

BEST PRACTICE

Best Practice Series



RE-THINKING THE ANNUAL REVIEW...A HIGHLY REPEATABLE PROCESS WITH HIGH ROI

Reinventing the Annual Review

Annual reviews are an absolute an absolute good. Perform them, and E an O exposures decline while customer loyalty and revenue increase. But exactly what is an annual review? We attach the annual review label to a variety of

activities and services. And the amount of time an individual review consumes, and the benefits of an annual review program vary greatly from agency to agency. In this Best Practice session we will explore how a high quality, highly differentiated,

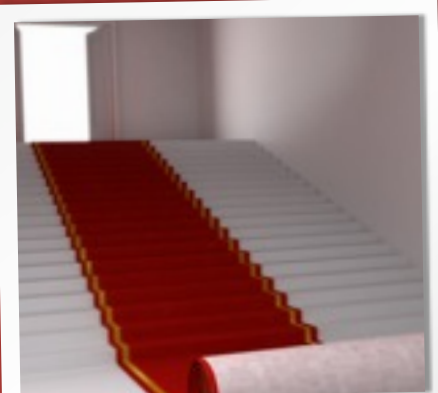
personal annual review can be delivered to a far greater number of customers than ever before. There *is* a process that can differentiate your agency from the competition and unlock profit in your book of business.



BALANCING E&O



TIME IS MONEY



DISTINGUISH YOUR AGENCY

All reviews are not created equal

Why Do Annual Reviews?

Done right, annual reviews increase agency revenue and profit. Customers who receive this service are far less price sensitive, far more likely to purchase additional insurance products and coverage, and refer new customers at a much higher rate. And overwhelmingly, customers say they want annual reviews.* Equally important, most of your agency's competition do not deliver reviews. Because most consumers never receive annual reviews from their insurance provider, your agency has a golden opportunity to capture the attention of your competitors' customers. But you need to be able to demonstrate the capability to deliver reviews, not just talk about it.

What is a 'Review'?

Even time strapped agencies will perform one-on-one, face-to-face reviews with their largest and most important customers. These reviews are reviews in the truest sense. Conversations take place around lifestyle and business changes, and suggestions for insurance program alterations are made that are specific to the individual customer.

But as accounts get smaller, so too does the likelihood of this one-on-one, personalized service. Agencies often try to provide annual review service for smaller accounts by using questionnaires. Another approach to apportioning scarce time over a large number of small accounts is to increase the interval between reviews to every two or three years.

Questionnaires have their place, but review questionnaires often degenerate to exercises in errors and omissions management. A

customer receiving a three page form in the mail, peppered with questions starting with phrases like 'would you be interested in an umbrella policy quote' or 'would you be interested in a higher deductible', is likely to erect a barrier of skepticism. It is easy for a customer to view such a questionnaire as a device to meet agency needs vs. a service to uncover business or personal changes that should be met with adaptations in an insurance program.

And performing reviews at two or three year intervals, however they are executed, means missing a lot of important changes that can render an individual customer's insurance program less effective.



Is there a Downside to Doing Annual Reviews?

There is no getting around the fact that implementing any review program creates work. Even questionnaire based initiatives mean that someone has to prepare the questionnaires and send them; and someone has to respond to completed and returned questionnaires. The wrong kind of questionnaires can result in a preponderance of requests for re-quoting or re-marketing; this is the worst of all outcomes: more work, less revenue.

Even done right, an annual review program will create work and opportunity costs. That is, staff time put against a review program has to come at the expense of staff time spent on other activities. What is the cost of spending less time on those other activities? Annual review programs need to generate income you can measure, so that you can evaluate the business benefits of expanding your reviews.

Annual review programs are an agency service that can be a powerful component in your value proposition and they should generate income and high ROI. But initially a new or revised review program will have to be implemented and managed by existing staff. This will place demands on agency management who need to reorganize workflows, responsibilities, performance accountabilities, and compensation plans to get the new program off the ground. As a review program matures and produces revenue, decisions will have to be made about what to do with increased profit. Hire more people to do more reviews? Upgrade the agency management system? Buy another agency? A successful review program will push us out of our comfort zones as the nature of the agency business changes.

**Different surveys, including results published by NAIC and IIBA, put this number between 83% and 90%*

Reposition Annual Reviews

Let's accept for a moment that it just won't be physically possible - at least not in the near term - to perform a significant number of additional, one-on-one reviews. And let us also recognize that an annual review is, at its core, an educational

One review, many customers

exercise; wherein, an insurance agent helps a customer understand how their exposure to risk has changed, and provides new alternatives to adapt the customer's insurance program. Suppose you could plausibly offer the educational benefits of reviews on a group basis?

One way to do that would be to invite customers to an after hours wine and cheese seminar. One agency we know actually did this, but very few people showed up. It was a noble experiment; however, the cost and bother were not even close to being offset by the income benefits. Still the agency had the right idea, solidly positioning (or repositioning) the review as educational service.

A model process for conducting group reviews, if you could get customers to show up for seminars, might go like this:

1. *Make the case for the educational value of your seminar and invite customers;*
2. *Provide attendees with a questionnaire focused on changes in lifestyle or business circumstances; then*
3. *Follow up with an offer to do suggestions for insurance program changes on an individual basis.*

Why do the review process this way? Because you get much more credit for providing value-added information and the review is placed in a positive, educational context. And customers moving to the individual review phase are more receptive to your coverage suggestions, and are more likely to take higher limits or move insurance for other lines of business to your agency (I say it that way, because as we know, we are often not selling a customer or prospect something

new, just changing a product provider relationship).

It sounds like a winning process, but if nobody shows up at the seminar, everything falls apart.



Enter Web Services

Suppose you could host a seminar online? One advantage to a webinar is there are no location related costs; and the small costs associated with webinars are fixed. It doesn't matter whether five, ten, or twenty people attend. Classic seminars, delivered live from an agency or neutral location, increase in price as attendance increases, and there is always budgeting uncertainty because of that.

Live, location-based seminars can be recorded, but doing so can take time and result in more cost. Most web meeting services allow sessions to be recorded and provide the code that can be embedded in any website or blog for future viewing. There is a huge advantage in this, because with recording and on-demand playback, seminar attendance is not fixed to a specific time or place.

Here is an 'annual review' process that blends email, a questionnaire, and live and recorded webinar presentations.

First, prepare a Powerpoint presentation that establishes your value as an insurance agent, and covers insurance issues relevant to your customers. We would suggest three slides covering each of the major product lines; so, for personal insurance auto and home would constitute separate sections. Prepare an additional set of slides for miscellaneous products. The three slides per product should include: a) How to save money without sacrificing quality insurance protection, b) Uncovered claims: why they happen and how to avoid them, c) The future of your future insurance: what you can do to keep quality insurance options available and affordable tomorrow.

The Process

1. **Set up a webinar session using a web meeting service.** We suggest [DimDim](#). It is free for meetings of up to 20 attendees and the Flash recordings can be easily embedded in your website for later, on-demand viewing.
2. **Email customers** you would like to invite to your webinar presentation. Position the webinar as an educational service for valued agency clients.
3. **Conduct the webinar.**
4. **Follow up with a survey of all webinar attendees.** Survey for satisfaction with the length, quality and value of the session. Also solicit free text comments and ask permission to use those comments on the agency website and in other promotional vehicles. Also be sure to ask if the attendee would like an individual follow up to go over his or her questionnaire and to review insurance program options. [PollDaddy](#) is a good, easy to use and free online survey service that will support all the above suggestions.

One review, many uses...

5. **Email non-attendees** with a link to the recorded session.

Acknowledge that you understand that your customer is busy and there were no doubt good reasons why they were unable to attend the live webinar. But also reinforce that keeping insurance protection current is important: it is the one way to avoid unpleasant surprises, and that is why you recommend your customer at least watch the webinar recording. Email the survey to this group one week after sending the recording link.

6. **Email a link** to an annual review questionnaire (*Confluency customers can use the Annual Review Wizard for personal insurance*) and suggest that the questionnaire be completed before the webinar. Send this link to those attendees who have asked for follow up.

7. **Prepare a proposal** of changes after completion of your annual review questionnaire. Include approximate premiums and let customers schedule a time to discuss; or if preferred, they can reply to your email with their approval or declination of suggestions.

8. **Measure the results** for each month, tracking the number of: invitations, webinar attendees, individual follow ups, and secondary follow ups after sending non-attendees the video link. Quantify new policies, and coverage options sold as well as referrals. Keeping a simple spreadsheet with this information will allow you to tweak your program. For example, if you attend rate is 10% and your individual follow up rate is 10%, you will be able to calculate the amount of work 50 invitations will generate; you will know whether you should reduce the total number of invitations or increase



them to fit your current agency work capacity. Measuring the results will tell you if investing more resources in the annual review program makes sense as compared to other investments in customer development and new sales programs.

Variations

You may agree or disagree about the importance of including the live webinar option, as opposed of going straight to the recording. In the interests of saving time, avoiding the discomfort some of us face in doing presentations, or removing the attendance uncertainty, it may be tempting to offer up the session as a recording only. That may make sense, and the results in launching reviews this way may prove worthwhile. Just be careful about erecting a perceived barrier between you and your customers. Many of them do business with you because they believe there is some level of a personal relationship.

Another consideration is whether to make the review recordings generally available, or to 'hide' them. You may make the recorded presentations available to any website visitor by including them in your video or other resource pages; these pages can be found via regular site navigation options. If you do not intend to perform live

webinars, this approach makes sense.

However, if you do intend to perform the live sessions, it may make more sense to embed the video on a separate landing page that cannot be found via your normal website navigation. This can be accomplished on a Confluency website by using the Page Creator web module. Making a recording of the review session available to anyone surfing your website dilutes the motivation to attend a live webinar. Video recordings on hidden pages will still have a unique url (address) so you can email the recordings to non-attendees, or as described below, use the recording as part of a landing page for a paid search (PPC) campaign.

Beyond Customer Development

One advantage to a seminar, or in this case a webinar, is that you can invite *prospective* customers and give them a way to sample the value of doing business with your agency - a test drive, if you like.

You could invite prospects you had previously quoted, or advertise webinars by using pay-per-click (PPC) or Facebook advertising, or add events to free local event listings like those in [Yahoo's Upcoming Events service](#).

Leveraging the process and resources you already have in place for customers will further enhance the ROI of your annual review program by gaining new customers outside of customer referrals.

**A PowerPoint slide set is available to agencies with Confluency Solutions hosted websites through the Insurance Zone.*