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RETENTION

GAMA
FOUNDATION
eBRIEFS
PRACTICAL IDEAS
FOR TODAY'S
FIELD LEADERS



Volume One

Focusing New Agents on Revenue-Producing Activities

A Guide for the Insurance and Financial Services Industry

MULTILINE VERSION

Focusing New Agents on Revenue-Producing Activities

A Guide for the Insurance and Financial Services Industry

MULTILINE VERSION

“We have to find out prior to contracting if they are willing and able to prospect. With all of the tools and resources we’re going to provide for them, it’s the one thing that drives revenue (and therefore retention) that we can’t do for them.”

**Michelle Hubert
Farm Bureau Financial Services**

Research funded by the GAMA Foundation for Education and Research
Conducted by Sandra R. Sabo

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About Us

The GAMA Foundation for Education and Research

The GAMA Foundation for Education and Research is a 501(c)(3) nonprofit organization dedicated to conducting and promoting research and education to enhance the profitability and productivity of field leaders in the insurance and financial services industry.

Since its creation in 1990, the GAMA Foundation has funded major studies on key leadership topics, including future trends in insurance and financial services, attracting high-quality prospects, recruiting, selecting, and launching new agents and advisors, retaining successful agents and advisors, mentoring and coaching practices, effective local marketing, building successful sales teams, developing high-performing leadership teams, and launching new frontline (sales) managers.

Our Contributors

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About this eBrief

This eBrief is part of the GAMA Foundation's Systems for Success series that focuses on essential business-building systems in financial services agencies and firms. The strategies and best practices shared in this eBrief will:

- Guide new leaders as they build their agencies.
- Provide a framework for new managers to develop new agents.
- Offer experienced leaders new ideas for maintaining a strong focus on revenue-producing activities.
- Serve as a model for all leaders to assess how consistently and effectively these core business-building principles are being applied in their agencies.

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Introduction

If you sometimes feel as if your agency has a revolving door — with new agents entering while others are leaving — you have plenty of company. According to LIMRA's, *Compensation, Production, and Retention of Multi-Line Exclusive Agents Study*, the four-year retention rate for multiline agents in 2014 was 43 percent.

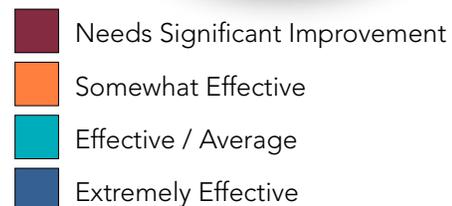
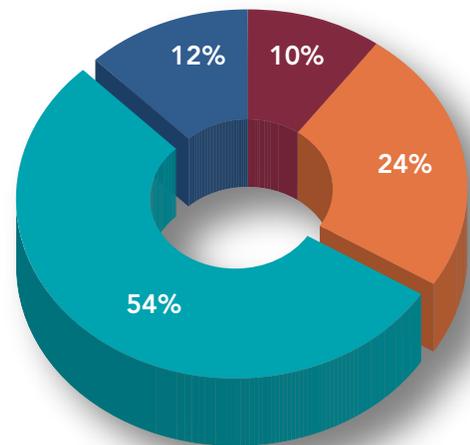
This turnover comes at a cost, both economic and cultural. When substantial investments in agent training don't translate into more clients, an agency's financial performance can falter. In addition, other agents can be psychologically affected — and lose their spark for selling — as they see colleagues and friends walk out the door.

How can you slow that revolving door and boost retention for the long term? Experienced field leaders know that new agents, faced with so much to learn, can easily become distracted and spend time on the wrong activities. New agents are more likely to succeed when they maintain a strong focus on revenue-producing activities from day one. A strong focus on revenue-producing activities creates early successes that build upon one another, setting up agents for a long, productive career built on a solid book of business.

Still, according to a GAMA member survey conducted as part of our research, only about one in eight respondents (12 percent) believes their agencies or firms are extremely effective at keeping new agents and advisors focused on activities that generate revenue. The majority rate themselves as average in effectiveness, while one-quarter believe their efforts are somewhat effective. In other words, the vast majority of leaders (88 percent) acknowledge they can do a better job of helping

FROM THE MEMBER SURVEY

How effective is your agency at keeping new agents focused on revenue-producing activities?



new agents and advisors concentrate on their top priority — engaging in the revenue-producing activities that will serve them well in the long term and ultimately keep them in the industry.

With that room for improvement in mind, the following pages explore a five-step strategy for getting and keeping new agents on track to build a strong practice from day one.

1. **Make prospecting paramount.** Help agents build each day around the truth that meeting people — the number one revenue-producing activity — takes precedence over every other facet of the business.
2. **Communicate expectations early and often.** Set expectations for revenue-producing activity requirements early in the recruiting and selection process, and create systems for reinforcing these expectations throughout the new agent’s training and development.
3. **Provide targeted training.** Emphasizing the revenue-producing skills new agents need early on gives them greater confidence and competence without overwhelming them.
4. **Minimize distractions.** Diversions can take many forms — and all require redirection to enable new agents to put their energies into more profitable activities.
5. **Offer ongoing support.** Guidance and advice, from agency leaders and managers as well as colleagues, can keep new agents on the right track or help jump-start their efforts.

“Those that succeed in our business have the capacity to change people’s lives. The problem is that they discover that later in their careers. As leaders we need to help them develop a passion for the business early on that will enable them to persevere through the inevitable challenges.”

Greg Smith
Farm Bureau Insurance of Michigan

How We Collected Our Data

Our researcher conducted in-depth interviews of 12 top-performing industry leaders, identifying their strategies for keeping new agents and advisors focused on revenue-producing activities. All of the interviewees reported retention rates well above the industry average.

In addition to the personal interviews, the GAMA Foundation for Education and Research conducted an online survey of GAMA International members to provide an industry-wide snapshot of revenue-producing activities used by field leaders to improve retention.

Terms Used in this Book

In addition to different lead products, different industry segments often use different terminology to describe their business and their people (for example, “advisor” and “agent,” “agency” and “firm”). In this eBrief, published for leaders in multiline agencies, we use the terms “agent” and “agency” unless we are referring to specific examples from a life or fee-based firm. While you may use different terminology in your business, we encourage you to overlook the labels and titles, and focus instead on the ideas and strategies shared by these top-performing leaders in the industry.



Make Prospecting Paramount

Industry leaders say the three most important prospecting activities on which new agents should spend their time are: requesting referrals and introductions from existing contacts, networking, and contacting family members and friends.

Make Meeting New People Your New Agents' No. 1 Priority

In the multiline environment, it's common for new agents to purchase the names of people who have requested insurance quotes online. Building a business exclusively on such prospects, however, can be problematic. Many online shoppers look only for the best price, making it difficult for new agents to build ongoing relationships with them. Instead, top-performing leaders make sure new agents focus their efforts on meeting new people.

Several years ago, an AXA Advisors, LLC firm in Texas conducted an internal study of everything that contributed to a new financial professional's success. The firm examined and then assigned a grade to each financial professional's education level, work ethic, and quality of market, among other factors. As different as the financial professionals were, one success factor emerged far above the rest.

"We found that the No. 1 skill that determines success is a financial professional's ability to be meeting new people consistently. It's that simple," reported J.R. Crowel, regional senior vice president at AXA Advisors, LLC. Consequently, the firm focuses its program for new advisors on helping them do anything and everything possible to get in front of prospective clients.

It's a pure numbers game: The more people your new agents approach, the more appointments they can set, and, therefore the more revenue they can generate.

"Your first four or five years, it's all about prospecting. And that is essentially what the job is: You have to be a professional prospector because that's what it takes to have success in this business. If you can't do that, you're really going to struggle."

Jesse Sherwood
Prudential Advisors



Focus on Referrals First

To give them a running start, most agencies ask candidates during the recruiting and selection process to compile the names of family, friends, neighbors, and current and former colleagues who constitute their built-in market. Those acquaintances provide a natural audience for conversations about an agent's new career, aspirations, and desire to help others attain financial goals. This initial list often forms the basis for the business plan that will carry the new agent through his or her first 90 days on the job.

“What we try to instill is for them to tell their story as many times as they can during the week. If they meet new people, get referrals, and tell their story, the numbers will fall into place.”

Rudy Rodriguez
National Life Group

But no one has a big enough built-in market to sustain a business for the long term. Instead, the vast majority of GAMA members in our survey (87 percent) put a premium on expanding the built-in market by requesting introductions and referrals from existing contacts.

“We’ve built an entire program around warm-source prospecting — specifically, referral-based marketing,” says Kurt Jonson, president of Pacific Capital Resources Group, Inc., with Penn Mutual. “We’ve even elevated the definition of a referral — we’re looking more toward recommendations. In other words, somebody who would recommend us to a friend or a family member, not just hand a name over.”

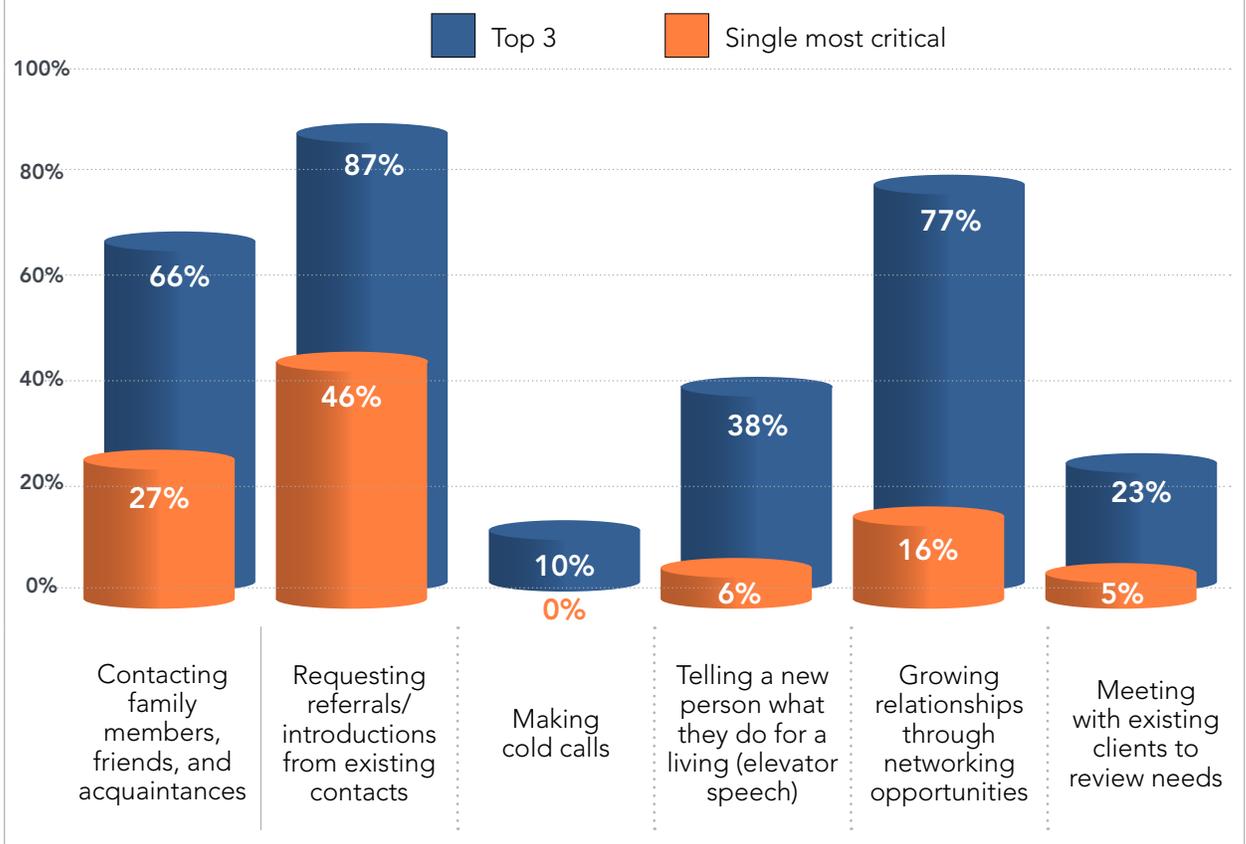
Like many agencies and firms, Pacific Capital asks candidates to complete a Project 200. But they go one step further. “We ask them to identify the ‘hot 50’ — the people they can get a meeting with specifically for gathering recommendations. People they have a strong enough relationship with.”

Some top-performing multiline general agents will decline to process applications for new agents unless they are accompanied by at least three referred leads.



FROM THE MEMBER SURVEY

What are the specific revenue-producing activities on which new agents should spend their time?



Network with Purpose

Another priority activity, cited by 77 percent of survey respondents, is to participate in networking opportunities that will lead to new relationships and, in time, referrals. At some point in life, everyone has need of financial products or services — and the agents who have already established themselves as helpful resources will most likely get the business.

“Ideally,” says one high-performing manager, “we help new people expand a market based on what they’re passionate about, their background, where they speak the language.” That might mean becoming involved in the local chamber of commerce, youth sports, the PTA or PTO, religious organizations, charitable fundraisers, business and civic organizations, or myriad other activities — anything that provides opportunities to interact with people who have the potential to become clients and/or referral sources.

The key, says another top leader, is to give back to the community through volunteering; just showing up for meetings and handing out business cards doesn’t build the solid relationships that develop when people work side by side to accomplish a shared goal.



“The activities we want them to focus on are marketing activities, being socially mobile, and concentrating on getting those referred leads, because that’s how their business will perpetuate. With new agents, I always make the distinction between being socially mobile and being a social butterfly. The first one you do for business; the second one is for fun. And we’re interested in socially mobile.”

Ken Gallacher
American National Insurance Company

Expand Your Definition of “Seeing People”

Most agencies still schedule weekly call nights, giving new agents the opportunity to hone their phone skills in a supportive group setting, and encourage individual calling times as well.

“But communication is changing,” observes one manager, “and we’re now in a world where it’s not just about being on the phone but also on email and social media. For example, everyone has to build a LinkedIn network, and our firm has a Facebook presence.” Another firm has broadened its definition of “seeing people” each week to encompass interactions on social media. In addition to taking someone to lunch and calling people to get an appointment, for example, the firm counts touches via technology as revenue-producing activity. A touch is any opportunity advisors have to tell their story by sharing what they do for a living with someone else.

Such touches through technology are sure to multiply as more millennials enter the industry, given their familiarity with the digital world. Plus, social media holds power. According to a survey by Sprout Social, a social media management company based in Chicago, 71 percent of consumers are more likely to make a purchase that is based on social media referrals. Specifically, the social

sites most likely to influence purchases are Facebook (cited by 31 percent of respondents), YouTube (cited by 27 percent), and LinkedIn (also 27 percent).

“Hands down, the best use of time is prospecting. I tell new agents that 80 percent of their time needs to be spent prospecting. If they’re not prospecting, they’re not writing business.”

Tammy Hanson
COUNTRY Financial®



Maintain Focus on Revenue-Producing Activity and Increase Retention by:

- › Repeatedly emphasizing the importance of meeting new people every day.
- › Focusing on expanding new agents’ natural markets through introductions and referrals.
- › Distinguishing between networking opportunities that lead to referrals and those that don’t.
- › Incorporating greater use of social media into revenue-producing activities.

Questions to Consider

1. How does your agency position new agents to become successful for the long term — and what are two additional ways you can support that goal?

2. Are touches through technology considered revenue-producing activities in your agency? What other opportunities are there to enhance your agency’s focus on revenue-producing activities to attract and retain millennials?

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Communicate Expectations Early and Often

According to industry leaders, the single most effective way to communicate expectations for revenue-producing activities to new agents is by setting minimum daily, weekly, and monthly activity requirements.

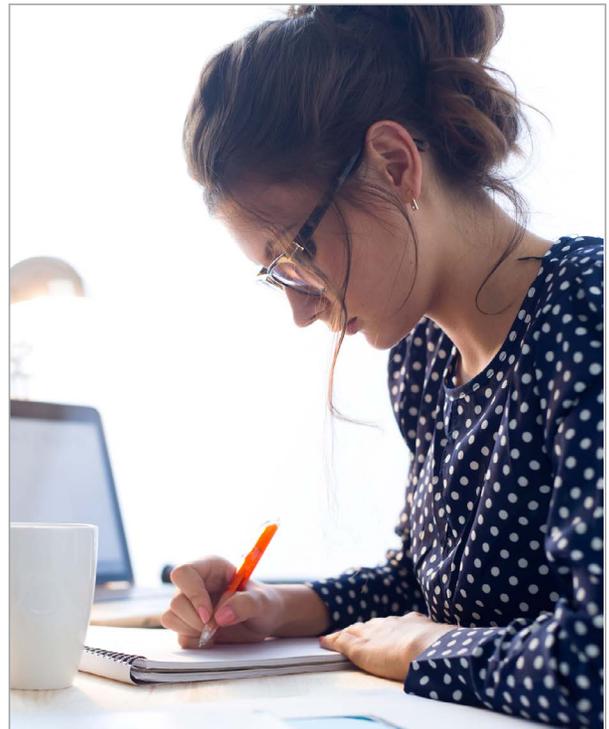
Give Candidates a Taste of the Career

Emphasizing the importance of revenue-producing activities starts long before someone walks in the door to begin their career as an agent. Top-performing agency leaders set expectations early in the recruiting process and use revenue-producing activities to give candidates a taste of the career.

“We talk about the goal of 300 clients in the recruiting process, which sets the expectation for high activity from our very first conversation.”

Misty Weltzien
The Guardian Life Insurance Company of America

In fact, top agency leaders often ask candidates to complete a homework assignment, giving them a realistic preview of the career. The task, meant to offer a slice of life as an agent, may involve drafting an initial list of people to contact or talking to 10 or 20 individuals about their financial needs. These activities help candidates understand what they will be expected to do and emphasize the importance of revenue-producing activities early on. About half of the candidates given such an assignment typically decide against the career, perhaps because they find it too overwhelming.



“The one ingredient that, I believe, determines whether people will be very successful or mediocre or fail in the business is effort. Everybody can say, ‘I’m willing to do everything I need to do.’ But you’ll soon find out who really is going to put in the effort necessary.”

Jennifer Padolina
New York Life Insurance Company

Share Both the Challenges and the Rewards of the Career

Before making an offer, high-performing agencies require candidates to meet with experienced agents. These veteran agents share stories of the challenges they faced early in their careers, as well as the rewards — both financial and personal — they experienced by putting in the effort required. These stories reinforce to new agents the results they can achieve by staying focused on revenue-producing activities. “There’s no script, no presentation, just the candidate asking questions. And the experienced advisors are under no obligation to do anything but tell the truth,” says one senior executive in a firm that requires candidates to meet with at least three experienced advisors.

This same firm also gives candidates and their spouses the opportunity to meet with a member of the management team, who reviews work expectations, the struggles often encountered by new advisors, and the up-and-down nature of the business. “Everything is fully communicated,” adds the executive, “so they know exactly what they’re supposed to do and have the deadlines and numbers to achieve.”

When recruiting potential candidates, firm managers say they are very open about life as an agent — even brutally honest at times. They talk about their own experience building a practice and describe the phoning, networking, and training activities that fill a typical day. No one sugarcoats the 50- to 60-hour work weeks and the pressure of meeting production requirements, although those are always balanced with the potential rewards of owning one’s own business.



Offer a Balanced Message

While honesty about the career is important, findings from the GAMA Foundation’s research study, *Attracting the Right People*, indicate that focusing too heavily on the negative aspects of the career may discourage qualified candidates from continuing in the process. You can position challenges in a more positive way by also emphasizing the significant impact agents have on their clients’ lives and the pride that comes from hard work and dedication. Visit www.gamafoundation.org for more information.

“We tell them the good, the bad, and the ugly of the business. Because they need to understand this is a tough business to be in, which is why it’s not meant for everybody.”

Jennifer Padolina
New York Life Insurance Company

Put It in Writing

Top agencies often formalize their expectations for agents in a signed letter of understanding or letter of intent. It may be as simple as a one-page list of anticipated tasks or stretch over several pages filled with detailed descriptions. Written expectations usually address topics such as:

- Mandatory training, meetings, and call sessions.
- Minimum goals for a specific period of time.
- Necessary licenses, professional designations, or association memberships.
- Dress code.
- Estimated work hours per week.
- Expected investment in networking activities.
- Salary validation schedule.
- Joint work arrangements.
- Ethical and professional conduct, both before and during work hours.

Create Systems to Reinforce Expectations

Once new agents are on board, managers reinforce expectations by setting minimum requirements and creating systems that keep new agents focused on revenue-producing activities.

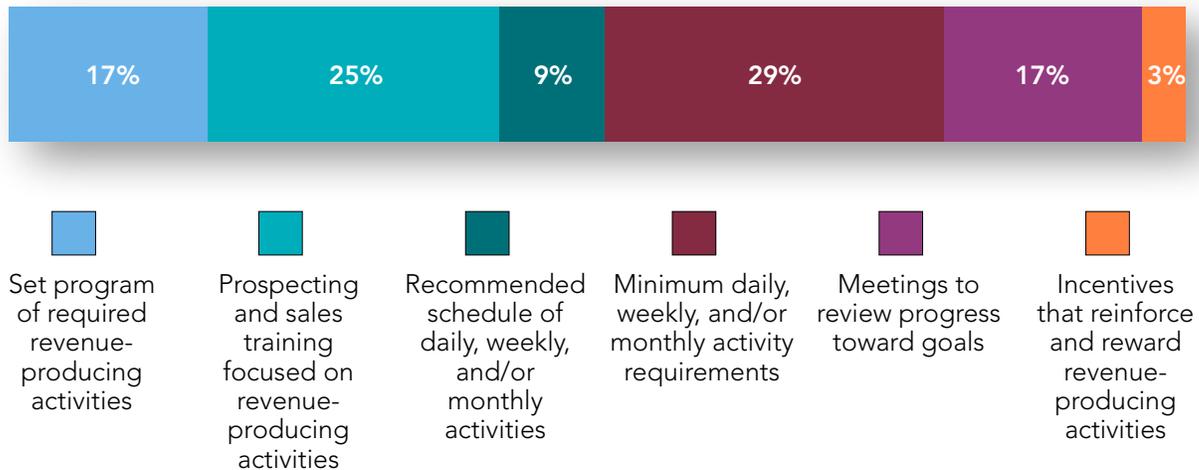
GAMA members identified setting minimum requirements as the single best way to emphasize to new agents the importance of revenue-producing activities. Most high-performing managers establish minimums based on activities (for example, phone calls, appointments, interviews, and networking events) rather than production numbers because activities are something new agents can control.

“We track everything. In their first three years, our financial professionals are required to input their numbers and participate in discussions on a weekly basis so we can keep track of what they are doing. I know exactly what my financial professionals did the week before. I know what they did well, what they struggled with; I know something is going on the week that it happens.”

J.R. Crowel
AXA Advisors, LLC

FROM THE MEMBER SURVEY

What is the single most effective way to emphasize to new agents the importance of engaging in revenue-producing activities?



Review Progress Regularly

Whether they are collecting points or tallying activities, all new agents report their numbers regularly. The results form the basis for daily or weekly meetings with a manager who reviews their progress, looks at scheduled activity for the week ahead, and discusses any adjustments needed to reach their goals.

The meetings enable managers to provide affirmation, delve deeper into any problems, and offer individualized coaching on specific skills. At the same time, these face-to-face meetings require agents to look their managers in the eye and accept responsibility for any goals that were missed. Many agencies continue activity review meetings until agents have been on board three or even four years, although the meeting frequency may drop from weekly to biweekly to monthly, and the focus of the meetings changes as the agent gains more experience.

"We transition from manager to manager. The first one is the "cop." After 12 weeks, I test them out and do the business plan and hand them off to the "coach." He works with them for a year or year-and-a-half. There's a training regimen and skill sets he teaches them. Once they've completed that and reached our company trip, then they start working with our "consultant."

Roy Perez
MassMutual Financial Group

3

Provide Targeted Training

Top-performing leaders target training to instill three essential revenue-producing habits for new agents: setting appointments, holding appointments, and asking for referrals.

Focus on First Things First

New agents can be overwhelmed by the amount of new information there is to learn. The key is to focus only on what they need to know immediately, then expand their skills and knowledge as they grow. GAMA members overwhelmingly identified training as the primary way to emphasize the importance of revenue-producing activities.



“Ninety to 95 percent of the content in our launch class focuses on three things: Giving them the confidence to approach people, being brilliant in meeting people — which is introducing our services and asking questions; and expanding their market through referrals and introductions,” says Mike Becker, general sales manager with Mutual of Omaha in Bloomington, Minnesota.

“We tell them, ‘Don’t talk about products. Talk about problems the people are facing.’ Products are just the tools we use to solve problems. And the more we talk about a tool, the more we have a bias toward the tool we have to use. So, early on, we teach them to ask great questions, to find out how people got to where they are financially.”



Instill Essential Habits

A well-constructed training program that includes classroom and on-the-job training, along with role play and practice sessions, eases inexperienced agents into their new roles, providing skills as well as shots of confidence along the way. Once on board, new agents inevitably experience a training blitz.

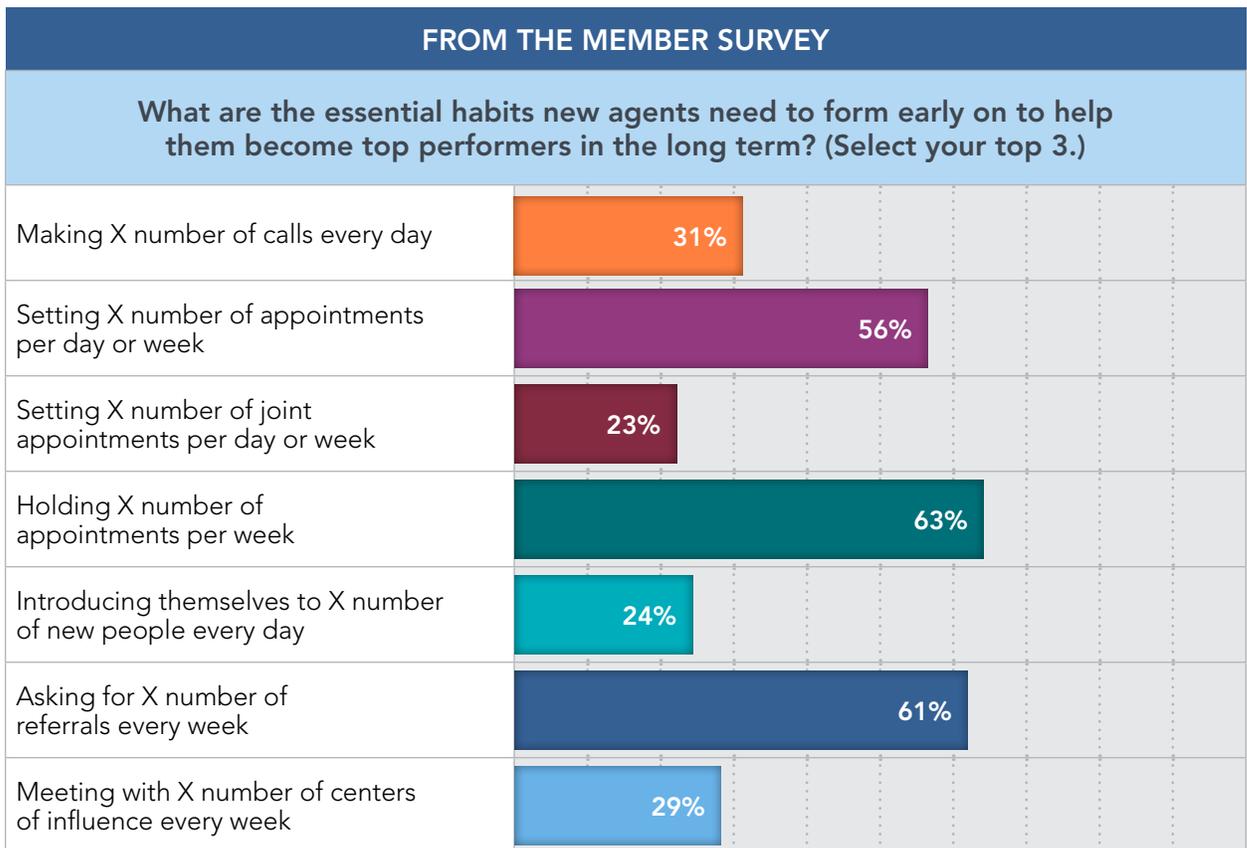
One firm, for instance, begins with a three-day launch class. To build confidence among new advisors, it’s packed with practice exercises and drills related to phoning and meeting people. Another firm concentrates on phone skills training for the first week, punctuated with one-hour crash courses on insurance, annuities, and investments to begin building knowledge. Still another has crafted a 12-week training schedule that covers the fundamental skills of running a business, which range from making phone calls and requesting referrals to opening a business account and developing a budget.

“The first week, the goal is to learn how to make phone calls and schedule client meetings. For week two, it might be to learn the beginning of the meeting process and start scheduling meeting dates. We start with easy goals and just keep escalating the goals as time goes on.”

Roy Perez
MassMutual Financial Group

High-performing agencies build critical habits from the start, so agents have the skills, knowledge, and capabilities that will carry them through a long career in financial services.

Not surprisingly, the three most essential habits for new agents identified in the survey mirror the three top revenue-producing activities: holding appointments, asking for referrals, and setting appointments.



Show Them How It's Done

The vast majority (93 percent) of respondents to the GAMA member survey believe joint field work is the best way to instill essential habits in inexperienced agents. As these new agents shadow their experienced colleagues on sales calls, on the phone, and in meetings, they learn which techniques and approaches might (and might not) work for themselves. They can also find inspiration and motivation from seeing their peers in action, particularly when the going gets tough.

Joint field work is often paired with formal mentor relationships to ensure that new agents aren't simply shadowing; an experienced mentor can guide new agents in their ongoing development. One executive notes, "We've found that a lot of people with between five and eight years in the business have that coaching and the time to do joint work."

"We're trying to help new financial professionals develop their own style, and it's hard to get there without seeing how other people do it. So we give them the opportunity to work with multiple people."

J.R. Crowel
AXA Advisors, LLC

Drill It In

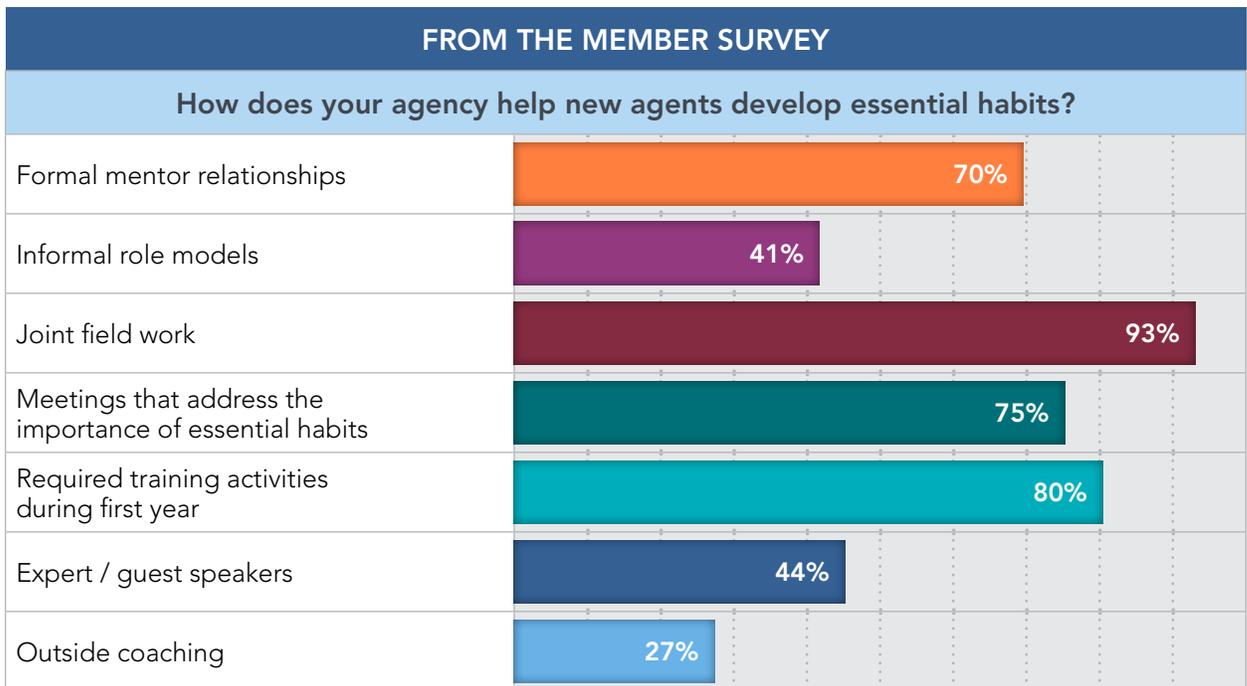
Mandatory training activities, cited by 80 percent of respondents, also contribute significantly to the development of good work habits. Most top agencies require attendance at training activities for the first year then encourage continued attendance until agents have at least three years of experience. Training activities are highly structured — taking place at the same time and on the same day every week, for example — and can take the form of:

- **Classroom-based programming** in which managers, experienced agents, or outside trainers share product knowledge or demonstrate client-building skills.
- **Interactive, hands-on sessions** that enable new agents to practice their skills and product knowledge while being observed by trainers.
- **Role-playing sessions**, either conducted as a group or one-on-one with managers, during which inexperienced agents see client interactions from both sides of the table and have the opportunity to critique one another.
- **Job rotations**, where inexperienced agents get a feel for the flow of a typical day by shadowing experienced colleagues for several days or even a week at a time.

Regardless of the training vehicle or format employed — or the training topic itself — the one constant is repetition. Again and again, targeted training focuses on the hows and whys of revenue-producing activities. Again and again, inexperienced agents are asked to practice what to say and how to say it. And again and again, top managers and trainers offer suggestions for improving interactions with clients and referral sources. In the process, new agents hone their prospecting skills, polish their scripts, and gain greater confidence when in the field.

“Very little of our training is product related. It’s really about skill development — how to conduct meetings, how to make a proper phone call. It’s more about how to do the job, less about what to say at the point of sale.”

Kurt Jonson
Penn Mutual



Adjust for Generational Differences

Millennials — the name broadly applied to those born between the mid-1980s and the dawn of the 21st century — likely represent the largest proportion of new college graduates seeking potential careers in financial services. As a group, they tend to exhibit different characteristics from the career changers, who probably are part of Generation X, and the baby boomers who have been in the industry for 10 years or more.

“The younger generation thinks differently and therefore has to be developed differently,” observes one senior executive. “The language you use with them is not the same as you use with the ‘me-me-me’ Generation X. Millennials want to get more involved in the bigger picture.”

“Millennials want to feel like they’re a part of something monumental and life changing,” adds another top executive. “They care more about an organization’s culture and vision, versus having a specific job.”

Having a work-life balance matters the most to millennials, according to Vision Critical. The customer research firm also describes millennials as being optimistic about their financial future and having the sunniest outlook of any generation.

To better accommodate the needs of millennials, agencies can:

- Clearly articulate their mission during training activities. Young, inexperienced agents want to know how the agency sees itself, where it wants to head, and how they can play a significant role in achieving agency objectives.
- Emphasize how much agents can help people, especially those who struggle with their finances or planning for their future. This truism will resonate with millennials, who tend to highly value service to others.
- Incorporate more technology into all operations. This means going far beyond a static Facebook page for the firm. It includes the use of new social media outlets, information delivery vehicles, and interactive online forums. In fact, reports Vision Critical, millennials are excited about new technologies, and 80 percent of them believe that science and technology can solve many of the world's problems.



Maintain Focus on Revenue-Producing Activity and Increase Retention by:

- › **Focusing training on the critical skills new agents need to master revenue-producing activities.**
- › **Providing a mix of classroom, hands-on, observation, role-playing, and interactive training.**
- › **Requiring new agents to practice, practice, and practice again their approaches to meeting people.**
- › **Emphasizing to new agents — particularly those who are millennials — how they are helping other people through the financial services profession.**

Questions to Consider

1. What can you do to enhance new agent training and development in your agency to focus on essential skills first, then build additional capabilities as agents progress?

2. What adjustments can you make to new agent training and development to accommodate the needs of millennials?

4

Minimize Distractions

The biggest distraction by far for new agents is the difficulty they have prioritizing their daily agendas and managing their time. Top-performing leaders manage this by holding weekly planning and check-in sessions to review revenue-producing activity goals and accomplishments.

Make New Agents Aware of Common Distractions

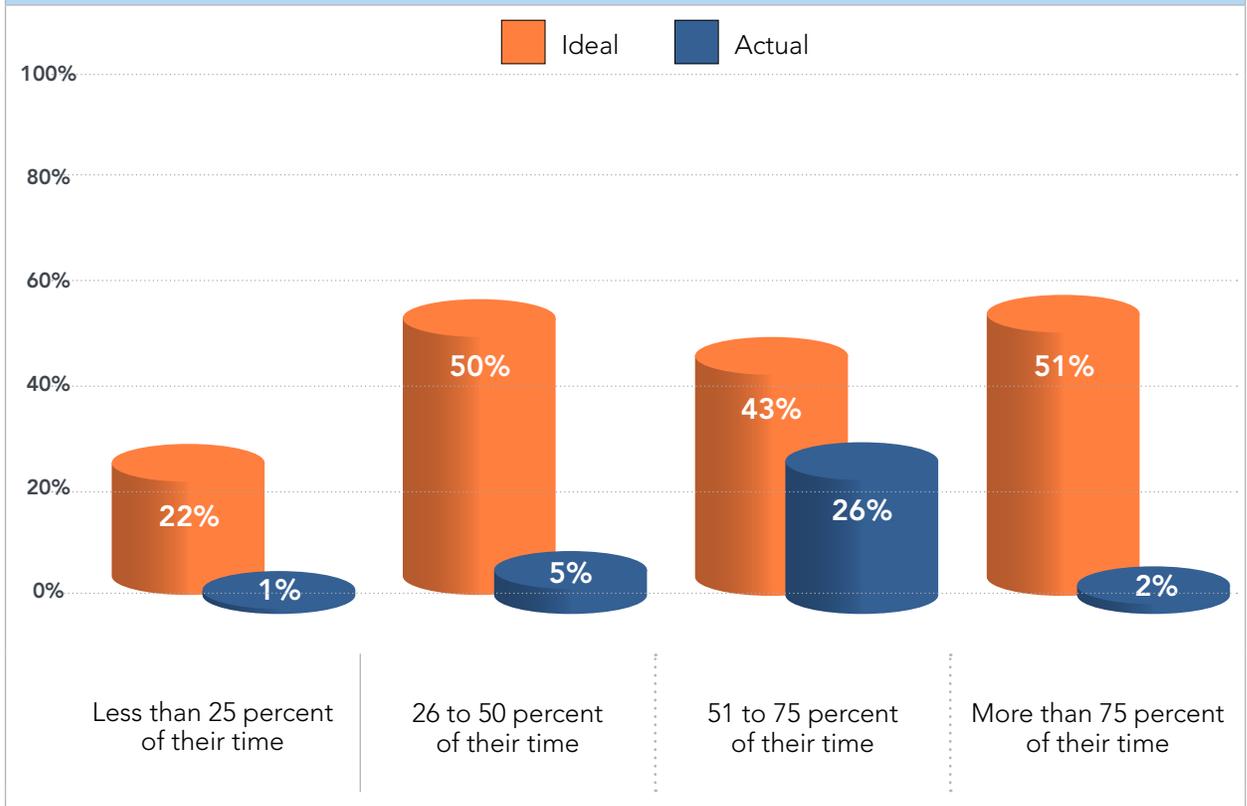
According to the majority of GAMA survey respondents, new agents should devote more than 75 percent of their time engaging in revenue-producing activities. In reality, however, only a small percentage of new agents hit that mark. Instead, survey respondents estimate new agents more typically spend 25 to 50 percent of their time on the activities that will build their business for the long term.

“Certain things are common in our industry, whether you’re securities-based, life insurance-based, or multiline-based: Prospecting activities. The distractions are similar, too,” observes one senior leader in a large multiline agency.



FROM THE MEMBER SURVEY

Percent of time new agents ideally/actually spend on revenue-producing activities



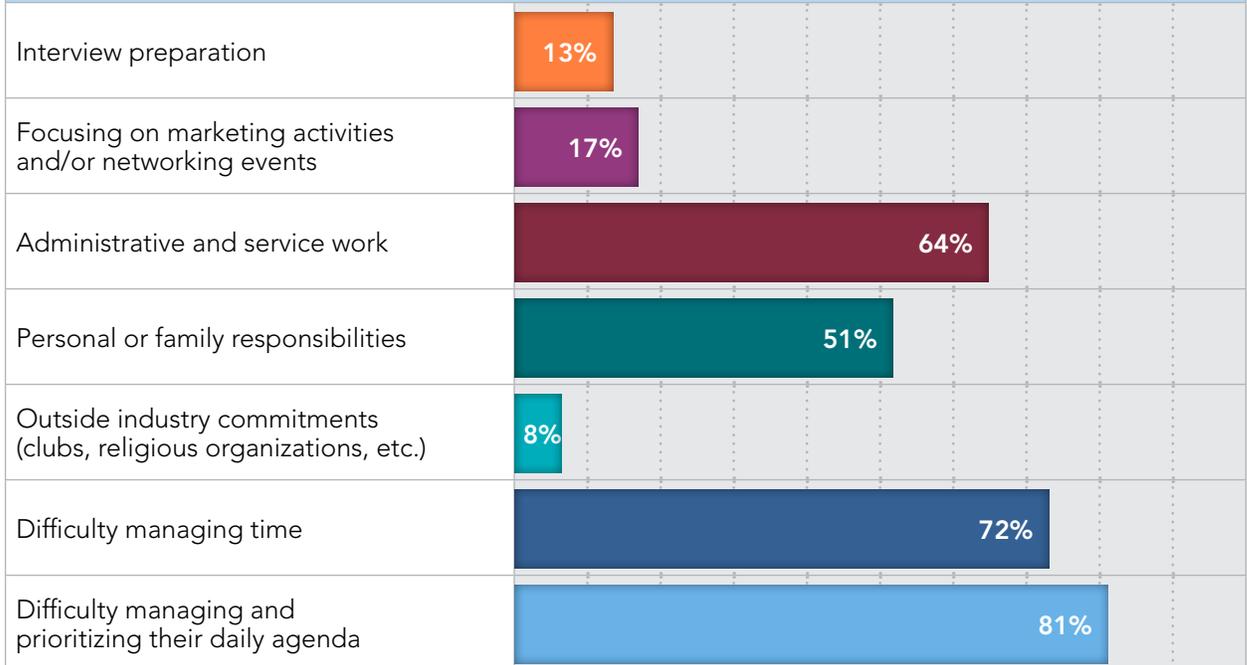
"If you're not seeing enough people one week, it trickles down to the next week and the next. It's hard to stop that downward spiral."

Rudy Rodriguez
National Life Group

The freedom of not being tied to a 9-to-5 position is often used as a selling point for the career — but it can also prove a distraction. In fact, field leaders in our survey identified managing time and their daily agendas as the two primary distractions for new agents. Even after mandatory training activities, networking events, and call sessions have been accounted for, agents have blocks of flexible time; without a time clock to punch, they may spend those hours on personal pursuits rather than professional appointments. Without a manager telling new agents when to be in the office and what to do every day, says one regional executive, "they start taking vacations or going to the movies at noon — things that, with any other job, they wouldn't normally be doing."

FROM THE MEMBER SURVEY

What are the primary distractions for new agents that pull them away from revenue-producing activities? (Select your top 3.)



According to the survey results, spending time on administrative work, which gives new agents the perception of being busy, but is not producing revenue, is also a common distraction. This manifests itself in a number of ways. Inexperienced agents, for example, may allow emails or paperwork to disrupt their daily schedule.

In their eagerness to help people, agents want to be well-prepared, knowledgeable, and ready to answer any questions that arise. Inexperienced agents often feel as if they have to know everything before an appointment, which sometimes leads to extensive research, last-minute cramming, and neglect of the key activities that produce revenue. These activities that seem to be productive can also be distractors for new agents.

Sometimes, even success can be a distraction. Some new agents, who see the successes registered by more experienced colleagues, become fixated on landing a big case themselves. Rather than serving as motivation, such “big case-itis” can be a drain on an agent’s time because of the complicated details involved.

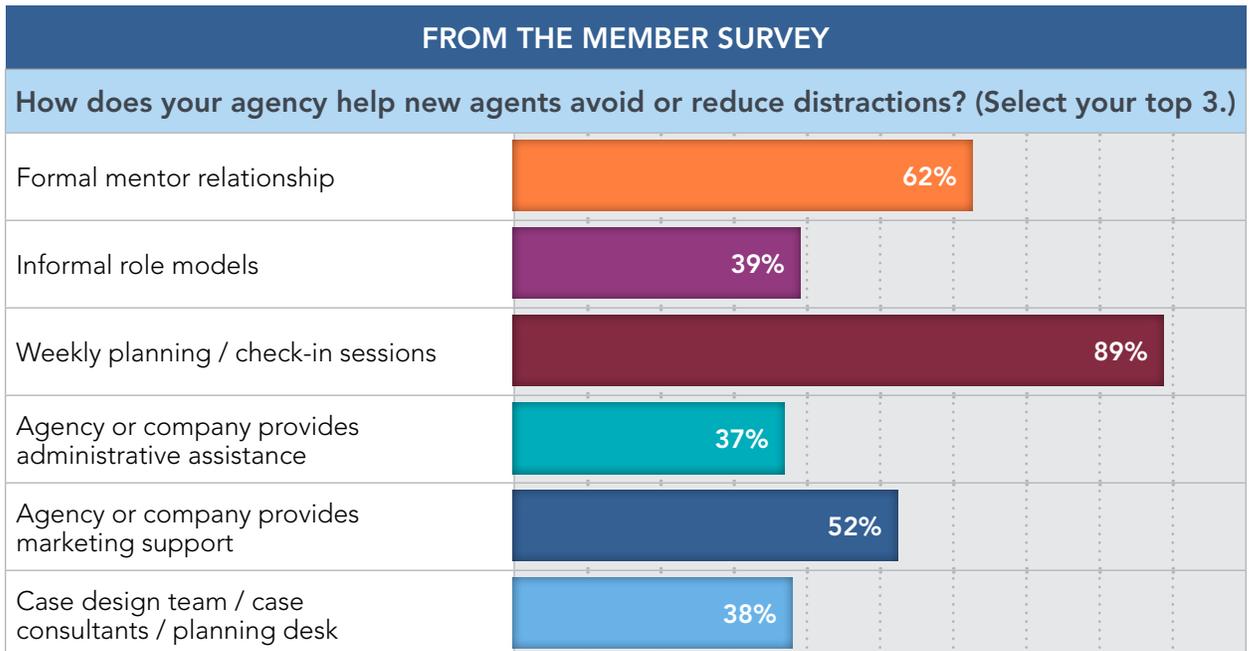
Others, who are new to working on a commission basis, may have difficulty adjusting their spending habits to account for variable income. Ken Gallacher, regional director with American National Insurance Company explains, “Money freedom can become a distraction. Before, their income had to be budgeted because there’s only a certain amount coming in. But maybe they make a big sale and get a big commission. So rather than budget that, they go buy a new car or finance a bigger home — instead of doing that five years down the road. Then their finances can become a distraction.”

Check In Often

None of the common distractions is a flat-out waste of time. But taken in combination, or to excess, these activities can keep new agents from their most important task: Prospecting.

“It’s just easier for new people to do the non-revenue-producing activities — the job seems less threatening, and they feel good about being busy,” observes one agency leader. “That means they may be at the office for 12 hours and have only one hour of revenue-producing activity, which isn’t a good day. So it’s key not to let them give themselves a false sense of productivity.”

To help new agents avoid or reduce distractions, nine out of 10 survey respondents rely on weekly planning and check-in sessions to get revenue-producing activities back on track.



Pair New Agents with an Experienced Partner

A majority of top agencies also have formal mentor relationships in place, giving new agents an experienced colleague to use as a sounding board and coach. Some agencies require new agents to work jointly with experienced agents for a certain length of time or number of appointments. Others rely on the mentors to research and recommend products, freeing up the new agent to focus on building the client relationship.

Provide Structure

To ensure new agents start strong and stay on track, many agencies provide an ideal schedule for getting all the necessary work done during their first week, their first month, and their first year in the position. One agency, for example, provides a model week in which 30 to 40 percent of working hours are already fixed: in the remaining 60 or 70 percent of hours, new agents have the flexibility to hold client meetings and do case work.

Another agency takes a colorful approach, designating certain blocks of time as red (spent on activities, such as case prep, that don't produce revenue) and others as green (devoted to business development and appointments). New agents are then encouraged to structure their schedules so green time represents at least 50 percent of their activities.

Other agencies designate certain times for administrative tasks — such as doing paperwork before 9 a.m. every morning or handling it all on Friday afternoon.

Typically, ideal calendars block out time for daily or weekly trainings as well as agency-wide calling sessions. Both activities tend to be mandatory for new agents, reinforcing the importance of dedicating time to prospecting.

“We think of a week beginning with an empty sheet as our single greatest enemy. It can be quite psychologically defeating in a business that feeds heavily off of positive attitude. A full and well thought-out schedule walking into the week can be your single greatest ally.”

Mark Rooney
AXA Advisors, LLC
From *The Power of Coaching*

Provide Back Office Support

Many companies and agencies provide administrative and back office support to help new agents avoid distractions. Having a group in place to prepare illustrations, master software programs, print reports, and file paperwork frees up agents to focus on meeting people.

Fifty-two percent of the leaders responding to the survey indicated their agencies or companies provide marketing support; 38 percent provide case design teams or consultants; and 37 percent provide administrative assistance. Although these responses did not rank in the top three strategies for reducing distractions, they can produce impressive results. One high-performing firm that

employs a back office team reports that the average premium per client is about 30 percent higher for new advisors (within their first three years) who work with the internal team, versus those who don't.

"I don't think anyone is doing any wrong activities — they're doing the right activity at the wrong time. That's really the issue. There's a time and place for everything, and you need to structure your week properly to make sure you have time for phone calls, time for seeing clients, time for paperwork, for marketing, for case prep, and all that."

Roy Perez
MassMutual Financial Group



Maintain Focus on Revenue-Producing Activity and Increase Retention by:

- › Using weekly planning and check-in sessions to review goals and accomplishments.
- › Encouraging new agents to work together with experienced colleagues.
- › Creating structured work weeks for new agents with at least 70 percent of their time focused on revenue-producing activities.
- › Providing administrative and back office support.

Questions to Consider

1. What are the top distractions for new agents in your agency? What more can you do to minimize these distractions?

2. Are new agents in your agency doing the right activities at the wrong time? What else can you do to structure their time so they stay focused on revenue-producing activities?

5

Offer Ongoing Support

Top-performing leaders gain new agents' trust by making sure new agents have the skills they need to succeed, showing them how staying focused on revenue-producing activities will help them achieve their goals, and demonstrating that they care about their agents' success.

Continue to Connect and Motivate

Forty-five percent of the field leaders responding to the GAMA Foundation survey say it typically takes more than 12 months for a new agent to reach a state of self-sufficiency. Most say it takes at least three years for an agent to build enough of a book to be considered established.

During those crucial three years, top-performing leaders fulfill a three-part role as cop, coach, and cheerleader by holding new agents accountable, guiding their development, and motivating them toward success.

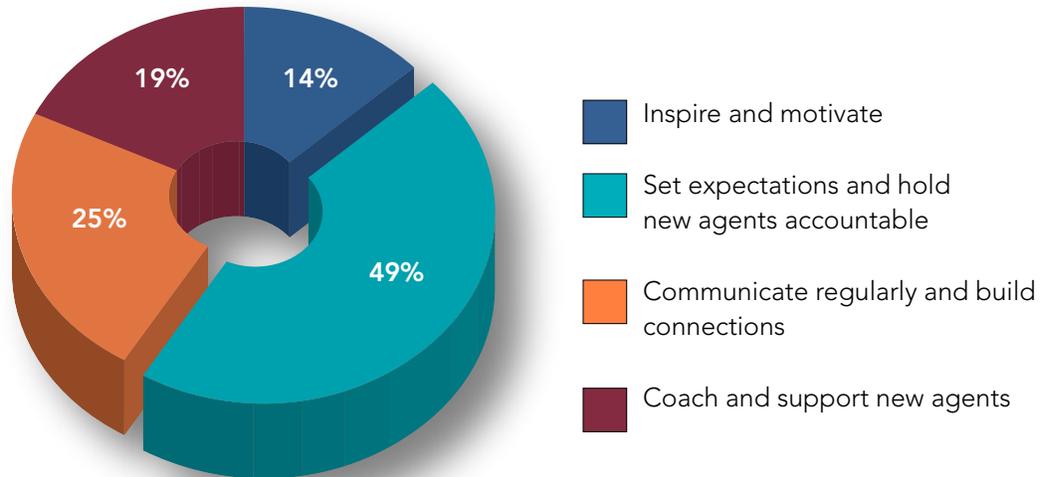
“With new reps, the biggest thing to do is be their champion, their coach — and not micromanage. If they want it, they’ll go get it; you just need to give them the tools and the training.”

Rudy Rodriguez
National Life Group



FROM THE MEMBER SURVEY

As a leader, what is the most important thing you do to keep new agents focused on revenue-producing activities?



Understand Their “Why”

Top-performing leaders build and maintain close relationships with both inexperienced and veteran agents. That means knowing their goals, values, and dreams, as well as who and what they care about in their personal lives. And it means avoiding canned speeches in favor of customizing messages based on agents’ individual personalities and communication styles. As one top executive notes, “You can say the same thing to two people and it may hit them completely differently. So you have to know what makes each agent tick and what motivates them.”

One way top-performing leaders motivate new agents is by helping them see the connection between activities and results. Leaders in our survey focus almost equally on emphasizing how revenue-producing activities will help new agents build a successful practice (68 percent) and on emphasizing the impact new agents have on helping people to achieve their financial goals (65 percent). Emphasizing achieving their own personal or professional goals as a way to motivate new agents came in a distant third (46 percent).

“It helps to have a strong “why” — knowing why you’re doing it, because it’s not a get-rich-quick scheme,” says Mike Becker, with Mutual of Omaha. “A lot of people say, ‘Yep, yep, yep, I get it.’ But when they don’t get rich right away they say, ‘This stinks. I’m going somewhere else.’”

“I’m a big believer in people looking at the long term. People make decisions based on how far into the future they can see. If they can only see the next six months, that’s what they’ll make their decisions based on. If they can see five, 10, 15 years down the road, they’ll make decisions with that in mind. What are their motivators? Lying on the beach someday? Or being on the golf course? People think in pictures. They don’t get motivated by numbers and 401(k) statements.”



Use Messages that Attract to Motivate New Agents

In the GAMA Foundation research study, *Attracting the Right People*, top-performing agents and advisors indicated that the most important, and most liked, activity of their work was the ability to help others, surpassing even receiving compensation equal to their efforts, having time for leisure and outside interests, and working with finances. Helping new agents see how they are helping others will motivate them to stay focused on revenue-producing activities with that end goal in sight as they work to build their practice. Visit www.gamafoundation.org for more information.



Find Opportunities to Build Trust

For some, starting a new career in financial services represents a leap of faith. These new agents place their trust in you and in the agency, fully believing in the value proposition that attracted them to the career. As a leader, finding opportunities to build trust is one of the most important things you can do to support new agents. Harboring doubts about their fit with this new career or their ability to succeed can distract new agents from truly committing. Creating a high-trust environment — where new agents know you will hold them accountable and will also support them, coach them, and guide them toward success — minimizes these fears and keeps new agents focused on prospecting and building their practice.

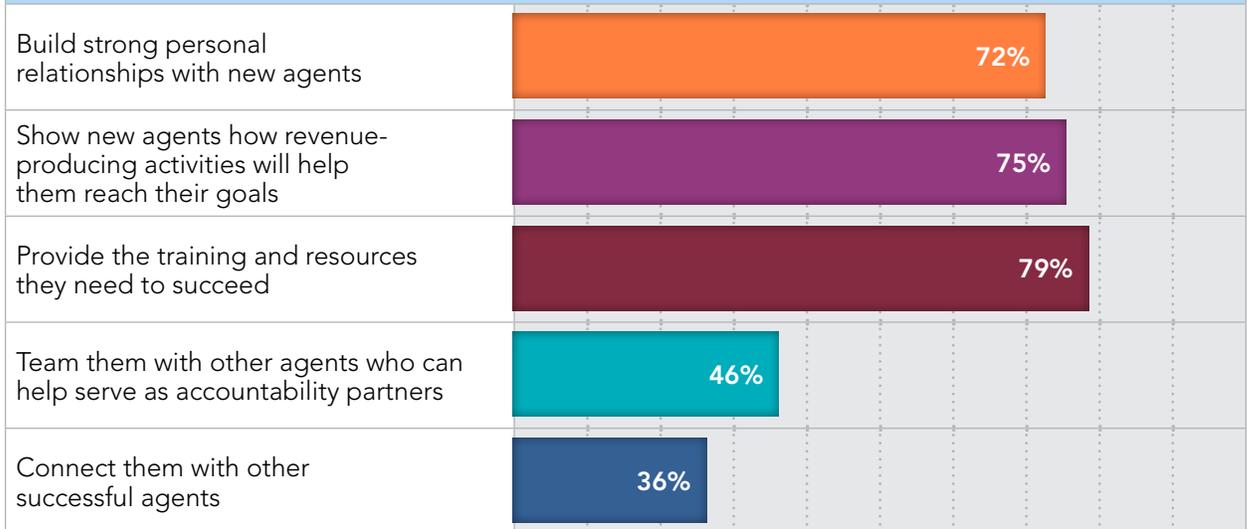
“We do a lot of activities and events as a firm — a lot of friendly competition but also a lot of teamwork. It’s a lot of togetherness. Even though people are very attracted to this career as their own business, they still want to be on a team and part of a brand and a mission. And having their numbers count toward the bigger picture.”

**Kurt Jonson
Penn Mutual**

While developing strong personal relationships with new agents is important, leaders in our survey also build trust by making sure new agents have the skills and resources they need to succeed and showing them how their activities will help them achieve their goals.

FROM THE MEMBER SURVEY

How do you gain the trust of new agents to make them willing to focus on revenue-producing activities?



In his book *The Speed of Trust*, Stephen M.R. Covey identifies 13 behaviors that build trust, including:

- Confronting reality by tackling the tough issues head-on and sharing the bad news as well as the good. **Top-performing leaders build trust by candidly addressing production issues with new agents to keep them from heading into a downward spiral.**
- Clarifying expectations by creating agreement on what needs to be done up front. **Top-performing leaders build trust by clearly communicating minimum requirements and expectations to new agents early on.**
- Practicing accountability by holding themselves and others accountable. **Top-performing leaders build trust by following through on their commitments to coach and support new agents and by holding everyone accountable to the same standards.**

Make Personal Connections

Without question, personal relationships with agency leaders provide a foundation for success. Personal relationships with more experienced agents willing to serve as mentors are equally important to new agents hungry for advice, strategies, business tips, and moral support. One senior manager could well be speaking on behalf of many others when he says of his mentor, “He taught me everything I know about succeeding in this business.”

High-performing agencies commonly pair new and experienced agents in formal mentor programs. Mentors provide a new agent with someone to turn to for answers to questions, whether personal or related to the career. Informal mentorships are equally popular because they develop naturally as new agents become acquainted and form friendships with their more experienced colleagues.



“Just about any experienced agent in the office will open up their calendar to help new agents run appointments, close business, and just learn,” observes one executive. New agents then have built-in opportunities to work with and observe the business practices of multiple people.

Financial services organizations typically host meetings that bring together agents and managers for training refreshers, motivational speakers, and recognition for top performers. One firm even refers to its annual event as a “university” to emphasize its developmental curriculum. Some meetings are purposely structured or located to encourage agents to bring their families for a vacation afterward. These events build camaraderie, create shared experiences, and help new agents feel like part of the team.

“It’s a tough business, and you’ve got to make it fun. So we’re really big on culture. We like to do a lot of fun things. We work hard and we play hard too. We have an upbeat atmosphere, which is part of building a strong retention culture. ”

**John Laurito
Penn Mutual**

Foster a Culture of Success

Agencies may also gather all agents, either in person or via teleconference, for a weekly meeting in which managers provide updates and publicly share activity and revenue numbers for the preceding and upcoming weeks. This exerts subtle peer pressure, particularly on newcomers. “If people have the right fit for this business, they do have a competitive nature — and who wants to be at the

bottom of a list seen by everybody?” says one top-performing manager. “Also, the people just coming see they’re surrounded by successful people, and they can envision themselves doing the same thing.”

“This business isn’t for everyone. I get referrals from my reps because of our culture. People want to bring their friends into the business because they like working here. It’s a hard career but they still like it. Everyone here is willing to help each other out. That’s the culture we’ve built. They all want to see each other succeed. Success breeds success.”

**Tammy Hanson
COUNTRY Financial®**

New agents might meet regularly to share their production numbers, as well as their successes and struggles, among themselves. Usually self-facilitated, these meetings provide an informal setting for inexperienced agents to talk candidly about their practices, trade tips, and hold one another accountable.

Internal study groups, or peer accountability groups, offer another peer-support system. More formal in structure, they typically meet monthly and focus on reviewing business practices, building new markets, and learning more about sales of specific products.





Maintain Focus on Revenue-Producing Activity and Increase Retention by:

- › Knowing what's important to individual agents, and tailoring motivational messages that are meaningful to them.
- › Holding new agents accountable for their performance while providing the resources, coaching, and support they need to succeed.
- › Encouraging new agents to learn from one another as well as from more experienced colleagues.
- › Designing agency activities that emphasize shared goals and foster teamwork.

"Results are public, so people can see who is generating what type of revenue. That's exciting for a person coming in. They see they're surrounded by successful people."

**Jesse Sherwood
Prudential Advisors**

Questions to Consider

1. What opportunities exist within your agency to further strengthen trust with new agents?

2. What opportunities exist within your agency to create stronger connections among new agents and the leadership team, experienced agents, and other new agents?

Conclusion

The four-year retention rate in the financial services industry continues to be a concern. But many top-performing leaders are overcoming the odds. They know that keeping new agents focused on the revenue-producing activities that create early successes and help them to steadily build their book of business will set new agents up for a long, productive career.

Recruiting is “job one” for many managers, especially for new managers. But, remember that retention is also a growth strategy. It is good for your agents and good for your business. You can increase retention, grow your business, and help your new agents succeed by using the five-step strategy included here to keep new agents focused on revenue-producing activities.

1. **Make Prospecting Paramount.** Meeting new people should be the No. 1 priority of every new agent. Do everything you can to help them get in front of people every day.
2. **Communicate Expectations Early and Often.** Introduce candidates in the recruiting process to the kind of revenue-producing activities they will be expected to perform if selected. Set minimum requirements for new agents and meet with them regularly to discuss progress.
3. **Provide Targeted Training.** Don't overwhelm new agents with “training from a firehose!” Focus on the prospecting skills they need immediately. Drill it in until it's second nature.
4. **Minimize Distractions.** It's your job to keep new agents on track. Help them to structure and prioritize their work week. Check in often to be sure they are focused on key activities. If you can, provide administrative and back office support to free up their time for revenue-producing activities.
5. **Offer Ongoing Support.** It's a hard job. Your agents are facing rejection every day. Sometimes you have to remind them of the connection between their activities and their long-term dreams and goals; of how they are helping others through their work. Be their champion.

“When they're struggling, I'm very much a cheerleader and coach for them. We have to believe in these people when they can't. That's where most of my value comes from for them.”

Misty Weltzien
The Guardian Life Insurance Company of America

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