



The Industry Perception Issue...Terms Like Producer, Bid, and Quote Don't Help!

By: F. Scott Addis, CPCU, CRA, CBWA

There is a perception issue in our industry. Consumers don't value you as they do a physician, attorney, or accountant. It is a shame as the magnitude of your work deserves enhanced appreciation. This article will explore the perception issue. And convey that terms such as producer, bid, and quote don't help our cause. These words indicate that your primary role is to deliver products and price.

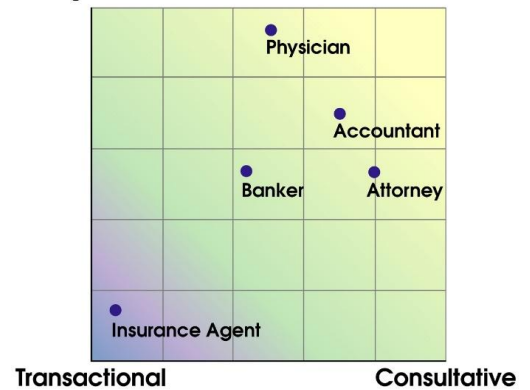
Do you share my concern? Are you frustrated with the misperception of your true value? Do you believe that your professional mission is to help your clients deal with risks and uncertainties? And insurance is only one of many arrows in your quiver?

A few years ago, I was at a cocktail party at the magnificent home of a distinguished physician in the Philadelphia Main Line. I vividly recall being engaged in a discussion with a gentleman who thought that I was the managing partner of a law firm. He was respectful, engaged, and interested in what I had to say. His facial expressions and body language made me feel important and understood. I had status in his eyes. After a few minutes of discussion, he asked the name of my law firm. When I responded that I was, actually, the managing partner of an insurance agency, his demeanor instantly changed. He stepped back, crossed his arms, and smugly asked, "So, what do you sell?"

I explained that I don't sell anything. Rather, I utilize a four-step diagnostic process to empower my clients to identify, prioritize, measure, and mitigate risk. And risk transfer (e.g., insurance) is simply one of numerous techniques used in my process. As he continued to back away, he mumbled, "You sound like a financial planner...they are all disguised insurance salesmen." The conversation ended.

I was swallowed up in the perception trap. The lock and key of the perception trap is housed in the consumer's mind. This trap is based upon the consumer's past experiences -- their preconceived ideas of the value of your offerings. The perception trap alters what the consumer sees. When people view something with a preconceived notion, they link it with prior experiences. Their knowledge does not allow them to open their eyes to the value of your products, services, or solutions. When concepts are viewed without understanding, the mind reaches for something that it already recognizes, a baseline of understanding for which opinions are formed.

Diagnostic

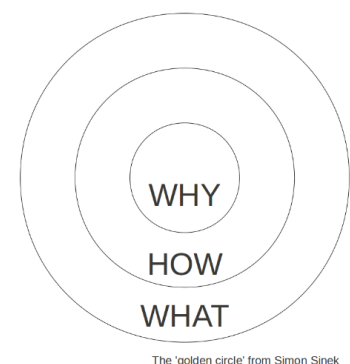


Terminology and the Golden Circle

By definition, a producer is an "insurance agent or broker who is licensed to solicit, negotiate, or sell financial products including, but not limited to, property and casualty insurance, health insurance, disability insurance, and long-term care insurance." A bid or quote represents the price tag placed on the insurance transaction. Would you agree that these terms and corresponding definitions only represent a slice of your value proposition? The terms do not reflect your knowledge and tactics that support risk identification, prioritization, measurement, mitigation, or monitoring. They do not respond to the effort and professionalism linked to service plans, claims advocacy, or stewardship reviews. They do not speak to your consultative and diagnostic talents. And, most importantly, they do not enable the consumer to fully appreciate the fact that you are a Trusted Risk Advisor™...a risk consultant who has a cause far beyond their perception of the producer!

Simon Sinek, motivational speaker, and marketing consultant, has made the foundation of his work the examination of "WHY" – the exploration of who you are and what inspires you to act.

As mentioned in my October 2017 *Rough Notes*' article, "Start with WHY," the Golden Circle finds order and predictability in human behavior. It helps you understand why you do what you do. By first asking WHY, there is compelling evidence of how much more you can achieve – personally and professionally.



The 'golden circle' from Simon Sinek

Before we explore the application of the Golden Circle, let's first define WHY.

WHY is your cause, purpose or belief. It is the essence of your professional existence. It is the reason you get out of bed every morning. Today's consumers want and need to know **WHY**. **WHY** you? **WHY** you do what you do? It is a given that your customers know **WHAT** and **HOW** do you what you do. That being said, it is your values and beliefs, not just the quality of your products and services that create deep, long-lasting connections.

Today's consumers remain bored and uninspired by agent, broker, and carrier deliverables as we communicate and act from the outside in. Even worse, many express skepticism and cynicism over our efforts. The time has come to answer the **WHY**, and live each day from the inside out. So, where do you begin? It starts by asking yourself, "What is my cause, mission, purpose, and belief?"

To help you, study the definition of these four words: uncertainty, risk, risk management, and insurance.

Uncertainty: The state of being uncertain that causes doubt, apprehension, and fear.

Risk: Someone or something of value that is exposed to danger, harm, or loss.

Risk Management: The process of managing doubt, apprehension, fear, danger, harm, or loss.

Insurance: The transfer of uncertainties and risk to a third party.

Your **WHY** is risk and uncertainty supported by **HOW**...a process to strategically deal with them. So, what, then, is the insurance transaction? It is simply **WHAT** you do...the product, service, or function.

As you discover your **WHY**, you will gain enhanced clarity, purpose, and passion. And you will notice that your clients, prospects, and centers of influence react differently to you. Why? Because you are inspiring them. Start with **WHY**...your purpose for existence!

The Trusted Risk Advisor™

As you discover your **WHY**, you will see yourself as a Trusted Risk Advisor™. Let's focus on a few key words:

Risk

As mentioned above, risk is best defined as "someone or something of value that is exposed to danger, harm, or loss." Synonyms include endanger, imperil, and jeopardize. Helping your clients identify, measure, and manage risk is a meaningful calling...a profession as or more important than that of a physician, accountant, or attorney.

Risk Management

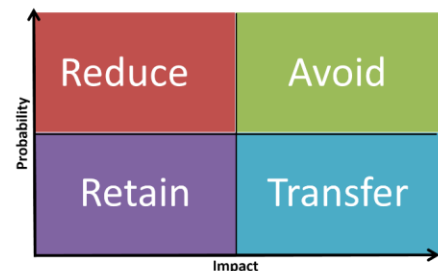
Risk management is the identification, assessment, and prioritization of risks followed by a coordinated application of resources to minimize, monitor, and control the probability or impact of unfortunate events or to maximize the realization of opportunities. **The primary objective of risk management is to ensure that uncertainty does not derail the business endeavors or family from its goals.**

Because risk encompasses the possibility that something bad or unpleasant will happen, it is essential that you deliver a systematic means to manage it.

Risk Decision Matrix

Each and every day, you guide your prospect or client through four primary means of dealing with risk – 1) avoid, 2) reduce, 3) transfer, 4) retain.

These strategies are illustrated in the Risk Decision Matrix chart.



As a standard practice, high-impact high-probability risks should be avoided. High-impact low-probability risks are transferred (e.g., insurance). High-probability low-impact risks are sought to be reduced. Low-impact low-probability risks are accepted or retained. In general, as the figure implies, there are two ways of dealing with risk.

The Risk Decision Matrix flies in the face of the term “producer” and de-emphasizes the words “bid” and “quote.” Why? Because these terms are not who you are. You are a Trusted Risk Advisor™.

Word	Definition
Trust	Reliance on the integrity, strength, and ability of another person. Confident expectation of something To believe in another person
Risk Advisor	A person with deep knowledge in risk and risk management One who gives advice about risk and uncertainties A professional who helps navigate the perceived complexities of risk and risk management
Status	Conferring or believed to have a favorable standing which grants responsibility, privilege, and esteem The position of an individual in relation to others

Becoming a risk advisor requires consultative and diagnostic attributes...a solutions-based approach focused on understanding your customers’ issues and delivering appropriate products, services, and solutions.

A study by Huthwaite, the acknowledged thought leader in the sales performance industry, viewed more than 35,000 sales transactions over a 12-year period. Huthwaite’s research

uncovered that the consumers were **willing to pay a premium, redefine the buyer/ seller relationship, erect barriers to the seller's competitors, and establish the seller as a trusted advisor** when two primary activities occur:

1. Seller reveals to the buyer an **Unrecognized Problem**
2. Seller establishes for the buyer an **Unanticipated Solution**

The industry perception issue can be significantly improved as you adopt terminology that better reflects the essence of your existence. Say goodbye to producer, bid, and quote. Look in the mirror and welcome in the Trusted Risk Advisor™, that special person who understands your WHY.

About the Author

Scott Addis, CPCU, CRA, CBWA is the CEO of Beyond Insurance and is recognized as an industry leader having been named a Philadelphia finalist for *Inc. Magazine's* "Entrepreneur of the Year" award as well as one of the "25 Most Innovative Agents in America." Beyond Insurance is a consulting firm that offers leadership training, cultural transformation, and talent and tactical development for enlightened professionals who are looking to take their practice to the next level. Since 2007, the proven and repeatable processes of Beyond Insurance have transformed individuals and organizations as measured by enhanced organic growth, productivity, profitability, and value in the marketplace.