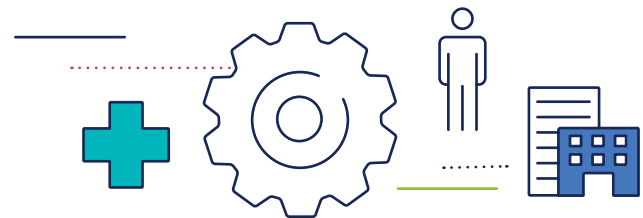
However, while Employee Benefits respondents more frequently have standardized sales processes, the data shows that their producers deviate from that process more frequently than in Commercial or Personal lines.

When asked how strongly they agree or disagree with the statement "Producers rarely deviate from the standardized renewal process," only 30% of Employee Benefits respondents agree or strongly agree, while 46% disagree or strongly disagree. This is 16 percentage points less than Commercial lines respondents and 23% less than Personal line respondents.

Our producers rarely deviate from the standardized renewal process.



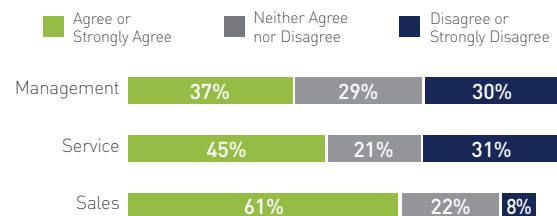
Graph 7



'RENEW AS IS'

Renewing an account without updated information is risky for both insureds and agencies. But it is a common occurrence. Almost two-thirds of producers say they rarely instruct service staff to "renew as is," but only 45% of service staff and 37% of management agree.

Our producers rarely instruct service staff to "renew as is."

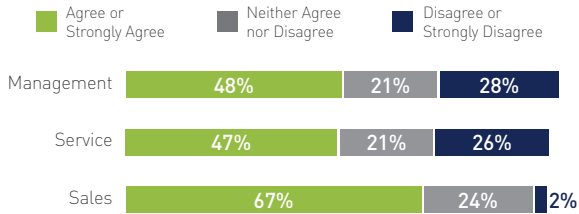


Graph 8

Only 48% of management and 47% of service staff say renewals are rarely transacted without updated risk data, compared with 67% of producers.

Either way, that's a lot of potentially unidentified risk left on the table and either practice is likely not part of the established renewal process, which 55% of producers say they rarely deviate from.

Renewals are rarely transacted without updated risk data.

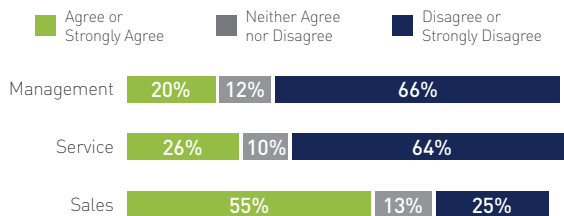


Graph 9

URGENT PRODUCER REQUESTS

Interruptions can have a significant impact on a person's workday. When it comes to producers interrupting service staff, 66% of management and 64% of service staff say that urgent producer requests are common, but only 25% of producers agree.

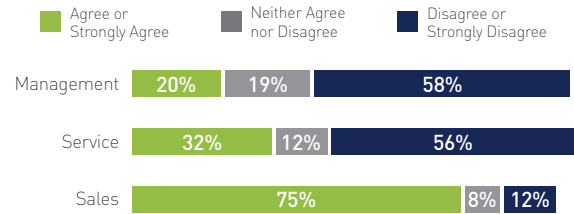
Urgent producer requests rarely interrupt service staff.



Graph 10

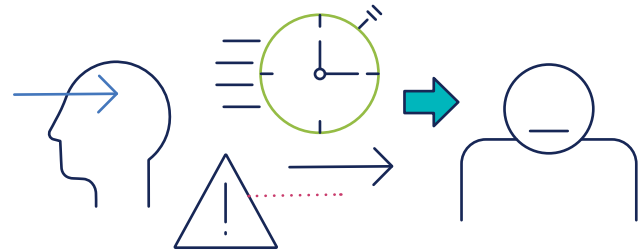
This has serious implications for the health of the sales-service relationship and overall employee morale, engagement, and retention within the agency.

Producer requests rarely complicate the workday of service staff.



Graph 11

56% of service staff say producer requests interrupt work streams and complicate their workday while only 12% of producers agree. This tells us that sales staff often do not realize the impact that their requests have on the day-to-day work experience of service staff.



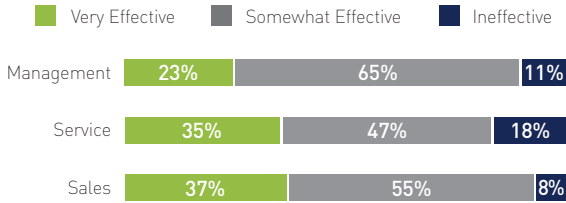
PRODUCER EFFECTIVENESS

A large perception gap exists in how management, sales, and service staff view the effectiveness of producers in several areas. Generally speaking, producers have a more positive view of their own performance than management or service staff do.

The most notable differences were in the perception of how effectively producers:

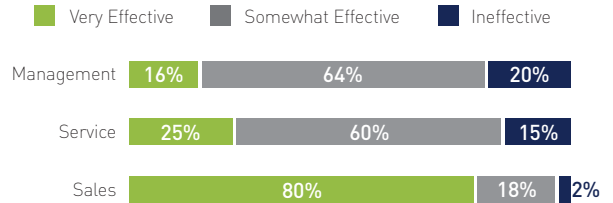
- Position the value of account manager services to clients
- Communicate client expectations and service commitments to service staff when onboarding new business
- Evaluate new and emerging risks during the renewal process

How effective are your producers at positioning the value of account manager services to clients?



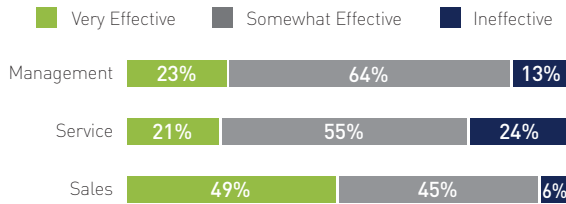
Graph 12

How effective are your producers at facilitating cross-sell or account rounding opportunities?



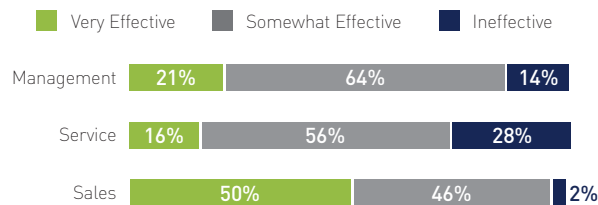
Graph 15

How effective are your producers at communicating client expectations to service staff when onboarding new accounts?



Graph 13

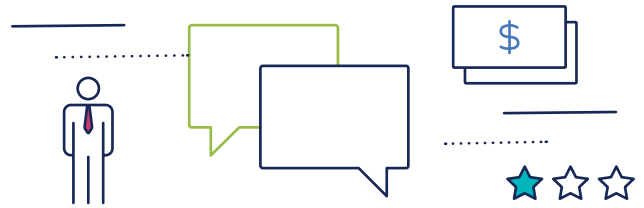
How effective are your producers at evaluating emerging client risks during the renewal process?



Graph 14

Almost 50% of producers rate themselves “very effective” at these activities, while only 20% of service staff agree. What do we do with the producers that don’t even rate themselves very effective?

Gaps in perception between sales and service staff were widest on the effectiveness of producers in facilitating account rounding. 80% of producers, but only 25% of service staff say that producers were “very effective” at facilitating account rounding. Management agreed with service teams. This represents a significant opportunity for improved agency performance.

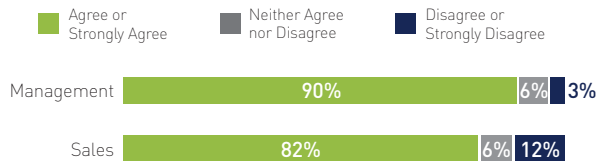


SERVICE TEAMS' EFFECTIVENESS

Producers have a very favorable opinion of service teams, rating their performance positively between 78% and 82% across various parameters. Management has an even more favorable view of service teams rating them positively between 89% and 90%.

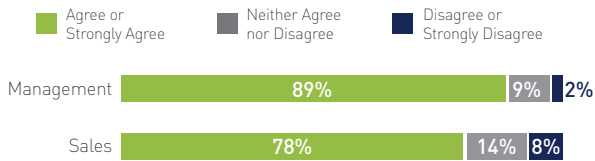
In open-ended responses, producers expressed an interest in more frequent conversations with service staff to discuss accounts and make sure that client expectations are being met.

My service team has the skill sets and experience to support client needs.



Graph 16

My service team understands the needs of the customer.



Graph 17



Key Takeaways

1. Management's responses were more aligned with service staff than with producers.
2. Insureds are being exposed to significant underinsurance or coverage risks because of process shortcuts and incomplete information.
3. There is a wide gap in perception between sales and service on the impact of producer requests on service teams' day-to-day work.
4. Producers perceive informational and data gaps to be much less of a problem than service staff and management do.
5. Producers have a very favorable opinion of service teams, rating their performance positively between 78% and 82% across various parameters. Management has an even more favorable view of service teams, rating them positively between 89% and 90%.

What Next?

Every agency is different. Your service and sales staff may fare better than this industry benchmark. Use this survey as a starting point for discussions with your teams. You can even request a survey for your agency. Reach out to survey@resourcepro.com to request a survey link so you can find out definitively where your agency falls compared to this industry benchmark.

ABOUT RESOURCE PRO

ReSource Pro brings to the insurance industry tools, technology and strategic services that enable profitable growth through operations excellence. Headquartered in New York, ReSource Pro's global service centers address client operational needs around the clock. Recognized as an industry thought leader and listed as one of Inc. 500/5000 Fastest Growing Private Companies annually since 2009, the company is renowned for its focus on innovation, service excellence and trusted partnerships, as well as its unique productivity platform for insurance operations. Over 4,000 ReSource Pro employees provide dedicated support to hundreds of insurance organizations, consistently achieving a 97% client retention rate for over a decade.

ABOUT OCEANUS PARTNERS

Formed in 2009 by Frank Pennachio and Susan Toussaint, Oceanus Partners provides coaching and strategic consulting to insurance agencies and their producers, insurance carriers, and insurance trade associations. A ReSource Pro company since 2019, Oceanus Partners is headquartered in St. Petersburg, Florida, part of the Tampa Bay region.

To learn more about how to train your teams to sell more strategically, contact us susan@oceanuspartners.com.

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