

# 6

## Surefire Secrets for Agency Success





The key to agency success shouldn't be kept secret. Everyone who owns an agency – or who's even thinking about doing so – should know the best ways to win clients, fuel growth, and achieve profitability.

The problem? Even though some agency owners have cracked the code, they're not passing it on. How else can you explain the fact that so few agencies are doing the six things they need to do to achieve profitable growth? Some agencies stick with one or two of these strategies, but to maximize success, you must consistently execute all six.



# Secret #1:

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## Never Stop Learning

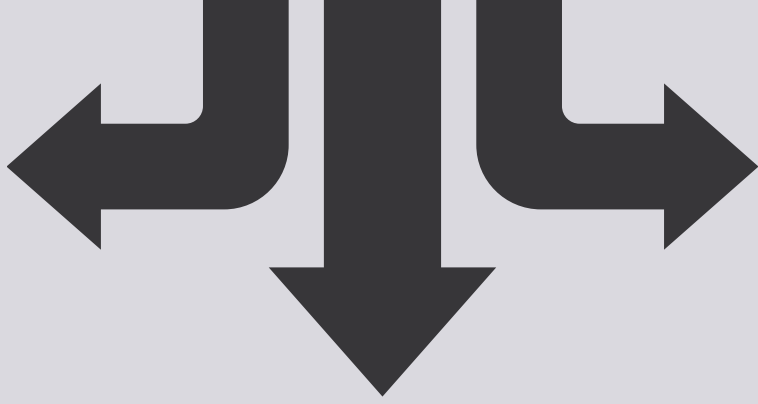
As an insurance agent, you're not just competing against other captive and independent insurance agents – you're also competing against direct-to-consumer insurance websites that make it easy for your prospects to buy their own coverage.

Why should policyholders come to you for their coverage needs? Because you're an expert.

You know the ins and outs of insurance and can help your clients protect their assets. From making personalized policy recommendations to giving a heads-up when industry trends may spell trouble, you've got your clients' backs.

Simply being licensed to sell insurance is just the starting point – not a guarantee of success. The more you know about insurance and risk management, the better positioned you are to help your clients. Show your clients that you deserve their business by pursuing ongoing education.





There are three main paths to expanding your knowledge.

### Traditional Degree Programs

You don't need a college degree to sell insurance, but it doesn't hurt. A degree earns you respect, which helps you earn clients. If the degree is in a relevant field, it will also help you do your job better.

- A **bachelor's degree in risk management** provides a solid foundation for an insurance career. Many colleges and universities offer this degree, although it's sometimes called a bachelor's in risk management and insurance. It may be a BA or BS. According to the [University of Colorado Denver](#), their program can help you "to become a leader in identifying, analyzing, and managing risks that organizations face daily." [St. John's University](#) says its program "teaches students the skills necessary to master the financial, legal, and economic theories at the heart of corporate risk management."
- A **master's degree in business administration** (MBA) is another great option. While this degree is not geared toward insurance specifically, it can help insurance leaders learn strategies to run their businesses more effectively. An MBA may also help you better understand the needs of the commercial clients you serve – and the MBA designation may look especially impressive to them.

### Specialized Insurance Education

While a degree program gives you foundational knowledge, specialized insurance education gives you the in-depth knowledge you need to succeed. In most cases, continuing education is necessary to comply with state licensing requirements. However, agents may want to go beyond these basic requirements by expanding into a new line or tackling an emerging risk. In those cases, a short program will help you move forward with confidence.

- The [Institutes Designations](#) provide a wide range of programs that will help you advance your career, including the well-respected CPCU designation.
- [IRMI](#) offers extensive professional development and certification opportunities.
- The [Big "I" Virtual University](#) provides training designed for insurance professionals, whether they're new to the industry or highly experienced.

### Industry and Niche Market Trends

In addition to formal education, it's important to keep up with current news and industry trends. Otherwise, you may miss key developments that put your clients at risk. This will also give you the insights you need to make smart business decisions that will help you grow your agency.

You'll learn a lot by reading articles, downloading white papers, watching videos, and participating in events:

- Stay apprised of insurance rate trends by downloading the latest reports from [CIAB](#) and reading the [Market Barometers](#) by MarketScout.
- Get the latest insurance news by subscribing to e-newsletters from insurance publications, such as the [Insurance Journal](#).
- Follow insurance industry publications on your social media channels.
- Attend industry webinars for more in-depth information. There are many options, including from [AM Best](#), [NAIC](#), and [The Institutes](#).
- Subscribe to news sources within your focus industry niches – like trucking or nonprofits, for example. This will help you stay on top of breaking developments, and your clients will be impressed that you know what's happening in their industries.



# Secret #2:

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## Continuously Generate New Leads

Are you waiting for new clients to fall into your lap? "If you build it, they will come," is a popular movie quote but a poor business plan. You can't open an agency and expect clients to find you – you need an active strategy to bring customers in. Even agencies with substantial referral business could see greater growth if they put more effort into finding new business.





Growth requires lead generation, which is the process of building interest in your business to create a constant pipeline of potential clients. There are multiple ways to approach lead generation, including the following.

#### **Purchase Leads**

You can buy leads from vendors like [EverQuote](#). When you pay for leads, it's important to consider the quality of the lead as well as the price. Poorly-vetted leads may come cheap, but they'll be a waste of your time and result in few sales.

#### **Optimize Your Website with Local SEO**

When people buy insurance, they may go online to explore their options. To capture this market, you need a well-designed, informational website that leverages search engine optimization (SEO). In particular, you should focus on local SEO – both because insurance products are highly localized and because trying to target a national audience will put you up against too much competition. Local SEO involves using keywords that are relevant to your location as well as using customer reviews and a [Google Business Profile](#).

#### **Stay Active in Your Local Community and on Social Media**

When you're active in your community, by sponsoring a local team, volunteering at the food bank, or participating in the Chamber of Commerce, people start to recognize your business name. If you encourage them to follow you online, and you consistently post to your social media feeds, you can maintain top-of-mind awareness with these community members throughout the year. When these buyers have a need, they will be more likely to reach out to you.

#### **Build Relationships with Centers of Influence**

A center of influence is a business that complements your own, such as an accountant, a realtor, a car dealership, or a financial planner. These are informal reciprocal referral relationships – meaning you tell your clients about them and they tell their clients about you. A personal recommendation is a powerful way to instantly earn trust with prospective clients.

#### **Engage a Local Ad Agency**

An ad agency can help you create an effective marketing plan. Although this is an investment, it should lead to a good return by helping you achieve local brand awareness. When evaluating ad agencies, carefully consider the types of support they offer. Some ad agencies provide a wide range of services, while others offer more specialized support.



# Secret #3:

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## Maintain Low Overhead Costs

Low overhead is a secret that many agency owners often overlook. Once agency owners experience some success, they often rush to upgrade their office space or to expand their number of locations. Sometimes these moves pay off, but in many instances, they result in thin profit margins. After all, the higher your expenses are, the harder you have to work to earn a profit. Plus, if your operating expenses are too high, you may lack the flexibility to take advantage of opportunities. With this secret in mind, here are some tips to help you keep your overhead low:



### **Hire Judiciously**

Employees can quickly increase your overhead with salaries, benefits and payroll taxes. Before making a new hire, make sure your cashflow can easily cover the added monthly costs. Ask yourself if there is any other way to get the support you need. For example, if you need bookkeeping, HR or marketing help, is there an outsourced option that would be a cost-effective alternative to hiring an employee? If you need an insurance agent or an executive, would a 1099 consultant, or a fractional executive make more sense than hiring a full-time employee? Sometimes, hiring is the best decision, provided you've done your due diligence and explored all your options.

### **Buy and Lease Cautiously**

Whether you're leasing office space and vehicles or buying office equipment, always consider a variety of options before making a selection that will lock you into higher overhead costs for years to come. Will a swanky office location really be pivotal to your growth? Do you need to spend \$100,000 on office furnishings, or would the \$60,000 option be sufficient? In the heat of the moment, the most luxurious option often seems essential. Two years later, when that expensive choice is eating into your overhead, you might wish you had made a different decision.

### **Leverage Existing Contacts for Lead Opportunities**

Sometimes it makes sense to buy leads to grow your business. But, before you hand over your hard-earned dollars, see how many leads you can gain through networking. Leads that come through local contacts, such as your existing clients or centers of influence, are especially valuable. These individuals may be more likely to do business with you if they're referred to you by someone they already know. Put yourself out there and see what you can find.



### **Avoid Unnecessary Fees**

If you decide to join an insurance network or a professional association, be cautious of the fees involved. These relationships can pay off if the fees aren't excessive. Some networks charge startup fees, monthly fees, and exit fees. Avoid committing to these types of arrangements – hold out for a flexible, no-fee option.

### **Tap into Group Savings Opportunities**

If you need technology, HR, or marketing services, be sure to check with your insurance network or professional association to see if they've already vetted solutions and negotiated a membership price. Avoid reinventing the wheel. Talk to others and select tried and proven partners – preferably with group savings opportunities.



# Secret #4:

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## Choose a Smart Location

Where you set up shop may have a huge impact on your agency's long-term success.

Size isn't the only thing that matters. It's true that there will be more opportunities in a large city. However, there will also be more competition. In addition to size and prospective competitors, take a close look at the area's population trends.



▪ **Is the city growing rapidly?** Perfect!  
There will be lots of people who have just moved into the area and need homeowners' insurance. There will also be lots of people who are opening up new businesses and need commercial insurance.

▪ **Is the city in decline?** A declining population means you won't have a lot of new opportunities to sell personal or commercial insurance. Your client list may shrink over time, no matter how hard you work. To make matters worse, agencies that are already established will likely have already claimed the business that currently exists.

Best Counties for Population Growth	Worst Counties for Population Growth
These counties experienced the greatest numeric growth between July 1, 2023, and July 1, 2024, according to the <a href="#">U.S. Census Bureau</a> .	These counties experienced the greatest numeric decrease between July 1, 2023, and July 1, 2024, according to the <a href="#">U.S. Census Bureau</a> .
▪ Harris County, Texas: +105,852	▪ Shelby County, Tennessee: -3,379
▪ Miami-Dade County, Florida: +64,211	▪ St. Louis City, Missouri: -3,077
▪ Maricopa County, Arizona: +57,471	▪ Hinds County, Mississippi: -2,542
▪ Collin County, Texas: +46,694	▪ Orleans Parish, Louisiana: -2,466
▪ Clark County, Nevada: +44,586	▪ Clayton County, Georgia: -1,677
▪ King County, Washington: +43,398	▪ Humboldt County, California: -1,629
▪ Cook County, Illinois: +40,095	▪ Yazoo County, Mississippi: -1,579
▪ Broward County, Florida: +34,686	▪ Caddo Parish, Louisiana: -1,567
▪ Montgomery County, Texas: +34,268	▪ Pinellas County, Florida: -1,431
▪ Tarrant County, Texas: +32,793	▪ Santa Cruz County, California: -1,293

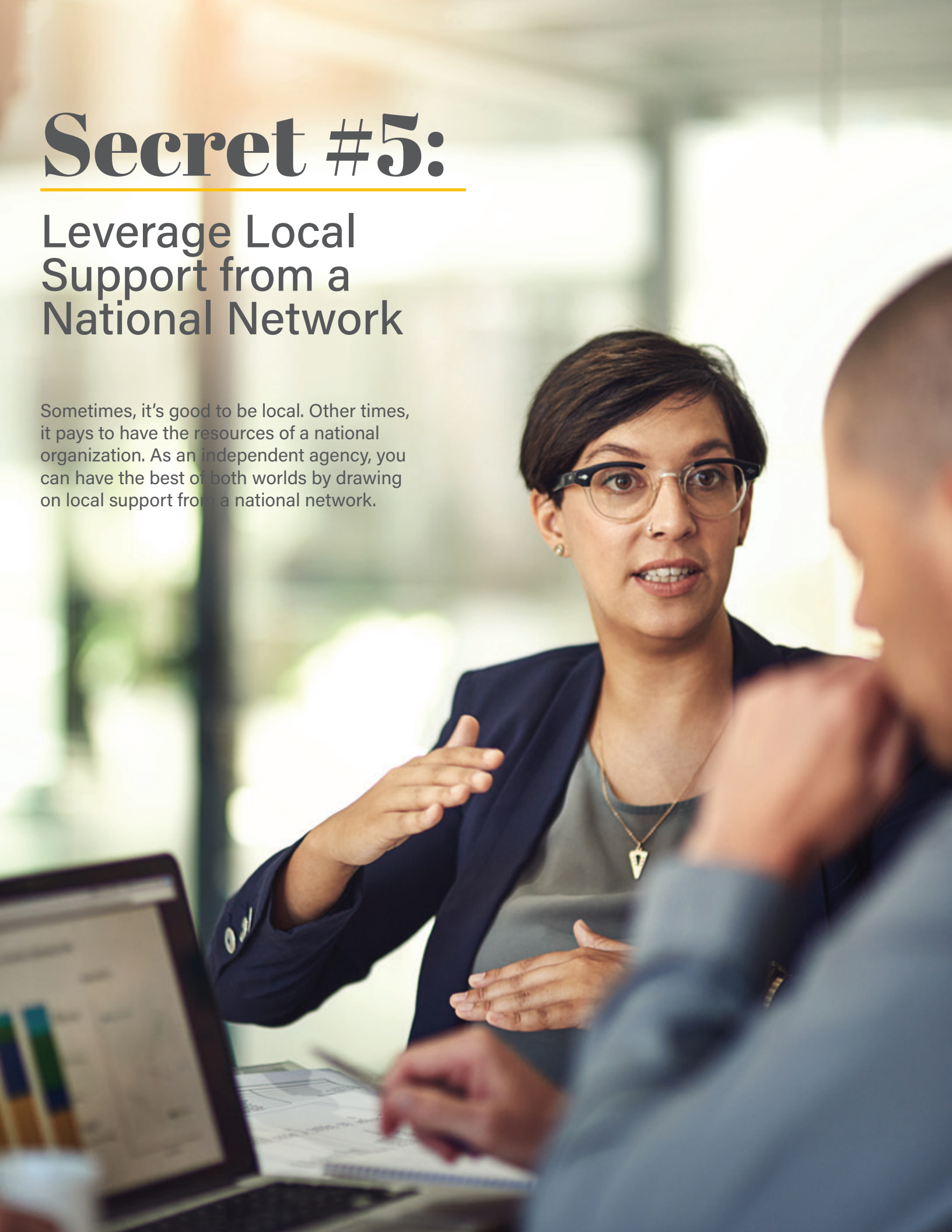


# Secret #5:

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## Leverage Local Support from a National Network

Sometimes, it's good to be local. Other times, it pays to have the resources of a national organization. As an independent agency, you can have the best of both worlds by drawing on local support from a national network.





A network with a nationwide presence will offer the following:



### **Superior Carrier Access**

Many agents join networks because they need carrier access, however not all networks are created equal. A large, nationwide network will likely open the door to a broader range of markets. This means you can give your clients the best options – which will help you win and retain business.

*"Over the past eight years, Smart Choice has continually expanded our network of carriers and market partners, strengthening our value proposition. As the market has hardened in the last two years, agents have increasingly turned to us for support."*

*-Hank Stonesifer  
Smart Choice Territory Manager, Florida*



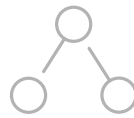
### **Leverage When Dealing with Carriers**

Accessing carriers is only half the challenge – you also need to negotiate the best deals. Individual agents often don't have the leverage they need to negotiate, and small or regional networks might not be much better.

*"Being part of a network like Smart Choice gives us a significant advantage. There's real power in numbers. For instance, at the national level, we've been able to negotiate better deals and secure benefits that individual agents might not access on their own. The strength of our brand also helps when dealing with carriers."*

*-Kurt Van Sickle  
Smart Choice State Director, Oregon,  
Washington, and Idaho*





### Support for Expanding into Additional States

Even if you start out in just one state, you may decide to expand into other states later. Regional networks may be unable to grow with you, but a national network will continue to provide support no matter how big you grow.

With the right network support, expanding into new states may be easier than you think. Hundley Batts Jr., president at HB2 Insurance Services, runs his insurance agency out of his home – but, thanks to network support, this doesn't limit him. "I write all over the country, thanks to Smart Choice," he says.

*"Ultimately, the freedom that Smart Choice offers is unparalleled. You have the autonomy to grow your business in all 50 states, and the support to compete effectively."*

*-Mike Miller  
Smart Choice State Director*



### Valuable Support

A large, national network will offer the resources your agency needs to grow, but it's the local team members who will make sure you actually receive those resources. Having a regional contact is critical to ensure you don't get lost in the shuffle.

*"What's unique about Smart Choice is how we support our agencies, setting us apart from the competition. We help agencies increase revenue, whether by aggregating dollars, negotiating better commission rates, or offering backend incentives. But, it's more than just that – market access and the hands-on support from our team are key differentiators. We act as consultants for your agency without the added cost."*

*-Chris Reisdorf  
Smart Choice State Director*



# Secret #6:

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## Tap Into Mentor Resources

As your agency grows, you will undoubtedly encounter new challenges. Even agents with decades of experience may need support as they tackle new lines or take on particularly difficult accounts. That's why it's essential to have mentors you can lean on for support.

Mentors help in two critical ways. First, if you know you have mentors who can help, you're more likely to take on new challenges and grow your agency. Many agents avoid the excess and surplus market – or even all commercial lines – because they feel intimidated by it. Mentors can provide the support you need to push yourself. Second, when you decide to take on new challenges, mentors can give you the guidance you need to succeed. Whether you're trying to place difficult accounts or avoid problems, mentorship is invaluable.





There are several ways to access mentor resources:

- **Affinity Associations:** If you're a member of affinity associations like [LAAIA](#) and [NAAIA](#), see what resources are available. If you're not a member, this may be a reason to join.
- **Retired Agents:** Agents who have retired may be willing to share their secrets to success now that they no longer have to worry about competition.
- **The Small Business Administration:** The [SBA](#) offers business mentors and other resources designed to help small businesses thrive.
- **Recent Graduates:** Mentorship goes both ways. Consider recruiting recent graduates or establishing internships for students currently studying a bachelor's in risk management. You could offer hands-on insurance industry experience while gaining insights into the latest risk management principles.
- **Your Network:** Your network should offer local support teams made up of experienced former agents and carrier reps. Take full advantage of the opportunities available to you! Look for state-based meetings that offer training and carrier introductions.

*"What I enjoy about Smart Choice is the opportunity to assist individuals in achieving their dreams. I find fulfillment in applying my expertise to support them as they establish and operate successful businesses. Witnessing their progress and knowing that I've played a part in their achievements brings me deep satisfaction."*

*-Tony Davis  
Smart Choice State Director, Tennessee*

*"Every day, we help agencies solve problems – from finding coverage for specific clients to guiding them through complex situations. For example, I recently helped an agent understand why a client's inspection issue was affecting their account and walked them through the solution."*

*-Chris Reisdorf  
Smart Choice State Director*

### **What's Standing Between You and Your Next Level of Success?**

Now that you know the six secrets to agency success, it's time for action. Smart Choice is a no-fee, nationwide network dedicated to helping independent insurance agencies thrive. More than 10,000 independent agencies and 120 carriers have made the smart choice to partner with us. [Learn more about becoming an agency partner.](#)



[www.smartchoiceagents.com](http://www.smartchoiceagents.com)

