

# SPECIAL REPORT

## LESSONS I HAVE LEARNED SO FAR

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### Introduction

In 2009, in preparation for an event celebrating the 35<sup>th</sup> anniversary of Cambridge Property & Casualty, I was asked to put together a list of some of the lessons I had learned since we went into business in 1974; as an attorney since 1972; and in the property and casualty insurance business since 1959.

It was a great exercise, however, it turned out not to be just a few lessons. It was almost 100 lessons!

I hesitated to release these outside of the family and the Cambridge office with the thought that laying out the lessons I have learned is a bit presumptuous, preachy, and who really cares about the lessons I have learned, anyway.

Also, it seems that it is sort of like preaching to the choir where the folks that read these don't need to and others that might benefit, won't!

Each of us has our own experiences that have made us what we are today, and I am not sure my input is important or even of interest to others, but here they are.

## Table of Contents

1. Accessibility
2. Account Team
3. Auditions
4. Bad Pay Clients
5. Being Positive
6. Brokerage
7. Bureaucracy
8. Buying Relationships
9. Cambridge Image
10. Carrier Meetings
11. Cars
12. Catch-Up Game
13. Claims
14. Client Family
15. Client Meetings
16. Clients
17. The Client's Needs Come First
18. Company Meetings
19. Competitive
20. Consistency
21. Cringe Factor
22. Delegation of Work
23. Demeanor
24. Desk Time
25. Details
26. Dictating Letters
27. Diverse Competing Interests
28. Ease of Doing Business
29. Early Hours
30. Educate Clients
31. Efficiency
32. Empathy
33. Emulate Those Around You Who Are Successful
34. Expertise
35. Extra Effort
36. Feedback
37. Funerals
38. Getting Things Done
39. Goals
40. Habits
41. Hiring
42. Image
43. Insurance and Toilet Paper
44. Insurance Business
45. Keeping Score
46. Know What You Do Best
47. Learning From Reading
48. Lecturing
49. Lessons To Be Learned
50. Let People Do Their Job
51. Listening Skills
52. Make It Right
53. Management
54. Marine Corps
55. Marketing
56. Meetings
57. Natural Inclinations
58. Negotiation
59. New Business Account Directors or Account Executives
60. Organization
61. Ownership Changes
62. Paper
63. Partners
64. Passion
65. Pay
66. Procrastination
67. Promises
68. Prospecting and Value
69. Renewals
70. Reported
71. Reputation
72. Respect
73. Responsibility
74. Return Calls
75. Risk Management
76. Sacred Trust
77. Satellite Offices
78. Self Esteem
79. Serial Shoppers & Toxic People
80. Seth Godin
81. Share Our Success
82. Shortcuts
83. Show Biz
84. Site Inspections
85. Slow Walkers, Long Talkers
86. Snippets of Happiness
87. Social Skills
88. Special Reports
89. Spouses
90. Success
91. Success Can Be Fleeting
92. Tardiness
93. Terminating Employees
94. Truth
95. Urgency
96. Watches
97. What Can You Do For Others
98. Work Hours
99. Work Priorities
100. Working Harder Than Competition
101. Worth
102. Written Documents
103. Your Agent

I have been in the insurance business since 1959 and a business owner since 1974. I have made many mistakes and have learned from those mistakes. These are some of the things that I have learned so far. I continue to learn from my mistakes and successes as well as the mistakes and successes of others every day.

## **1. Accessibility**

Never screen calls. Be accessible to your clients by picking up the phone and talking to them rather than having your calls screened. Use a smart phone so you can view your email away from the office. Accessibility is everything.

## **2. Account Team**

The goal is to continue to add to the varsity team of Account Directors, Account Executives, and Account Managers. This team consists of people who are business gatherers or business keepers or both. Either way, you need top of the line people who are paid well and have an unlimited opportunity to be paid more depending on their capacity and abilities.

The biggest challenge we face is adding to this team. We need to be constantly looking for candidates, give them guidance, support and a fair opportunity to succeed. This involves taking risks involving a major dollar commitment, but we need to keep making these investments to succeed.

## **3. Auditions**

You are always auditioning for family, friends, insurance carriers, the people you work with, clients, and prospects. They are always judging you and your ability to take on future responsibilities. At the same time, they are always auditioning for you. Look for future associates and clients in those you meet.

#### 4. **Bad Pay Clients**

Bad pay clients will typically always remain bad pay. This is an indicator of bad management and can only result in wasted effort, bad debts and increased claims in other areas.

#### 5. **Being Positive**

You know about folks who see the cup as half full or half empty.

It is hard to figure why some people are always negative and others are almost always positive.

Maybe it's something learned from our parents. I never recall my parents ever being negative, and I don't remember ever being criticized (although I surely deserved it, I am sure.)

I always made it a point to never criticize our 6 kids (although I am sure I failed from time to time.)

One of my personality attributes or flaws is that I never feel that a project, client prospect, new associate prospect, or business opportunity will fail.

I don't know if this is good or bad.

I don't know if we can change pessimism or negativism in others, nor should we try, but we sure can ignore it and never feed it.

#### 6. **Brokerage**

Don't allow another agent that is not part of our organization access to our insurance carriers. The markets we do business with represent a precious franchise. When you allow this to happen, we assume the liability for what that agent says and does. Of course, doing this is also a violation of our contracts with our carriers. The only way to do this is to make the client our client and deal directly with the client with minimal association with the other agent.

## **7. Bureaucracy**

Avoid the waste of managers and supervisors who do not have at least some production responsibilities and avoid a bureaucracy that inhibits spirit and treats people like children, and increases expenses without increasing production.

Formal performance reviews may be a waste of time and money and are imposed by larger organizations; however, a better approach may be informal performance coaching and discussions done daily as you interact with others. This is coaching while walking around.

## **8. Buying Relationships**

If another agent offers to sell you its relationships, do not do it. You can acquire relationships one at a time, but you cannot buy them from another person or company. Instead, acquire the person that has the relationships if that person otherwise fits into the Cambridge culture.

## **9. Cambridge Image**

The image or brand that we have created and want to perpetuate is that we are different in how we are structured and how we perform.

The most technically proficient people do the most important work, instead of the reverse, which is how most agencies are structured. Evidence of proficiency is by way of advanced designations. Few other firms, large or small, have the level of proficiency demonstrated by the professional designations of our associates.

Account handling is limited to the smallest possible number of people, rather than the most.

We structure for client needs. We have no centralized service centers with 1-800 numbers to an off-site call center or other approaches that interfere with client service.

The Account Directors or Account Executives are always involved in their account relationships and are always available to clients without going through phone pods or screening.

The Account Directors or Account Executives at Cambridge are typically attorneys, CPA's or persons with numerous insurance designations who have demonstrated the ability to solve client problems and manage risk, and excel at buying insurance for others.

We do business with carriers that do it our way (i.e., no protective safeguard warranty, agreed value, etc.) and that can be trusted to pay claims expeditiously and in a fair manner.

We provide plain English summaries and review letters each year, and midterm changes require plain English cover letters. We don't do form letters.

Although sales growth is vital, it is no more important than quality account handling and having quality accounts.

Our Account Directors and Account Executives understand the critical relationship between legal and insurance issues. After all, insurance is a contract and the words within the 4 corners of the insurance contract control the settlement of a claim.

At Cambridge, it is always all about the client.

## **10. Carrier Meetings**

Insurance carriers want to visit you for the same reason that you want to visit clients. However, it can be a time waster if not managed but, with that said, we recognize that we are an empty suit without carrier relationships.

## **11. Cars**

Your business car should not be an expensive or unusual car. Instead, it should be a late model, middle of the road, conservative car.

Your clients are looking to pick up information about you as you continue the audition process in business and in life.

If you have an expensive or fast car, keep it at home.

## **12. Catch-Up Game**

Strive to be caught up with current activities and projects by the end of your work day. This is a game that works for me. However, I seldom succeed. Again, this may not happen, but it is a game you can play to stay efficient. If you do get caught up, reward yourself by taking some time off.

## **13. Claims**

In the event of a property claim of any consequence, visit the site as quickly as possible to demonstrate your concern and expertise and to be of assistance. Guide the client through the claim process. Avoid having clients report claims (other than workers' compensation) directly to the carrier.

## **14. Client Family**

Pay attention to the wives, children and grandchildren of your clients by way of Cambridge events that include them, where possible.

## **15. Client Meetings**

You do need to see your clients at least once a year at their office. Do not automatically renew an insurance program without seeing if anything has changed.

## **16. Clients**

Cambridge succeeds or fails insurance company auditions based on growth volume and loss ratios. No growth and low volume combined with poor loss ratios will result in your failing the audition. The insurance company can terminate its contract with Cambridge with a 30-day notice,

in most cases. With the loss of a key insurance carrier, Cambridge is out of business. Like I said, success can be fleeting.

Do not jeopardize Cambridge by having clients or a class of business that will result in bad loss ratios, receivable problems or errors and omissions claims. Do not accept or keep individual clients that drag you or Cambridge down just so you can write new business. Walk away if they are a serial bidder of insurance. Walk away if they do not pay their bills, or if they do not understand or appreciate what we do. Toxic clients will consume you. Save the time and effort you spend instead on your best clients, not your worst. You will eventually lose the business to a substandard competitor or on-line insurance carrier with a lower price and no advice, anyway.

### **17. The Client's Needs Come First**

Do not structure what you do based upon your needs, but instead on the needs of your clients. For example, it may be better for you and for your income to be freed up to bring in new business and to delegate the responsibility for existing accounts to individuals who have less experience or to insurance carrier service centers, but do not do this. This is an example of structuring something for your needs, and this is not necessarily the best for your clients.

If you need to be freed up, it is better to take an entire segment of your business and assign it to another person with expertise equal to or better than yours with you acting as backup or as a resource.

### **18. Company Meetings**

I have a problem with unnecessary sit down meetings with multiple people. They waste time, tend to be a soapbox for the speaker (Me!), and interfere with the time necessary to service clients, which is our primary responsibility. You can usually accomplish the same thing by walking around and listening and talking with the people for whom you are responsible or that are part of the organization.



## **19. Competitive**

Look to hire competitive people. They can be trained to be Account Directors or Account Executives and be sound, technically, from an insurance standpoint, but they cannot be trained to be competitive. This is an innate trait. Look for sports or other competitive activities in a person's history.

## **20. Consistency**

Our clients expect consistency in what we do. We are determined to provide an annual written insurance review, a site visit, and what we call a closure letter which summarizes the decisions that have been made and outstanding action items.

This is much different than the "file and forget the client until they call."

We do the same thing each year if not more often. Our clients can count on it.

## **21. Cringe Factor**

In your auditioning for others, make them feel that you have the capacity to do more and that you want to do more. Avoid the cringe factor. It sends the wrong signal. Always go the extra mile for everyone (clients, associates, insurance carriers, etc.). The cringe is the silent or explicit signal that you really resent being asked to do something for others. The person with a cringe factor may be tolerated short-term but will not succeed in the long run.

## **22. Delegation of Work**

Control your work environment, and let others control theirs. To be on the receiving end of an unending flow of work is discouraging and will lead to loss of morale. For example, if someone has a defined work responsibility and they work seven days a week in order to get caught up and as a result a so-called superior in the company gives that person additional unrelated work, there is little incentive to get caught up. People need to know that

the responsibilities that they have are their responsibilities and unless they ask for it, a never-ending supply of work should not be given to them.

At the same time, if you want to get ahead within a company, you need to project the image that you do have additional capacity if that is the case. Concurrent with that image, however, is that you need to ask for additional responsibilities in order to fill up that capacity. It is unlikely that someone is going to give you additional accounts if they are not aware of your desire to have those accounts and do not feel you have the capacity to handle those accounts in an appropriate fashion.

Never ask for or allow subservience. Other associates are not your personal assistant for banking, shopping or getting your coffee.

When you delegate, only delegate tasks to someone who can do it better and/or faster than you.

### **23. Demeanor**

Do not ever drink alcoholic beverages during the day, even if it is at a business lunch and even if the client is drinking. Clients are looking at you and how you handle yourself. It sends a far better signal to your clients that you take your responsibilities very seriously by avoiding this major image destroyer. Even at social events after working hours with clients or at company events or other business events that may involve insurance carriers or other people you work with, either avoid drinking altogether or minimize your consumption to at best one glass of wine. Again, people are judging you and your activities. You are on stage and you are always building your image (or damaging it). If you overindulge and act inappropriately, clients, insurance carrier executives, other associates and prospects may not say anything but will remember this for a long time, and you will have failed that audition.

If you feel the need to overindulge and become stupid, do so on your own time, away from insurance companies, clients, and business associates.

In the Elton John musical, *Aida*, there is a song that goes, “From your cradle via trousseau to your death bed, you’re on view....”

## **24. Desk Time**

I treasure office time at my desk. I want clients to be able to immediately reach me so I do not miss the opportunity to have client contact and be of service. When you are in the office, wear a portable headset so you can get the call without it going to voicemail. This gets you the instant contact and avoids return calls.

## **25. Details**

It is very difficult to excel at the details of account handling. For me, working fast, solving client problems, helping others to add to current accounts and securing new accounts may mean that the “details” suffer. Folks like me need to pay particular attention to the details and spend more quality time reviewing our work. In this business, the devil is in the details, and we need to make every effort to get it right every time. Recognize the fact that you may be weak in detail ability and work extra hard in this area.

## **26. Dictating Letters**

Learn the art of dictating letters. Even if you are a fast typist, dictating is faster, and you will write letters that are more conversational.

## **27. Diverse Competing Interests**

In the insurance world there are:

- Insurance agents and brokers
- Risk managers
- Insurance carrier underwriters
- Insurance carrier claims adjusters
- Insurance buyers—client

All of these elements have divergent interests.

We need to understand what motivates each of these interests in order to be successful in what we do.

## **28. Early Hours**

Most everyone thinks I am crazy because I am in the office at 4am daily and maybe they are right but, as I see it, not a lot gets accomplished when you are sleeping.

Moreover, when the phone starts ringing and emails start pinging around 8:30am you are in a reactive mode solving problems and “putting out fires,” as we like to say.

I want to be able to pick up the phone on the first ring and solve the problem or provide the service immediately, if possible.

This is a good thing, but doesn't leave a lot of time for being proactive for our clients or writing of Special Reports.

When our kids were young, I wanted to be home for dinner every night, and my thinking was I couldn't lose family time if I came into the office early and left at a reasonable time each day.

Once I started this regime, I continued it after the kids were grown and gone, and I really like it and don't make exceptions and decide to sleep in, even occasionally, because once you start making exceptions it makes it easier to lose your discipline. Maybe this is the Marine Corp. training or common sense, but it works for me.

## **29. Ease of Doing Business**

Make it easy for your clients to get through the process of buying and maintaining insurance. For example, I do not just send a business interruption worksheet; I complete it for their review.

### **30. Educate Clients**

Avoid “insurance speak.” Our job is to educate clients so they can make their own decisions. At the same time, we need, as counselors, to make recommendations about what we would do.

### **31. Efficiency**

In order to succeed, you need to be efficient. You need to be able to do more work than the next person in the same period of time. Beyond that, you need to work harder and do more work by working more hours. Seconds count in everything you do. Time wasted is time that will never be returned to you. One hour of wasted or inefficient time for every workday calculates to 260 hours of waste in any one year, which equates to five full weeks of wasted time and opportunities every year.

### **32. Empathy**

This is related to listening skills. It is defined as “identification with and understanding of another. Feelings, situation, and motives . . .”

These apply to family members, work associates, clients, and insurance underwriters.

Look behind what someone is saying and look for what they are feeling and what their motives are. Adjust your approach, questions or presentation accordingly.

### **33. Emulate Those Around You Who Are Successful**

Look for reasons that others are successful and copy what they do. Seek a mentor and learn from their mistakes. I never had a mentor and wasted a lot of time because of it.

### **34. Expertise**

We have a great deal of expertise in many areas, but not in every insurance and risk management area. I always am looking for expertise in

other people in the Cambridge-Marsh organizations because utilizing that expertise is best for our organization and its clients.

### **35. Extra Effort**

After you get the order from a client, either new business or a renewal, keep trying for more benefits for that client from the insurance carrier or from our organization. In other words, under-promise and overproduce.

### **36. Feedback**

You should ask others, such as clients and the people you work with, how you are doing for them, and what is one thing we can do better, and encourage others to ask you how they are doing for you. Be candid if they ask.

### **37. Funerals**

People never pass away at times that are convenient to us, but someone said, “Weddings are optional, but funerals are not.” You need to take the time off to pay your respects even if it is difficult and inconvenient. Your clients and others will not forget your kindness.

### **38. Getting Things Done**

Do not ever order anyone to do anything. You cannot order people to work longer hours. You cannot order people to do a particular task. It is far better to ask if someone will do you a favor, help you out, etc. rather than demand that they do something.

### **39. Goals**

Goals have to be tied to passions or “wants.” To say “my five- year goal is to write \$2,000,000 in annual revenue” is futile unless you internally “want” this. Goals should be hourly, daily, weekly, etc. They should be self-set.

Goals cannot be imposed by others. For example, “You will bring in \$100,000 in new business each year.” Leadership has to be careful in

imposing goals because if they cannot be achieved, it can be discouraging and create a self-defeating negative perception of the person and within the person that “failed.” In this case, it is leadership that fails because it imposed a goal on someone that internally really did not “want” to achieve in this area.

#### **40. Habits**

Doing the same things at the same times works for me. It may not be exciting, but it leads to predictability and success. I go to bed and get up at the same time. I eat the same breakfast. I avoid week night events that interfere with what I do for my clients.

I always dictate closure letters within one day after a renewal or a new business meeting. I always wait for all policies before sending out renewals. (It prompts you to follow up early and to get everything in early.) I always leave the office with a clean desk so I can have a clean slate every morning. I always have one project at a time on my desk.

These and other habits may seem compulsive, but there is nothing wrong with good habits.

#### **41. Hiring**

Look for persuaders. When you hire Account Directors and Account Executives who will be interacting with clients and insurance companies, be certain that they are able to persuade you that they should be hired because if they are unable to persuade you, they will be unable to persuade a client or insurance carrier regarding important issues. Typically, either someone is a persuader or they are not. You can't train anyone to persuade others.

#### **42. Image**

Dress appropriately as part of the audition process. This means that you should not overdress or under dress. Obviously, when you are seeing a new client, you would not go in casual clothes. At the same time, when you see a new client, you do not need to overdress with some fashion statement that is not likely to fly with a conservative client. Do not over-

wear jewelry, especially jewelry with diamonds. You need to dress creating an image that you are successful but not flaunting any success that you have. Also, never wear aftershave or perfume in a business setting. A conservative image is what you should seek. The same is true with cars. Avoid cars that suggest you are better or that you think you are better than your clients.

On the other hand, do not buy or wear cheap shirts. Buy quality shirts with good fabric that stay white and crisp. This is not playing the big shot – it's looking confident and successful.

#### **43. Insurance and Toilet Paper**

There are clients and prospects that treat insurance as a commodity such as wood, wire, janitorial supplies, toilet paper, etc.

It constantly amazes me that those same insurance buyers take a far different approach when making decisions about other aspects of their lives. Think about the following. Would a rational person . . .

- . . . go into the emergency room and ask for the cheapest doctor?
- . . . utilize a physician that never asks questions or gathers the necessary information in order to design a medical program to keep their most important asset (their bodies) viable?
- . . . pick the attorney with the lowest hourly rate to solve a major problem and protect the company's assets?
- . . . use the U.S. Post Office for next-day delivery rather than pay more money for an overnight mail delivery service such as Federal Express?
- . . . hire the least expensive executives to work for them to make the best decisions regarding their company?
- . . . ask for "bids" from their accounting advisor and select the one with the lowest cost?



Of course not! To do so would be ludicrous. Yet, when this same person buys insurance to protect the assets that he or she has spent a lifetime acquiring, this person makes a decision based on the lowest cost. To make it worse, this person becomes a serial shopper by doing it every year.

So, what's the lesson here?

What I have learned over the years is that it is generally not possible to change this mindset.

The intellectual capital that you spend trying to change these people should be spent on clients and prospects who really are serious about protecting their assets and treasure what we do.

The serial insurance shopper will eventually find an insurance program that is "cheaper" and kick you to the curb, anyway.

We are not for every personal or commercial insurance buyer, especially the serial insurance shopper and especially someone that places insurance on the same level as toilet paper.

#### **44. Insurance Business**

Without a significant investment of capital, what other business is there where you can be a real benefit to your clients, have job satisfaction, and build a future for you and your family? Indeed, it is a complicated business with a lot of twists and turns, but this gets rid of the competition. Success only requires that you, in your gut, truly want to succeed.

#### **45. Keeping Score**

There is an interesting book I read recently that talks about keeping score in business relationships. It is "Give and Take" by Adam Grant.

In this book, the author says, "Every time we interact with another person at work we have a choice to make: Do we try to claim as much value as we can, or contribute value without worrying about what we receive in return."

The book talks about:

- Takers: They like to get more than they give.
- Givers: They prefer to give more than they get.
- Matchers: They strive to preserve an equal balance of getting and giving.

This book looks at which personality type will be the most successful, and the conclusion is that it is the “givers.”

I always try my best to give to others (leads, effort, resources, etc.) without keeping score. I really want clients, referral sources, friends, and business associates to succeed in their business, work life, or personal lives.

#### **46. Know What You Do Best**

Do not get involved with clients who are in a class of business that you do not understand unless you have time to get up to speed quickly and achieve a high level of expertise.

#### **47. Learning From Reading**

Be a student of this business. Read multiple newspapers and books. Look for loss examples. When you see them, cut them out or write them down and save them. Look for claims examples from your existing clients as well as court decisions. Share this information with clients and others in the office.

I look at new court decisions each morning and the insurance cases are the best teaching tools.

#### **48. Lecturing**

Over the years, I have seen so many people who have so much potential for success and they could achieve that success if they could only...(come

in on time, come in early, get designations, do marketing, go to trade group meetings, go to a Dale Carnegie class, stop smoking, etc., etc.). I tend to want people to have my values, my priorities and my “wants.” I have come to understand that you cannot change anyone and it is a waste of time to lecture or coach that person because people do not change, so do not try to change them. What you see is what you get almost every time. The key is to hire the people you want for a particular job and give them an opportunity to thrive and expose their “wants.”

#### **49. Lessons To Be Learned**

One of the biggest lessons I have learned is that I have a lot of lessons to learn.

How do you get the serial price shopper to see that it is in their best interest to look at insurance purchasing differently? Will they ever change or are you wasting time and intellectual capital on clients that don't care?

How about the business associate, family member or friend that is skilled enough and smart enough to be successful but is missing drive, motivation, or something else that is a barrier to their maximum potential?

Are you wasting your suggestions, mentoring, or signals on someone that doesn't care, and should you spend your time, instead, on someone who asks for your mentoring?

#### **50. Let People Do Their Job**

Do not micro-manage anyone. It is better to let someone learn from their mistakes.

#### **51. Listening Skills**

If I had to point out one area that is critical to success, it is listening skills.

I see it time and time again with folks that have not maximized their potential within Cambridge.

You tell, instruct, indicate, reveal what is important in a particular situation time and time again, and it doesn't get done.

This is hard to figure. It's not a matter of defiance, ignorance or desire. These folks don't actually hear what you are saying. They are, in fact, listening but they don't hear. Maybe they might also benefit by listening to what people do.

## **52. Make It Right**

If someone in this organization drops the ball, we must admit and accept responsibility and make it right. Do not be afraid to say, "We made a mistake. We're sorry, and we are going to learn from it and make it right."

Learning from problems: True learning only takes place when there is a problem to be solved.

## **53. Management**

Do not manage people because people cannot be managed. Instead, lead by example and coach based upon the natural inclinations of the people you work with based upon their day-to-day performance and their previous work successes. This is the best evidence of their natural inclinations and their innate abilities.

It is also better to manage the process than to manage people.

Be constantly aware of Parkinson's Law, which indicates that work expands to fill the time available to do that work, and the Peter Principle, which says that people are ultimately promoted to their level of incompetence.

## **54. Marine Corps**

One of the lessons that I have learned is that serving in the military was very beneficial to me.

I was still 17 years old when I attended 12 weeks of basic training at the Marine Corps Boot Camp.

This taught me about discipline, leadership, and pride.

Discipline, because I was required to get up early, move fast, work as a team, and pay a price when someone else made a mistake.

I remember the drill instructor saying one day that in combat and life someone has to step up to the plate and lead and most people don't want to be a leader. For some reason, I feel a compulsion to take the lead when required for the common good.

I also learned about pride. "Once a Marine, always a Marine," they kept telling us, and this has proven to be true.

Whenever I have a chance, I revisit the Marine Boot Camp as well as the Friday night parade at the Marine Barracks in Washington, D.C. (I would highly recommend this to everyone.)

The U.S. Marine Corps gave me self-esteem and showed me I could get through something that was very difficult and become a better, more confident person.

## **55. Marketing**

If you are developing a new class of business or want to add additional accounts to your existing book of business, you can do this by:

- Internal marketing within the office is one of the best ways to market because an Account Director or Account Executive that is unable to handle a lead for one reason or another will look to give it to someone else. They will give that lead, for example, to someone who appears to have the capacity to do as good a job as they would do. The Account Director or Account Executive that does not appear to have capacity, that has a disorganized desk, has a cringe factor, does not work the hours necessary to get the job done, and does not have the expertise, is unlikely to be rewarded with a referral.

This, again, relates to the audition process whereby people are observing what you do day to day and, based on those observations, predicting how you will handle an existing client or a new client or a new responsibility.

I cannot emphasize enough how important this is. Pass the invisible audition and you will be successful.

- Marketing by referrals from existing clients or others is an excellent way to build up a book of business and, in turn, you need to ask your clients or others for referrals to others. When you get the referral, you need to do an outstanding job so the person that referred the account to you is not embarrassed.
- Meet and greet. Attend events that your prospects attend.
- Seminars. Give speeches or seminars.
- Direct mail with phone follow-up. While it gets the message out, you have to do a lot of direct mail on a disciplined, repetitive basis in order to gain accounts.
- Limiting cold calls as they are seldom successful and are inefficient.

## **56. Meetings**

All sit down meetings with people that visit you will last one hour even though 15 minutes would suffice. If you visit others, you will be better able to control the time it takes to meet. Another technique is to do stand-up meetings. Avoid visiting clients around lunch time. A lunch meeting will take at least 1 ½ hours of your time.

## **57. Natural Inclinations**

Match your own personal, natural inclinations to your goals. If you do not get turned on by new business successes, do not offer yourself up as a new account developer. Find out what your passion is and build your success around this.

## **58. Negotiation**

Learn how to negotiate by finding out what the hot buttons are of the other person without revealing yours. For example, insurance carriers need new volume and cannot lose existing volume. At the same time, they have limited resources to waste on quoting accounts they are not going to obtain. Keep these hot buttons in mind as you negotiate with an insurance company.

## **59. New Business Account Directors or Account Executives**

From what I have learned, you cannot train anyone to really want to acquire new business or even to want to keep existing accounts. There is something internal that drives this desire. It may be insecurity or ego drive. You may be able to test for this, but we have had many failures in this area with people who have tested positively. Use testing as a tool, but the best judge of this is past performance or involvement in competitive activities. There is a huge difference between going through the motions and really “wanting” to write and keep business. You cannot train people to “want” anything.

## **60. Organization**

Work neat and organized. It is part of the audition process for visitors as well as the people with whom you work. How often have you seen a person’s desk strewn with disorganized paper and wondered what is at the bottom of the stack that has not been done? In the book, The Peter Principle, they talk about this as a good method of avoiding promotion. Such work habits do not signal a person’s ability to take on additional responsibilities and to perform well for clients. People who work with messy work environments fail this invisible audition every day, but they seldom know this until others pass them by.

## **61. Ownership Changes**

Cambridge was never for sale because we knew that most purchasers of an insurance agency change the culture to enhance profits.

Marsh & McLennan Agency was different. They wanted to make us part of their team and leave our culture and management in place. At the same time, they offered us untold additional resources for our clients.

We believe we have become a better organization for ourselves and our clients because of our becoming part of Marsh & McLennan Agency.

## **62. Paper**

Every piece of paper is critical in this business. Save them all, electronically or otherwise.

## **63. Partners**

I have always believed that business partnerships are doomed to destruction because of different work ethics, unrealistic expectations, performance issues, etc. The other reason is that your partners are not the only personalities involved, but their spouses are in the picture indirectly. Be aware of the dynamics and problems that are inherent in this and find a way to deal with it.

## **64. Passion**

To have excellence in the insurance and risk management field, you have to be first and foremost passionate about what we do.

This business is not for the person just looking for a job.

You have to be a believer that we possess expertise that our clients do not have, and it is our duty to use that expertise to the fullest on behalf of our clients.

## **65. Pay**

You cannot expect to obtain quality Account Directors or Account Executives if they can only get paid on a commission basis. We must



initially undertake the salary risk as they build a book of business. Be generous to all associates in establishing compensation. You get what you pay for.

## **66. Procrastination**

When you have a problem to solve, do it now and not later. Procrastination does not work in our business. A problem will not go away by your inaction and will be more efficiently solved if you deal with it now. If a client is involved, they will appreciate your sense of urgency and efficiency.

## **67. Promises**

If you say you are going to do something, do it as promised, not an hour later, not a day later. If possible, do it before you said it would get done. Live up to or exceed your commitments and promises and always adopt the motto of “promises made, promises kept every time and on time.” How often have you listened to someone say, “I am going to get that for you tomorrow,” and you know with that person it will never happen? This is a case of failing the audition, which we talk about repeatedly in this document. You won’t say anything, but you will remember that you cannot count on that person’s word.

## **68. Prospecting and Value**

The only way I will work with a prospect is if I can audition at no charge and with no commitment to be his or her risk manager/agent/ broker (whatever you want to call yourself) by auditing what they have and what they need. I insist on all information, policies, premiums, leases, financials, etc., and I work to blow them away with my analysis. I go into great detail, and I do it in a conversational way with examples of losses and recommendations. I never discuss premiums except to say that the first goal is to protect their assets and the second goal is to reduce their expenses, which consists of premiums plus uncovered losses. The overall idea here is to demonstrate how competent we are and, without saying so, how much jeopardy the prospect is in with their current agent.

Here is some advice from *The Little Red Book of Selling* by Jeffery Gitomer, 2004 Bard Press:

- **Give value first, don't add it.** *I have never understood the philosophy of "value added," and I'm willing to make a bet you don't even know the definition of it. Typically, it's a bunch of baloney from your company for a few minor services or other trifles that your competitor could easily duplicate. It does nothing to set you apart or increase the probability of a sale. My sales philosophy is different. It's called "value first." Simply put, I put value in the hands of my potential customers before I ever ask them to buy anything. If you read my column in the paper, if you get my weekly sales e-zine called Sales Caffeine, if you visit my website, you'll find tons of ideas and valuable sales information that I give away each week for free. I've been doing that for twelve years. It has earned me millions of dollars. First I give it away THEN I reap the rewards. I don't have much of a brochure, I do almost no advertising and I make no sales calls. Pretty ass backwards for a sales organization, wouldn't you say? It defies every rule or law of marketing you'll ever find in a textbook, except for one minor little item: It works. Find something that your customer considers valuable and give it away. It only needs to be information that will help him or her build their business so you can earn yours. Word of caution: My method of selling or should I say, getting the customer to buy, takes hard work and most salespeople are not willing to do the hard work that it takes to make selling easy.*
- *In my case, I have found that it is most effective to give value first. And give it without expectation, and give it often, and give it without expectation and give it to your best prospects. And did I mention give it without expectation?*

*I give value through my weekly column and weekly e-zine. People call me out of the blue and thank me, ask for my information and hire me.*

*The mantra is simple: I put myself in front of people who can say "yes" to me and I deliver value first. Make it your mantra.*

- ***Become a resource.*** *It's much more powerful than someone perceiving you as a salesman or entrepreneur. People will want to be around you, and pay attention to what you say, if they believe what you say and do has value to them and their business.*

## **69. Renewals**

You need to work on renewals at least 90 days in advance, or it will get away from you. In addition, be thinking about where you are headed on every account throughout the year. For example, you may want to look at other insurance company options or additional coverages for the client to look at.

## **70. Reported**

I talk about my distain for unnecessary bureaucracy. One exception is the concept that “whatever gets reported gets accomplished.” This means not only reporting what you do to leadership but also sharing with your peers. This is particularly true with competitive personalities that want to look good to their peers.

## **71. Reputation**

Your reputation for knowledge, honesty, urgency, morality and sobriety is everything and is built hour by hour, day by day, and year by year. It can be destroyed in a split second. Ask yourself if what you are doing or are about to do is worth the loss of reputation. You only get to have one reputation.

## **72. Respect**

Treat the people that you work with like adults and with the greatest respect and empathy. Expect adult behavior and respect in return. Your demeanor and language around women should be especially conservative and respectful. Never berate others and never criticize an associate in front of others.

### **73. Responsibility**

Assume responsibility from others, such as clients or others in the office, whenever possible. People who are overworked (clients or associates) want to be relieved of responsibility, and you can enhance your contributions to your clients and the company as well as your future compensation by assuming as much responsibility from others and doing a superior job with that responsibility.

### **74. Return Calls**

When you have phone messages or emails, always return them immediately. Failure to do so is a sin that is difficult to forgive. It is difficult to gain and retain clients and you can blow it by dropping the ball in this simple but critical area. Never fail the audition in this area.

### **75. Risk Management**

Risk management is more than insurance. This firm was built on risk management and does more than purchase insurance for our clients. It protects assets.

### **76. Sacred Trust**

What we do for the people that work in our organization is a sacred trust. People who are part of our organization or any organization depend on that organization for their well-being as well as their future, a future that may provide them with enhanced responsibilities and compensation. Treat associates with respect, and treat the security of their jobs with even more respect. If people feel insecure in their position and are unable to predict their employment security, they are likely to leave and go elsewhere.

What we do for our clients is also a sacred trust. Our clients have entrusted their dreams, their assets, their livelihood and the livelihood of all of their employees to us to protect. Never let them down.

What we do for insurance carriers is a sacred trust. When you say something to an insurance carrier about an account, it must be the truth.

When you ask an insurance carrier to quote on an account, they should have a fair chance of writing that business rather than wasting their time in a hopeless exercise that will not likely be forgotten.

## **77. Satellite Offices**

Operating out of a satellite office or working full time at home does not typically work. People need the synergy of working with other people and the mutual learning that results from this.

## **78. Self Esteem**

I always try to remember that every human being that we encounter in life is distinct from everyone else and every one of their life experiences, both positive and negative, have contributed to who they are.

This means that we can make a positive difference in that person's life by recognizing what is best about that person and telling them about what we see or feel about them.

## **79. Serial Shoppers & Toxic People**

This is the personal insurance homeowner or business owner that consistently "shops" his or her insurance in order to pay the lowest premium. This prospect should always be avoided.

Every time I try to persuade this prospect to take a more sensible approach to insurance, I have failed. Most often it is because of the nature of the business involved. Contractors live and die by quoting business and only win when its price is the lowest. This may work for a contractor when what has to be built is objective and can be measured.

What we do is much different and almost entirely subjective where we must put together an insurance program designed to protect a client's business or personal assets. We are not for everyone and need to avoid the serial shopper who doesn't understand why we are different and, moreover, doesn't recognize that 99.9% of insurance buyers are amateurs when it comes to the purchase of insurance and risk management.

There are toxic clients, toxic employees, and toxic managers. All of them have to go away or it will diminish our efforts on behalf of the non-toxic clients, the loyal and professional employee, and the competent manager.

## **80. Seth Godin**

7 days a week, 365 days a year, I receive a blog from Seth Godin and more often than not, they change the way I think.

Here is one I really like from March 27, 2014:

### No More Kids

What if, in some sort of sci-fi solar flare cataclysm, it was impossible for humans to have more kids? No more babies.

How would we treat the last generation? Would we say to the youngest student on earth, “Sorry the school is really run-down and crowded and poorly staffed, but we don’t want to invest in you”?

Would we let the last generation grow up in poverty, or would we do everything we could to ensure that this one last time we did it right?

To make the example a bit more banal, what if your organization discovered that it would never have another new customer, that the customers you’ve got now are the last ones you will ever have? Would you treat them differently?

Sometimes, when it seems like there’s an endless parade of prospects walking by, it’s easy to discount this particular person.

No new prospects, no more new web visitors, no more untouched email lists . . . and far more dramatically, no more new students, no more chances to open doors, inspire genius or create connection.

I wonder what happens when we treat children and customers like maybe, just maybe, they’re the last chance we get to do it right.

*(You can receive these at no cost, no tricks, no sales, no obligation by going to [sethsblogreply@gmail.com](mailto:sethsblogreply@gmail.com))*

## **81. Share Our Success**

I must keep reminding myself that when I am successful in gaining a new account, new associate, or writing a new Special Report, it's not just me that did it.

I am a product and we are a product of everyone around us.

In many ways, our supporting players in life's audition make everything I do, and we do, as an organization possible.

We need to share our successes with everyone that contributes to what we do and never ever denigrate, disparage, or slight anyone you work with because without them we, as an organization, would not exist.

## **82. Shortcuts**

The push is to be as efficient as possible to lower costs. Examples are:

- Call centers.
- An 800 number only to have to push multiple buttons if we hope to talk to a live person (and only after a long wait).
- Form letters.
- Reduction in products such as insurance policies that have "exclusion creep" reducing coverage and premium increase.

This is an example of structuring for the benefit of the seller at the expense of the customer or client.

Sellers that do this will be more profitable in the short term, but surely will fail the test of time.

Avoid short cutting your precious client that depends on you to protect its assets.

### **83. Show Biz**

A great organization is similar to a Broadway play.

- Everyone auditions initially and also at every performance, and the survivors are the best of the best.
- The performers really want to perform and to win approval.
- Money has nothing to do with exceptional performance.
- All of the performers work as an interrelated part of the entire organization, and a poor performance by one person affects the entire play.
- The performers keep learning and rehearsing.
- The audience can detect a weak performer.
- The audience is the ultimate decider of whether the play will continue. In the Broadway play *The Producers*, there is a song with the words, “It ain’t no mystery if it’s politics or history, the thing you’ve got to know is everything is show biz.”

### **84. Site Inspections**

Always look at what you insure, either personally or by pictures.

### **85. Slow Walkers, Long Talkers**

Slow walkers or long talkers or those who waste their time and the time of others unsuccessfully usually equate to people with no sense of urgency in their careers at best and self-destructive at worst.



## **86. Snippets of Happiness**

Our lives consist of many moments that I call snippets of happiness that make our lives worthwhile. We all know them when we see them and hopefully these moments will be far more frequent than the moments of disappointment or loss that we also have from time to time. I view these moments as learning experiences and an opportunity for personal growth.

## **87. Social Skills**

Learn conversation and social skills. Conversation merely means being interested in others and asking them questions about their family, their job and anything else you can think of. Avoid talking about yourself because people do not really care about you. Hone your conversation skills every day, and you will learn a lot from others. They will also feel good that you care about them. For some reason, most people lack this simple skill. You should be skilled enough in this area to be able to sit in a car with another person from Detroit to California and be able to converse freely and never run out of questions.

## **88. Special Reports**

I have written around 100 Special Reports on a variety of topics. I do this because it helps me by putting in a written document something I have learned. I want to share this with others so that they can learn the same lesson.

At the same time, when you receive the same question over and over from clients, sending them by email or otherwise, a well-written Special Report is a good supplement to a brief phone explanation.

The other reason for Special Reports on a variety of subjects is that it sets us apart from the competition. It demonstrates an expertise that we don't often see with our competitors.

Last on this subject, is that it helps your associates in the organization in understanding our take on complicated issues.

I am always writing these reports when I see an interesting claim or gain some insight into a coverage issue caused by a claim that was denied or the subject of a reservation of rights letter.

### **89. Spouses**

Happy wife, happy life.

### **90. Success**

The rule that will get you the most success in business and life is making the other person feel good about themselves. In order to be successful in the insurance business, it is not enough to be good; you must be great.

### **91. Success Can Be Fleeting**

Work hard with this in mind as you begin to count your successes. It is better to be insecure. Feel terrible when you lose even the smallest account and be elated when you earn a new relationship so you can keep the success going.

### **92. Tardiness**

There is simply no excuse for having a reputation for being late for client appointments. Leave early and never be late. When something unforeseen occurs, call to say you will be late.

### **93. Terminating Employees**

This is the last resort. If you hire well, this should not be necessary. If you place someone in a position that matches their natural abilities, they will thrive. If not and if after counseling and considering other internal opportunities or if you must eliminate a position for budgetary reasons, be as considerate as possible and avoid damaging the self-esteem of the person involved. You can ask them to look for other opportunities while still working or you can offer to pay them a severance amount so they have full time to look for something else.

Treat others as you would like to be treated under similar circumstances. What goes around comes around.

#### **94. Truth**

When you are looking to hire someone and ask them why they left or are leaving their existing position, remember that no one really knows the truth regardless of what they tell you. They really do not know because most employers do not tell them why they are being terminated or why they are not being promoted. They just want the problem to go away, and that former employer certainly will not tell you the truth if you are even able to ask for a reference.

Many people go from job to job and always have an excuse or they are always a victim. Look beyond the excuses for the truth if you can find it, which is unlikely.

An unhappy person in another organization is likely to be unhappy in ours, and you cannot change anyone. Most of the people applying for jobs are unhappy people looking for the answer to happiness in a new organization when the answer lies within themselves.

#### **95. Urgency**

Have a sense of urgency in everything you do. Life is short, and there is much to accomplish from both a personal and a business standpoint.

#### **96. Watches**

Cambridge is similar to a fine watch. It is a watch consisting of many parts that are integrated so if any part fails, the watch stops or is impaired. This organization is no different. We are interdependent on each other. A disruption involving one of the following disrupts or impairs everyone and everything else:

- Accounting
- Account Directors and Account Executives
- Account Managers

- Market Coordinator
- Reception
- Word Processing
- IT

With this in mind, changes in any area affect the other areas. Make changes slowly and carefully. Bringing in the wrong personality can be disruptive to the entire organization. A change in leadership has to be gradual or the finely tuned organization will soon be mistuned and impaired.

Each person aspiring to leadership needs to build bridges throughout the organization. Each new associate unknowingly is auditioning for every other person in the organization. A phony or interloper is detected in nano seconds and rejected, and the downward spiral begins. Hire carefully with this in mind.

Do not unnecessarily interfere or change someone's office space. We have always provided private offices when other organizations have work stations. Each person's office is their space. To ask someone to change office locations or to change the space within their office without their permission will have a negative impact on performance and morale.

## **97. What Can You Do For Others**

In your relationship with others, it is never about what they can do for you but what you can do for them. And don't keep score. For example, when you meet a prospect, it should never be about whether they can give you any business but whether you can give them business.

## **98. Work Hours**

How you work is important. If you define and limit what you do by rigid hours, such as 8:30 a.m. to 5:00 p.m. with exactly one hour for lunch for five days per week, you will plateau where you are at because you are sending the wrong signal. This may be fine for someone who does not want to progress within a company and is happy in their own comfort zone,

but it will not work if you want to acquire more clients, more responsibility and more wealth.

At the same time, family responsibilities are paramount and must be balanced. What works for me is early morning hours where much can be accomplished without losing family time.

Regarding time, the people who say they are night people and work best at night, not in the morning, seldom are, seldom do, and seldom succeed.

## **99. Work Priorities**

I have the following categories that I use in establishing a daily plan of work.

- Return phone calls or emails. This must be done now.
- Tasks that must be done today. These go on my desk area credenza and must be accomplished today. Typically, these are urgent renewals or requests from clients or carriers and where I have committed a response that day. Usually, I lay this out at the end of the day for the next day.
- Tasks that can be done later but in the near future. These go on another credenza. This would include upcoming renewal folders spread out in date order. (All folders have middle returns.) Keep the folders here as you collect renewal data and loss runs. Start gathering this information 90 days in advance by talking to clients. When you have everything you need to obtain renewal quotes, prepare a renewal proposal and meet with the client. After that meeting, dictate a detailed closure letter, immediately bill and issue certificates, order the renewals from the carrier, and place the folder on another credenza or area to await the policy documents. When and only when all the policies are received, you should assemble the client folder with the originals and our folder with our copies. Check the policies, order changes and then mail or deliver them with a cover letter and a copy of the closure letter. Give the client a copy of your change requests.

- Tasks that can be done later during a quiet time, such as reviewing publications or writing articles.

### **100. Working Harder Than The Competition**

Earn a new account and retain business by outworking others. You want frequent contact with your client and prospects. Do not delegate this to others so you have more free time for the ability to work on other accounts.

You want to touch your accounts as often as possible because clients have the sole goal of getting something done quickly and correctly, and they want to call a name they know and that knows them. For example, an automobile change might be more efficiently handled by your switching the call to someone else. However, you are better off to take the time to take the information yourself over the phone and give it to someone else to do.

The bottom line here is that hard work will result in success almost always.

### **101. Worth**

If we as an organization, or individually, cannot bring worth or value to a client or prospect and are merely judged on premiums, we need to walk away.

Premium shoppers can, in most cases, find lower premiums for stripped-down coverage and no advice from internet providers or direct writers.

### **102. Written Documents**

Be a good letter writer. I write a lot of letters. I do it primarily to educate clients on insurance and risk management matters.

Verbal explanations are fine and they are important, but this must be supplemented by a summary of coverage, risk management, and decisions that have been made, and a future course of action.

It is astounding to me how many insurance firms fail to do this.

### 103. Your Agent

If you could not place your insurance with Cambridge, where would you go to obtain risk management advice and insurance to protect your assets? This is a hard question for me to answer, and I cannot really think of any organization in this state or anywhere in this country that I would trust other than Cambridge. This is a sad commentary on our industry, but it is a tribute to everyone who is a part of Cambridge, which is a unique and special organization. If we could only bottle it and sell it!

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