

Becoming Your Agent's Habit

The Keys to Creating and Sustaining Long-Term Profitable Relationships — An InfoMentis Whitepaper



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Changing Their Habit

Long-term, sustainable and profitable agent relationships are what every sales rep and carrier in existence desires, yet very few are ever able to achieve it.

Carriers spend millions each year on agent incentive programs—trips, meals, cars, cash—all in the mistaken belief that these programs will build long-term loyalty and agent satisfaction. In reality, they don't and in many ways they are counter productive. Additionally, they increase costs and erode margins.

Sales reps, on the other hand, waste countless hours and personal productivity trying to stimulate agent demand by touting how great their contracts are (mistake), the reputation of their company (bigger mistake) or their rates (biggest mistake). The only difference most agents see between carrier reps is the name on their business cards. A sad reality indeed.

Rather than maintaining the current course with tired, unsuccessful approaches, carriers and reps should aim to achieve automatic, consistent and repeatable repurchasing on the part of their agents... in other words, becoming the agent's habit.

In his book, *Habit, The 95% of Behavior that Marketers Ignore*, Dr. Neale Martin uses the latest market research to show how habits consistently drive purchase and repurchase decisions in B2B, B2C or in this case, developing a loyal agent network. Understanding how habit formation occurs and applying these insights to agent recruitment and development provides carriers and reps with newfound strategies for significantly increasing their revenue flows on a permanent and predictable basis.

In a nutshell, habits control the overwhelming majority of our daily actions and decisions. They are unconscious behavior patterns that we execute automatically, consistently and without fail. Habits allow us to manage the complexities of daily life without becoming overwhelmed. Savvy marketers use this knowledge to create and sustain competitive advantage for their clients—who pay them dearly for this information.

Skeptical? Here's an example. Most of us drive to work every day. We follow the exact same route and yet we're not consciously aware of it. We're on auto-pilot. We know from personal experience that the route we follow is the most effective and efficient to get to our destination, so we don't give it a second thought. Now think about the first time you drive to a new destination. You're completely attuned to the surroundings: make a left at the next light, straight for two miles, etc. Imagine the difficulty and frustration if you had to do this every single day!

Our agents operate in much the same manner. When an agent first enters the business, they are attuned to every dimension. They carefully listen to every carrier rep's pitch, trying to analyze and understand the subtle differences between each. Over a period of time, through discovery and trial, they develop very specific engagement patterns that allow them to better operate their business. They don't have the time or energy to evaluate every carrier option for every new piece of business.

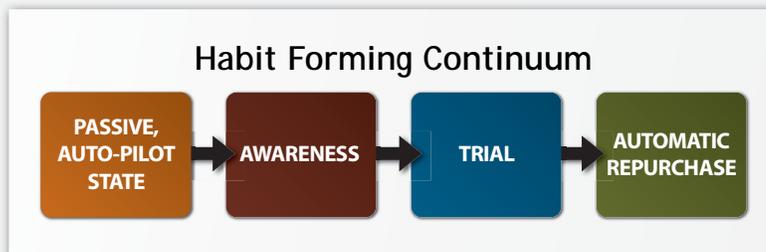
Reality Check: Most agents shop a quote to virtually all carriers in the market, yet 90% of their business consistently goes to no more than three carriers—not because of superior rates, commissions or bonuses—**These three carriers have become the agent's habit.**

The role of the sales rep is to change this pattern of behavior, substituting their company for one of the others, the question is how? Again, marketing research gives us tremendous insight into how to make this transformation happen. By following a few basic guidelines, you'll be amazed at the results that are possible.

Habit Formation

First let's start with some habit formation basics.

Habit creation means moving an agent from their current passive, auto-pilot state along a continuum from awareness of your company to trial and ultimately to automatic repurchase. This process will not occur overnight and requires changing pre-established agent patterns while at the same time overcoming the natural resistance to change that affects all of us.



Next, avoid the two biggest mistakes most sales reps make.

1. DON'T ask the agent WHY they are doing business with a particular company. You don't care—I'll explain why in just a moment—and all you will get is a rationalized explanation. No matter what your counter arguments are, the agent will only become more entrenched in their current decision.
2. DON'T try to SELL the agent on the superiority of your company, your network, your products, your contract, your bonus program, etc. They've heard that before, and you'll just be more noise.

The Three-Step Agent Habit Formation Process

1 Build Trust

Step 1: Establish a Platform of Trust

In order for an agent—or anyone for that matter—to be receptive to your message, they must trust you first. Trust is a function of your honesty and competency, both of which form over time and only after repeated interactions. Most sales reps don't get this concept. Sales reps are motivated by short-term initiatives, and this is usually clearly communicated in agent interactions. Most people occasionally do business with those they don't necessarily like, but few if any, do business with someone they don't trust. Begin by thinking about what you're currently communicating to your agents in terms—are you interpreted as honest and competent? Every interaction with the agent either advances you forward or backward in this area.

2 Understand Needs

Step 2: Understand the Agent's Decision Rules

Ultimately, you want to clearly understand the agent's decision process for evaluating a new carrier relationship—What is most important from the agent's perspective when selecting a new carrier or replacing an existing relationship? Your questioning skills will be most valuable here as you'll want to explore this indirectly with the agent. For example, what do they find most frustrating about carrier relationships? Who in their mind, excels in the marketplace and why? To drive continued growth of their business, what are the "must haves" any carrier needs to possess and why? And so on.

3 Communicate Solution

Step 3: Communicate How You Can Fulfill the Decision Rules

Once you understand the agent's decision rules, you can build upon your platform of trust and begin to clearly communicate how you and your company can meet and exceed those rules. You don't even need to—nor should you—mention the competition. Your focus is on the decision rules and how you're best suited to fulfill them. Your message will be well received because you've already laid the proper foundation (trust) while simultaneously differentiating yourself from the competition. Remember, all agents are looking for shortcuts to good decisions. Show them how easy it is to fulfill their decision rules with you and your company, and they will beat a path to your door.

Also understand that sometimes you cannot fulfill an agent's decision rules. In these situations, immediately move on as you will only waste valuable time and effort courting this agent.

The process just described is typically the complete opposite of what most reps do today. The usual engagement pattern for a rep is to first ask what carriers the agent is currently doing business with and then try to "sell" the agent on how great their company is relative to the competition. Some reps even go so far as to present disparaging articles about the competition in an effort to boost their credibility. What a pathetic mistake!

Build your platform of trust, understand the decision rules and communicate how you can fulfill them. If you do so, becoming your agent's habit will be automatic and lasting.