



Breeding Top Producers

Natural talent helps but great salespeople also need training, discipline and a drive to succeed

By Bruce Rabik and Eric Walker

Insurance brokerages are sales organizations. That's how most people would describe them yet, as an industry, we pay scant attention to the sales side. One only has to pick up any insurance periodical to see countless stories on technology, industry consolidation and banks in insurance, but only rarely is the focus on sales.

For many years, Cookson Walker has argued that the industry has neglected the "people side" of the business. While the returns on technology have been uncertain at best, leading brokerages have clearly distinguished themselves not through technology but by having the top people. And while we have made progress with better marketing programs (think of "Greypower" or "Privelege50"), the vast majority of insurance is still sold by one person talking to another person.

Salespeople remain the lifeblood of the independent brokerage force and, ultimately, most insurers. Cookson Walker would argue that if the same kind of effort was put into creating training programs and producer development plans as has been invested in technology, the industry would be far better prepared to meet the challenges of new competition and more sophisticated consumers.

Efforts to cultivate new salespeople or "producers" have been particularly lamentable. Over the years, only a few insurers have put any real effort into the development of new producers. The old Travellers and St. Paul had unique mentoring programs, but Travellers is gone and St. Paul never had the presence in Canada to have a large enough impact.

Several insurers will provide loans to brokers to hire new producers but most of them simply leave the selection and training of individuals up to the brokers -- few of whom would claim much expertise in this area.

The sales training that has occurred in the industry has been haphazard at best. Brokers have put their employees through an amazing variety of programs. Every brand of sales training known to business has been attempted in the industry and most appear to have had little impact.

Since 1999, Cookson Walker has been surveying selected producers across Canada about their sales techniques and gathering their war stories. Using well-respected psychometric aptitude tests from our partner, the Self Management Resources Corp., we have profiled many top producers -- and also those who were less successful.

Using interviews with dozens of sales people, combined with knowledge gained from aptitude testing, we are developing a profile of the best producers in Canada -- their habits and techniques -- and clues as to how to find these people and develop them. Our focus has been on commercial producers, but many of the same lessons could be applied to personal lines producers as well.

Great producers typically sell between \$100,000 and \$200,000 of new commissions (excluding contingents) per year for a number of consecutive years. In fact, the true hallmark of those on top of their game is their consistency. They don't just get lucky one year -- they generate new commission dollars every year.

The best producers are not located just in Toronto but can be found across the country. Typically, they are partners in mid-size brokerages and many of them earn far more than they ever could at a national brokerage.

The top guns are hardly overnight successes. Producers generally reach the pinnacle of new business production between the ages of 42 and 45, after spending two decades in the business. Often they have invested several years in other industries before joining the insurance sector in their late twenties; others started their careers on the insurer side as underwriters or claims adjusters.

Many producers fail to reach the top echelon in terms of new production. It is informative to examine those who "tapped out" early, that is, those who reached a certain threshold as measured by the size of their portfolio and their new business production and never made it to the highest ranks.

Psychologists tell us that people's "effort profile" remains relatively constant throughout their life. In other words, individuals who are disciplined, hard workers are likely to remain so over the course of their careers.

We can suppose that those that did not make it to the top simply did not have the psychological makeup to reach the upper levels. However, from observing producers for many years we think it's likely that there are other factors as well.

There appear to be a number of ways to stifle the potential of a producer. "Gifted business" -- accounts that are transferred to a young producer -- appears to be a killer of potential. While some gifted business allows young producers to gain experience and confidence, beyond a certain level it appears to be a distraction

and, assuming they are paid on commission, allows them to become comfortable before their time.

Likewise, giving young producers management responsibilities or allowing them to become involved in other distractions (computers appear to be especially seductive) will limit the potential for new business long before its time.

So, when it comes to the big question of “nature or nurture,” that is, the debate over whether great sales people are born or developed, the answer of course is both.

Individuals do come into this world with certain characteristics that predispose them to becoming successful salespeople (or great athletes or scientists and so forth). But many of the rest of us can learn the skills and habits that distinguish the best of the best.

Many superior salespeople are “unconscious competents” -- they are unable to describe well what they do or are even unaware of what they do. They simply go out and do it. Therefore, asking them about the key to their success is sometimes of only limited value. Through direct observation and the use of psychometric profiles we can begin to paint a picture with some accuracy.

Great producers have very strong self-management skills and high self-motivation. They are inspired by challenges and are driven to succeed. They are optimists, good at handling stress and tend to be very independent. They don't need supervision in order to make that next sales call.

Top producers are not necessarily extroverts; many are introverts. They typically possess a high degree of emotional intelligence, including such qualities as self-awareness (confidence but also the ability to adjust to circumstances), self-control (they put a lid on disruptive moods and impulses), and empathy (they often have fanatically loyal staff). All of that adds up to a high level of social skill.

It is interesting to note that of all these characteristics, only self-motivation or drive cannot really be learned. If someone lacks that “inner fire” or the high energy level that marks all great producers it is unlikely that they will ever develop it. The good news here is that discipline can be a good substitute for self-motivation.

Discipline is probably the most important of the skills associated with execution or implementation (the others being analysis, planning, communication and so forth). Indeed, it is often execution that separates the men from the boys and the women from the girls.

Brokerages are bubbling cauldrons of good ideas but it is those few who actually follow through on those ideas that become truly successful. The rest have a

million reasons for not picking up the phone to call a prospect or to ask for a referral; they have clients to service and fires to put out and, besides, "it's a hard market, didn't you know."

The lesson of discipline appears to have been learned by the life insurance industry long before the general insurance industry. Many have remarked on the sales techniques in that industry, which, for the most part, boil down to discipline -- make so many phone calls each week, write so many letters, and so on. Indeed, many of the leading general brokers today came from the life side.

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