

Five Keys for Growing Your Managing General Agency



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WHEN my partner, Todd Stewart, and I founded One Resource Group (ORG) Corporation, a managing general agency based in Fort Wayne, Ind., we knew that, to be successful, we needed to find the perfect combination of business principles and marketing tactics. In just six years, we’ve built ORG into one of the fastest growing managing general agencies in the country. And I believe that our blueprint for success can serve as a model for other companies.

Our company is built on five core philosophies that serve as cornerstones on which the future of One Resource Group relies. Each is uniquely critical to the company’s mission, yet none can stand alone. Collectively, though, they have been instrumental in propelling ORG’s growth up until now, and they remain relevant as we chart our course for the future.

1. Planning

The “Shoot First, Aim Later” tactic can be one of the most devastating to a new agency. After all, we live in an instant gratification culture, where we are bombarded by advertisements urging us to “Just do it.” It can be difficult to resist the urge to hang out a shingle and dive right in, while the newness of your business is still an exciting concept, ripe with potential. STOP RIGHT THERE! Proper **planning** is the key to long term success.

Despite the work required to do so, a solid business plan can prepare you for the obstacles ahead and help to ensure your success. In the early days, Todd and I considered starting our operations sooner. But we both knew that we needed to have a solid plan in place to serve as a road map for the company. Today, planning continues to be an ongoing priority for ORG. We still sit down each and every month to compare projections with actual results, and use that data to plan for subsequent months. We always try to keep an eye on the future, predicting where we want to go and—here’s that word again—*planning* how to get there.

2. Accountability

With planning comes goals. But goals can only be met when they are clearly communicated throughout the organization. **Accountability** is the key to the achievement of the goals. In order to foster accountability, though, all parties that have a role in achieving the organization’s goals must be aware of the objectives they are expected to deliver, then held accountable for their performance. At ORG, we have established monthly minimum premium sales goals by product line, and everyone within the individual departments knows their specific goals. We also set minimum production requirements that national accounts and agencies commit to when they sign an agreement with us. To ensure they are met, we diligently monitor both the internal and external goals.

3. Profitability

We operate in a people-oriented business. The relationships we foster with our clients, our agencies and our national accounts are the heart of what we do. But at

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the end of the day, **profitability** is what motivates them and drives us all to succeed. We figured out early on that the company first needed to be profitable with our revenue sources—our agents and agencies—before we could consider our efforts a success. To do this, we developed a two-tiered system to monitor these relationships, first by top line results, or total revenue generated, and second by quality of business, including such elements as placement ratio and case size. In our way of thinking, for instance, an account that submits a great amount of premium but has a placement ratio of just 40 percent would be a non-profitable account for us.

Another way in which we factor profitability into our operations is by recognizing and rewarding our employees. This is a service industry, and our employees, those who are on the front lines building relationships with our customers, are our number one asset. Because we understand their value, we offer our employees competitive wages and benefits packages, and promote their entrepreneurial spirit through generous bonus packages based upon the company's overall profitability. Not only does this encourage employees to take a vested interest in getting quotes in, cases placed, contracting in and so forth, it also helps them to stay focused on short-term and long term goals.

4. Technology


Embracing new **technology** has also been critical to our rapid growth. We use software and other technological advances for as many tasks as we can in order to help us provide exemplary service and free up our employees time to cultivate new business. For instance, we implemented association management software to minimize the time we needed to devote to updating the system with carrier and product information. Additionally, ORG partnered with a software company to develop a propriety commissions package that permits flexibility on calculating commissions. Maximizing the use of the Internet technologies is an on-going priority, as well, and we continue to update our Web site to ensure that it remains intuitive for agents. One specific way in which we make the most of the Web is with an online contracting software we developed that auto-populates agents' personal licensing information during the contracting process. It saves them time and reduces the risk of data entry errors.

5. Objectivity

At ORG, we have focused primarily on life insurance, though we also sell annuities, long-term care and disability insurance products. Among all products lines, we hold roughly 100 insurance contracts. Because of the wide selection available to our agents and their clients, **objectivity** has been a vital goal from day one. When we are marketing to our agents, we make a concerted effort to present all the options, rather than pushing the same carrier or product. The efforts seem to pay off, too, because our reports typically show our premium is spread out over 20 carriers, not just three to five of them.

We have instituted a checks and balances system to ensure our goal of objectivity is attained. For instance, to help prevent our agents from being directed to a single carrier, ORG's advanced sales department is always available to offer unbiased sales advice and ideas. Likewise, our underwriting department plays an important supporting role, doing the "homework" for our agents before anything is sent off to the carriers. Among their due diligence tasks, the underwriters draft summaries and learn which carriers to send the information to, thus helping the agents stay ahead of the game and, hopefully, increasing their chances of us getting better offers, or of getting their offers back quicker than most.

What Does the Future Hold?

These last six years have been an exciting time, as ORG has seen such explosive growth. In spring of 2009, we are expanding to a new 28,000 sq.-ft. facility on 10 acres, and plan to add 30 new employees to our current staff of 55. The future is indeed looking bright. And we owe it all to hard work, vision, and the five tactics I explained here today. Your company can do the same. 

Andrea Baumer started One Resource Group with Todd Stewart in 2002. Before entering the insurance industry in 1998 as the Chief Financial Officer for another Managing General Agency, she served in executive and managerial positions with the following companies: Power Wheels (Mattel), Huntington Laboratories (Ecolab), a local dental supply distribution company, and a local plastic manufacturer. Baumer graduated from Indiana University and is both insurance and securities licensed. She also holds a CPA designation.