

Driving Organic Growth - Executive Accountability

Last month's issue showed how high-growth agents and brokers have consistently reinvested heavily in young producers. These high-growth organizations are also realizing peak performance from all producers.

The table below illustrates the average annual new business production by producer category. These statistics are taken from over 1,000 producers in various geographic markets selling various insurance products.

New Business Comparables				
Percentile Group (Productivity Ranking)	All Producers	Executive Producers (greater than three years experience and greater than \$500k book)	Senior Producers (greater than three years experience and less than \$500k book)	New Producers (less than three years experience)
80% to 100%	\$264,496	\$311,890	\$127,910	\$218,306
60% to 80%	\$127,315	\$157,462	\$66,791	\$102,215
40% to 60%	\$78,188	\$97,273	\$44,834	\$57,548
20% to 40%	\$44,277	\$49,992	\$30,481	\$30,499
0% to 20%	\$17,567	\$24,856	\$13,750	\$11,556

Source: Marsh, Berry & Company, Inc.

While the data may surprise some, executive producers are typically hunters by nature and new producers are trying to establish a book of business as they earn large incremental W-2 increases with each piece of new business sold. One area in need of focus is senior producers, who often produce to a certain level before realizing a stagnant book of business. Another need is maximizing the success of new producers once they are hired.

In order to foster new business production success across the organization, high-growth agents and brokers provide the following:

- *Executive level oversight and communication*
- *Regimented producer recruiting and hiring processes*
- *Systematic training and mentoring initiatives*
- *Minimum annual new business production goals to retain producer status*
- *Agent/Broker differentiation platforms*
- *The ability for producers to own organizational stock*
- *Compensation plans designed specifically to drive expected outcomes*

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