



# THE ANDERSON @agency Report

Best Technologies & Best Practices for Superior Results

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**Featured Expert: Steve Anderson**

## 2009 Survey Results

**How did you rate?**

*Note: The 2009 technology survey appeared in the January issue and was posted on [TAAReport.com](http://TAAReport.com). This article will provide you with an overview of the results.*

First, a disclaimer: This survey is by no means scientific. The results are not statistically validated. Such is the nature of a survey in which the participants are self-selected. The value of the survey is that it can provide a picture of your level of technology implementation against other survey takers—and against your idea of what a “model” agency might look like. You can also use your results to stimulate discussion about how your agency might better leverage its investment in technology and what you may need to include in your strategic plan for the next couple of years.

Each year we update the questions to reflect advancements in technology. For example, the first survey didn’t include questions about color printers or Web-based customer service because these things weren’t available. Also, past surveys

questioned if agencies had moved from DOS to Windows—which is not much of an issue in today’s environment!

### At a glance

The survey had a total of 76 questions. One-third of the questions related to management and administration. Sales, customer service, and communication issues comprised the remaining two-thirds of the questions. Generally speaking, most agencies scored well on the first part of the survey and not as well on the second half. Overall, it appears that agencies have learned how to use technology effectively to accomplish “back office” functions but still have room for improvement in customer service, sales and marketing, and communication.

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The highest possible score on this year's survey was 210. Bollinger Insurance in Short Hills, N.J. took top honors this year with a score of 164. The IMA Financial Group of Wichita, Kans. was close behind with a score of 162. The lowest score we received was 40, and the average score was 99—higher than past years. All surveys were completed online. Several survey questions and responses, along with our comments, follow.

Haven't taken the survey? It's not too late. You can find the full survey posted on our Web site at [www.TAAReport.com](http://www.TAAReport.com).

### Management

**Q Does management take an active role in the management of technology and its implementation?**

Eighty percent said that management takes a "very active" role in the management of technology. This has actually been a fairly consistent result over the last several years. Agency managers and owners continue to realize that technology is a strategic issue for their businesses and that it needs to be managed well.

**Q Does the agency hold office meetings in which technology and its effective use are regularly discussed?**

The average score in this area was very low this year. I hope that's because the question was phrased poorly. If not, it means that many agencies are not holding regular meetings to evaluate the use of technology. Effectively using technology requires constant vigilance. We suggest forming an Operations Enhancement Team to oversee implementation of technology in the agency. There is much room for improvement here.

**Q Do you include the computer competencies necessary to be successful in the job description?**

Responses to this question continued to improve, with 89% saying they do include this information in job descriptions. All jobs in today's agencies require some level of computer skill. The level of skill necessary increases for personal lines or commercial lines CSRs. Even agency owners and producers need a certain level of computer skills to fully participate in the agency's technology-driven processes. These guidelines should become part of the employee review process and linked to performance-based evaluations and compensation.

**Q Does the agency have a written strategic technology plan that is part of the business plan?**

The average score in this area was actually a negative number. This means that most agencies that completed the survey are not actively managing how technology will be implemented in the future. The business goals of the agency must drive the technology plan. If the agency technology staff is not included in the overall business planning process, then they are not able to provide input on what technology tools might be available to help the agency solve business issues.

### Administrative

**Q Do you monitor and audit your agency system database to ensure information is complete and accurate?**

You can have the best procedures and guidelines available, but if people don't follow them, they are worthless. Data integrity and accuracy is a big problem for agencies. As collaboration with other third parties continues

to increase, data and documents will be made available to people outside your agency. If that data is not accurate, the ability to collaborate will be impaired.

### **How are invoices and statements delivered to your clients?**

Many businesses and individuals would prefer to receive documents from your agency electronically. A simple question to ask each one of your clients is, "We are trying to reduce the amount of paper that we generate in our office. Would it be alright if we sent your document as a PDF file attached to an e-mail?" I suspect that many will say yes. This helps you reduce your expenses while increasing client satisfaction.

### **How do you rate personal lines quotes?**

Many agencies continue to use company Web sites as their primary method of getting a bindable quote. We encourage every agency to

explore the new premium comparison systems that are available. Agency satisfaction with these systems has increased dramatically over the last year. These vendors are also starting to make progress in being able to quote small commercial accounts.

### **How do you currently handle completing non-ACORD forms?**

A surprisingly large number (38%) of agencies are converting their non-standard forms into electronic forms that can be completed using a computer. There is a huge benefit to completing and storing these forms electronically. Thirty percent said they are still completing these forms by hand, while 22% are using a typewriter.

### **Are you using real-time carrier services using your management system?**

Using real-time services from a carrier can result in a huge productivity gain. This year, the

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average score on this question was 62%, which means that most agencies are utilizing these services. This is a good trend and we hope to see it increase even further.

### **Is the agency using electronic document management?**

Perhaps the biggest improvement is in the area of electronic document management. The majority of agencies utilize some form of electronic document management for storing information. The issue in today's agency is to continue to learn how to effectively use and manage electronic documents.

## Infrastructure

### **Do you use an online and/or offsite backup service?**

The trend of agencies utilizing online and offsite backup services continues to grow. As the cost of these services continues to drop, using an online backup service will be something every agency should explore.

### **How do you manage e-mail?**

A small number of agencies are utilizing exchange hosting services. The largest percentage of agencies is managing their own in-house exchange server. Next are agencies that are using Outlook without the benefit of an exchange server. There are a number of agencies that are using free e-mail services.

## Sales

Technology continues to have little impact on agency marketing and sales processes. This is unfortunate, especially in today's challenging marketplace. The survey results do show, however, that most producers are able to at least

look up client information within the agency management system.

Few agencies have any formal prospect tracking system or automated marketing and sales process. A few agencies have Web sites that are used to attract prospects. Learning to use the Internet as a marketing tool is one of the biggest opportunities available to an agency today. Interestingly, the top scoring agencies indicated that they use a tool to track producer performance.

## Customer Service

### **Is instant messaging available?**

As an agency begins to sell to and service younger generations, having instant messaging capability will become a necessity. An increasing number of agencies are adding instant messaging capability to their agency Web sites. Adding this capability is very inexpensive, so every agency should include this in their technology plan for this year.

### **Is there a formal audit process in your agency?**

If there is one key to successfully implementing and using technology, it is auditing. Ninety percent of the agencies that responded to the survey do not have a formal process to make sure their staff is following procedures correctly and consistently. It is significant to note that the two top agencies both have audit and review processes in place.

### **Can clients perform transactions on your Web site?**

Just under 50% of agencies responded that their Web site enables clients to perform some type of transaction online. The next question

asked how many and what types of transactions can be performed. About 25% responded that they had extensive capability for transaction processing, including being able to issue auto ID cards and certificates of insurance. Creating ways for clients to perform simple transactions using the agency Web site continues to be a growing trend. If you are not currently exploring ways to provide this type of service to your existing clients, you will be left behind.

### Communications

#### Does your agency have its own Web site?

Every agency who responded to the survey answered yes. While this is good, the next question is, “How useful is the agency Web site?” It is no longer enough to simply have a Web site; it must be useful and interactive. The survey also asked how often the Web site is updated. Half of respondents don’t update their Web site on a regular basis.

#### Does the agency have an intranet?

Fifty-five percent do have an intranet, a slight improvement from previous years. An intranet is a great tool for communicating information to agency staff. A handful of agencies are considering replacing their traditional intranet with a wiki. This will allow individual users to update and change information whenever needed.


#### Do you have a formal electronic communication policy?

The majority of agents (52%) do not have an electronic communication policy. As more communication with clients and business partners is accomplished electronically, it is important that the agency be clear with employees about acceptable electronic communication practices.

#### Are you currently using any social media (such as a blog, Facebook, Twitter) for client/prospect marketing and communication?

We were surprised by the number of agencies that said they were using some social media to communicate with clients. Yet, three quarters of the agencies responded that they were *not* using any type of social media tools. Again, both top agencies answered that they were experimenting with these types of communication tools. I believe it is important for any agency to begin experimenting with these tools so they can determine how they might be used in their organization.

### Final word

Based on these admittedly unscientific results, agencies do seem to be increasing their use of technology. Challenges remain, but it is encouraging to see agents step up to the plate. 

# TAAR Has Changed... for the Better!

As a “seasoned” member of the insurance industry (that means I’ve been around awhile) and as *TAAR*’s owner and executive editor, I have the privilege of interacting with innovative agents across the country. I am able to discover from leading agencies the best practices they have developed to satisfy the changing needs of their clients. I often tell my clients that “change for change’s sake” can be detrimental—but change to produce a better product or service is well worth the effort.

And just like your agency, *TAAR* has changed to help you find and implement the best technologies and best practices for superior results.

**New name: The Anderson Agency Report.** As a continuing sign to you of my personal commitment to quality and a laser-like focus on the needs of the independent agency, I am putting my name behind *TAAR*. The content of *TAAR* still remains about the overall impact of technology on every element of your agency.

**More content:** We’ve added four new pages to *TAAR*, which contain more of the articles you have enjoyed and profited from over the past years.

**New look:** Easier readability. *TAAR* has a completely new design. My hope is that it will be easy to read, navigate, and allow you to find the information you need quickly.

Our new company mission says it all: *The Anderson Agency Report* will provide you with the latest information about the best technologies and best practices to help you achieve *superior* results. It is my personal promise to you.



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