What I’ve learned from coaching new producers

OVER THE past 12 years, I’ve had the opportunity to coach more than 500 new producers. Most were young men in their mid-twenties to early thirties. The youngest was a 19-year-old woman, the oldest, a 60-year-old man. This is what I’ve learned from the experience:

**Psychological tests don’t lie.** My partner and I have worked with over 1,000 new producers during the past 11 years, all of whom were tested using a personality profiling service. We’ve observed that the tests are rarely-no, make that never-wrong. If the test says the candidate “likes to build close relationships with his customers and prefers making repeat calls as opposed to cold,” it’s a mistake to expect this individual to bring in new business. If the test says the candidate “has an inherent dislike for rejection and may postpone closing a sale, hoping the buyers will purchase of their own accord,” save yourself and the candidate a lot of grief and keep looking. The reality is that people seldom change— including new producers.

**Long shots rarely come in.** No matter how personable the candidate, the following red flags cannot be ignored:

- Not a longtime resident of the marketing territory.
- The psychological tests don’t look good (see above).
- No interests outside of employment or school.
- No jobs while in college.
- Unsuccessful with another insurance agency.
- Inadequately explained or unexplained lapses in employment.
- Unable or unwilling to compile a list of 100 possible sources of referrals.
- No history of success.
- Long work history of low- or mediocre-paying jobs.

Are there exceptions to these red flags? Of course, but that’s what they are-exceptions. Does your agency want to invest its precious new-producer training dollars in a long shot? If not, keep looking.

**New producers need lots of attention.** Rookie producers want to do what’s right and succeed as quickly as possible, but they’re easily discouraged. Rejection is inherent to selling, but if the sales manager is a seasoned producer with a ton of referral business, he or she may have forgotten that producers aren’t born with 200 ready-made accounts in hand. They need constant positive reinforcement to offset rejection from prospects, agency staff, company underwriters and possibly even family members: “Ever since you started that insurance job, you’ve either been on the phone or you’ve had your nose in a book. You never have time for me or the kids!”

New producers need direction, but they’re often too embarrassed to ask for help with underwriting questions or completing forms. Not only is this unproductive; it creates an E&O exposure. Every new producer needs a patient sales manager or mentor to help them through this critical time. Feedback, not money, perks or promotions, is the No.1 motivator. Be gentle with criticism while the new producer is learning the fundamentals.

**Structure means everything.** All of us start life with our parents telling us what to do. Later our teachers and coaches, possibly our superiors in the military and eventually our bosses tell us what to do as well as how, where and when to do it, when to stop for lunch and when to go home. Yet most new producers are left on their own to organize and plan their days. It should be no surprise that the primary reason salespeople fail is poor time utilization and lack of planned effort. New producers must learn quickly how to identify activities that eventually lead to sales. An owner cannot simply assume they will eventually figure this out on their own.

**Sales support is critical.** Agency staff may see the new producer as added work for no additional compensation. If the agency has experienced recent turnover in producers, staff may see the next one as just another waste of their time. (The support staff probably thought it was overworked before the new producer came on board.) Don’t assume they’re going to step forward and help out the new producer. Lack of sales support is a frequent complaint of new producers. Communicate clearly to staff what their roles are in supporting the new agent. If the producer will be expected to do everything from licking stamps to submitting and preparing quotes, sales expectations should be lowered.

**New producers have to work harder and smarter.** Building a property-casualty book of business is not a 40-hour job. One of my most recent successful new producers (over $150,000 in new agency revenue)
New producers need time to develop.
The development of a new property-casualty producer can be roughly compared to the launching of the space shuttle. Seven million pounds of thrust are required to propel a 4.5-million pound spacecraft from the launch pad. Seconds later it’s hurtling through space with the engines shut down. A tremendous amount of energy is also required to launch a new producer into an insurance career. Even in the best of circumstances, it will be months before significant sales can be expected. However, it’s critical that benchmarks tied to prospecting activities be established from the start. If these goals have been clearly articulated but aren’t being met, it may be time to reconsider the producer’s future in the agency.

Don’t change the compensation agreement while the new producer is learning the business. This may be the single most damaging thing an agency can do to a new producer. It’s tough enough for most rookies to deal with the rejection, long hours, push-back from family and friends, and frustration of learning a new business without the added stress of unstable compensation. The emphasis should be on prospecting activity during the first several months, not on revenue. If the producer is meeting those goals, nothing kills enthusiasm better than a pay cut. If the producer can’t or won’t do what’s required, cutting pay won’t change that—it just prolongs the agony for the producer and the agency. Instead, do the right thing for both parties and terminate the relationship. Selling insurance isn’t for everyone.

Also, straight commission is not a good idea for a new producer. If a candidate isn’t worth an investment, or if the agency is unwilling or unable to make it, don’t hire a producer.

Insurance sales is a tough job, but a great career. The opportunities are limitless. I’ve worked with hundreds of new producers whose only investment has been their time and energy, and in a few short years they’re earning incomes comparable to corporate executives, doctors and lawyers. For a business coach, there’s nothing more gratifying than watching new producers find their forte. They work hard, but at some point they begin to “soar,” almost unaware of how hard they’re working.

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