



The following article was published in Broker World's September 1998 issue. Authored by Kip Gregory, this piece illustrates how insurance brokers should use technology to tap into the too often forgotten realm of relationship management. Kip provides a game plan for those who are ready to get started.

Want to Improve Your Business? Get to Know Your Clients.

While some businesses comb alley dumpsters looking for information on their customers, insurance brokers frequently sit on an untapped gold mine of knowledge they don't put to use. Many take client profiling or completing product applications for granted and collect information only for compliance purposes. The best brokers, however, see these situations as opportunities to learn things they can apply in a successful, coordinated relationship management program.

Excellent relationship management is an ongoing challenge that begins with developing a good blueprint. It combines three elements: setting up a process to gather the right information, managing that information effectively with software, and putting the information to use. Let's examine each element individually; at the end, we'll talk about where you can find additional help if you need it.

Develop a Blueprint

Software can help you capitalize on what clients tell you, but it's only as good as the information you give it. To use customer databases effectively, develop your strategy and tactics to leverage the information *before* deciding which software to use. Even if you're already "invested" in a particular software package you should map out a game plan for how to get the most from it.

Formulating a good blueprint starts with asking the right strategic questions. Consider things like, "What kind of clients do I want?" "What information must I have to deliver the service they expect?" and "How can I best use that information to deliver unique value to them?"

As your strategy takes shape, you must also identify the tactics you'll use. Here's a quick exercise to help you do that: Outline your sales process. Literally. Title a blank sheet of paper "Suspect to Prospect to Client." Think about the steps you take in moving people across that spectrum. Be specific; list each one. Consider the most frequent sequences of conversations and activities that your interactions follow and write them down.

When you're satisfied that you've accurately described the process, move on.

Gather the Right Information

Title another sheet “Information.” On it, write down any knowledge that you feel would enhance your ability to manage a client relationship successfully. It’s important not to judge each idea individually, yet. You’ll do that in a minute.

What should be in your database? Start by analyzing what you already gather. Review new account applications from insurance carriers or broker-dealers and custodians, if you sell registered products. If you’re part of a producer or study group, ask other members what they attempt to learn in developing a complete sketch of their clients.

If you don’t have any group affiliations, request sample profiling forms from investment professionals outside your market. What information do others collect that could be useful to you? Consider important relationships (names of children, parents, tax and legal advisers), dates (birth, marriage, divorce, deaths, stock option grants), career milestones (date of hire, last promotion).

What about family, career, community involvement and personal interests? What achievements are they most proud of? What is their desired legacy? One way to begin uncovering a person’s deepest motivations is described by Bill Bachrach in *Values Based Selling*. He suggests asking “What’s important about money to you?”

If you’re stuck for ideas, consider Harvey Mackay’s example. In *Swim With The Sharks Without Being Eaten Alive*, he lists 66 questions that his firm obtains answers to *over time* to better understand its customers and their needs.

Mackay’s questions helped his envelope company (that’s right, envelopes) establish a rock solid competitive advantage in a true commodity business. How? By creating a veritable client dossier: personal background, education, family, business background, special interests, lifestyle and the client’s relationship with the firm. My personal favorite: #66, “Does your competitor have better answers to these questions than you have?”

Now go back to your “Suspect to Prospect to Client” list. In this sequence, when would natural openings occur to learn what you’ve identified as valuable information? Write each of the steps on your list on separate sheets of paper. Place items from your “Information” list on the appropriate page; here’s where you judge the relevance of your ideas. You’re beginning to build an information-gathering road map by blending what you want with a process for getting it.

Commit to casually learning at least two new facts about a client during every conversation -- *and record them in your database*. It takes both talent and discipline to do this successfully. You develop the talent through practice and experience. Be natural; don’t force your questions. Listen for comments that relate to something you’re interested in knowing and seize the opportunity to learn more. Then write down the information promptly, before you are distracted and forget it.

You can establish the discipline by creating and using a form that shows what information you already have and reminds you what you still need to get. Consider incorporating the form as a menu item into whatever contact management software you use to help automate the process.

Pick the Right Software

Your choice of systems depends on your situation. First, if you use an older version of a leading program, consider a product upgrade. The current releases of these programs are far richer in features than their predecessors. Starting from scratch, you have a wide variety of options.

Popular programs include ACT, Goldmine, Outlook, and Maximizer. Though you can build your own in a database like Access, my advice is don't reinvent the wheel. For ease of customization, support and availability of third-party add-on products, go with either of the leading programs: ACT or Goldmine.

For stand-alone and small office users, ACT can do most of what you need, without a steep learning curve. It offers the greatest number of enhancement products. For larger offices or if you manage complex corporate clients, Goldmine may be a better solution, though it'll take more time to learn. Both Goldmine and ACT offer limited no-charge support, after you buy after which technical support can be purchased by incident or subscription.

Use It

The smartest reason to use contact management systems is to show clients that you're on top of their situation. Clients won't know how hard you work to develop their profile, but they will reward your responsiveness with their business.

Everyone acknowledges client birthdays and anniversaries. What about remembering a 1st or 18th birthday of a child or grandchild? Or, how about recognizing their high school or college graduations or weddings? Your system can remind you to call, or make casual mention of it during your meeting next week, or even prepare a customized note for you, all automatically.

Group contacts into meaningful categories. Come across an article on grandparenting that you think clients would appreciate? Share a copy with everyone in your "Grandparents" list. Or send your "Trust accounts" group an article on pending tax law changes that may affect them.

Consider Enhancing It with Add-ons

Take a look at third-party add-on software for whatever package you select. There are literally hundreds of programs sold whose purpose is to improve the performance of leading commercial packages. There's little you might want a program to do for you that some third-party developer hasn't already created a solution for -- that is, if what you need isn't already done by the software itself. The trick: knowing where to find these programs, which aren't broadly marketed because they're so specific. Visit the product web sites mentioned later for more information about these tools.

One such example is ACT!Pak!, from Oakhurst Systems (www.oakhurst.com). It's an add-on that allows you to automatically schedule a sequence of correspondence, meetings and telephone conversations at the touch of a button. Want your year-end statement to be followed by a phone call five days later, and in turn a quick "thanks for your time" note a day after that? Easy to do.

Get Help

Once you understand what you want and how you plan to use it, get help. Talk to a consultant certified to support your chosen software. A good certified software consultant can provide invaluable design and implementation guidance, and save you time, money and heartburn. Just make sure they speak your language and understand your objectives.

Most software manufacturers' web sites include a list of their certified consultants, often searchable by geography or industry. Some provide links directly to the sites of those support specialists.

Helpful information on contact management packages can be found at the following addresses: for ACT! go to www.symantec.com/act/. Goldmine's web address is www.goldminesw.com/. Outlook is at the Microsoft site, www.microsoft.com/outlook/. Maximizer can be found at www.maximizer.com/.

Be Patient

Good relationship management boils down to raising questions that help identify a client's most important life goals, and then acting on knowledge gained to strengthen your relationships over time and create opportunities for more business.

Recognize that developing that knowledge won't happen overnight. Set your expectations accordingly. Don't get overwhelmed by the effort and give up before you start. Break the process down into manageable portions that you and your staff can digest without detracting from your current sales and servicing efforts.

As the saying goes, "People don't care how much you know until they know how much you care." Some clients may define caring as providing peace of mind, others as instilling the confidence to set and realize important goals. Either way, invest the time to create an effective process to get to know them, and you will be rewarded.

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Sidebar biography information:

Kip Gregory is the founder of The Gregory Group and is a specialist in coaching financial service providers on how to get better results by combining business strategy with the right technology solutions.

His 15 years of experience in marketing and general management span the worlds of insurance, securities, banking, brokerage and direct marketing -- giving him a unique perspective on how to achieve competitive advantage in the financial service arena.

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During a decade with GE Capital and GNA Corporation, Mr. Gregory built teams that delivered \$1.4 billion in investment product sales through banks and independent brokerage companies.

As architect of GE Capital's brokerage distribution entry strategy in 1993, he built a network of more than 200 insurance brokerage agency and broker dealer relationships across the US.

He can be contacted by email at kip@gregory-group.com, by telephone at (202) 364-6913 or by mail at The Gregory Group P.O. Box 39227 Washington, DC 20016-2439.