



Lead With PRI³CE...To Stand Out In A Crowded Marketplace

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Are there days that you feel that you are fighting an uphill battle against commoditization? If so, you are not alone. Commoditization occurs when the consumer perceives little or no distinguishable difference between products, services and resources. When this happens, price becomes the primary differentiator.

To determine the degree to which you are being commoditized, I encourage you to see if the following four statements relate to you:

1. I cannot seem to change the consumer's perception of me.
2. I often get angry and frustrated with the 90-day bidding process.
3. The consumer does not see me as a trusted advisor like their CPA, attorney or banker.
4. The insurance transaction is getting in the way of my ability to learn the customer's business and its "issues."

If you responded affirmatively to one or more of these statements, I encourage you to lead with PRI³CE...an acronym for five concepts that will allow you to stand out in a crowded marketplace.

P-Process:

Process is the sequence of interdependent and linked procedures... a series of actions or steps taken to achieve a particular end. An effective process produces the right results consistently.

Your process should expand the consumer's view of risk and risk management through a logical, consultative, and diagnostic four-step process as outlined below:

Step 1 – Discovery

The first and most important step of your process involves discovery -- identifying and analyzing loss exposures that have the potential to interfere with the achievement of a family's or organization's goals. As you learn about the business and/or family dynamics, you are positioned to identify and analyze risk issues.

Step 2 – Strategy

Once you have developed a thorough understanding of the business or family, you are ready to move beyond insurance to explore strategies to minimize risk and, thereby, reduce insurance costs.

It is the comprehensive understanding of the business or family (Step 1) that uniquely positions you to explore a spectrum of methods to evidence your advisory skills. It is Step 2 that truly separates you from the traditional agent or broker!

Step 3 – Program Implementations

By the time you get to Step 3 of your process, you will see an amazing transformation. The burden of price and product has been lifted off your back. You now have an appreciation for, and understanding of, risk management. Confidence and enhanced self-image are now part of your makeup as a trusted advisor.

Step 3 involves putting in place specially tailored programs and strategies designed to protect the assets of a business or family while minimizing premium outlay. As you can imagine, underwriters adore the process as it leads to a more rational and efficient allocation of financial and human capital.

Step 4 – Ongoing Monitoring and Adjustment of the Plan

Businesses and families are dynamic. What works today may not work tomorrow. It is for this reason that you should consider risk management service plans, stewardship reviews, and customer intimacy surveys to ensure a perfect fit as a business and family evolves and changes.

R-Relationships

Your ability to build deep, long-lasting relationships is a key ingredient to success in your business.

Relationships just don't happen. They evolve over time. Relationships produce bonds and connections that enhance both parties' opportunity to succeed.

Mutual trust is the shared belief that one can depend upon another person. Trust grows out of confidence in another person's honesty, integrity and desire to serve. Respect is the outgrowth of trust.

In the award-winning book *Business Relationships That Last* by Ed Wallace, we learn about a concept entitled Relational GPS®, a roadmap to developing outstanding business relationships. GPS stands for:

- Goals: short and long term personal and professional objectives
- Passions: personal and professional causes that your client, prospect, or center of influence cares so deeply about
- Struggles: obstacles holding them back from their goals and passions

People will not share their goals, passions and struggles with you until they feel confident and comfortable in the relationship. Your credibility, integrity and authenticity open up one's GPS. Once your client, prospect or center of influence allows you to navigate his or her GPS, you have the road map to a long-term relationship leading to trusted advisor status. GPS also facilitates your ability to move through the sales cycle meaningfully and successfully.

Your business relationships are stuck in neutral if you have little or no understanding one's goal, passions and struggles.

I³ – Issues → Implications → Interventions

Huthwaite International, the acknowledged thought leader in the sales performance industry, researched more than 35,000 sales transactions over a 12-year period and determined that the consumer was 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

Simply put, you will position yourself for success through the realization that you must uncover risk issues, convey the implications, and implement interventions.

I¹ – Issues

The fundamental flaw of the 90-day insurance blitz is that it is focused on the sale of a commodity. It is **not** a thoughtful, meticulous, diagnostic system aimed at uncovering the "issues" facing a family or business.

I² – Implications

After uncovering issues, it is now time to communicate the implications of these issues from a human, cultural, operational and financial perspective. In other words, how will managing risk improve bottom line performance?

I³ – Interventions

After the customers understand I¹ (Issues) and I² (Implications), they will enthusiastically partner with you to explore risk management interventions.

C – Creativity

Creativity is the act of producing new ideas, approaches or actions while innovation is the process of putting an idea into action. Creativity is always the starting point for innovation.

People who have a gift for creative innovations tend to differ from others in three ways:

1. Expertise. Specialized technical knowledge in a particular discipline.
2. Creative thinking skills. Flexibility and imagination as relates problem solving.
3. Intrinsic motivation.

Creative ideas emerge when preconceived assumptions are discarded and attempts at new methods, which seem odd or unthinkable to others, are explored. As commoditization is one of the biggest challenges facing you, it is essential that you appreciate the importance of imagination, originality, diversity of perspectives, and fresh ideas.

FedEx has a corporate wide initiative that it calls “purple promise” – each employee’s commitment to making the FedEx experience remarkable. This shared mission encourages everyone at FedEx – from employees sorting and delivering packages to those answering phones, maintaining planes and developing new IT systems – to suggest ideas each and every day.

E – Emotion

So, what is emotion? And why is it so important for you? It is the feeling that leads the prospect to act and react. Emotion describes the intensity of how the consumer responds to you. Emotions drive the customer toward pleasure and away from perceived danger. Perhaps, emotions are best described as signals from the subconscious that steer the prospect’s decision-making process – especially when all choices appear to be equal.

The client’s or prospect’s decision-making process relies on a mixture of emotion and its partner, logic. Think of a situation where you had bulletproof facts, reason and logic on your side and believed there was no way the prospect would say no to your perfectly constructed proposal.

To do so would be impossible, you figured, because there was no other logical solution or answer. And then the prospect dug in his or her heels and refused to budge. The prospect was not swayed by your logic. You were shocked when you did not get the order.

The single, most important motivator in purchasing decisions is not data or facts. It is emotional response. People buy when they feel comfortable, when they feel they can trust you and when your process feels natural and reassuring. In simplistic terms, people rationalize purchasing decisions based on facts, but they make decisions based on feelings.

It is always the heart that is touched first. So, what does this mean to you and your business? Although you may take great pride in the “features and benefits” of your offerings, it is imperative that you assess the degree to which you are able to stimulate the emotions for those whom you serve. In order to accomplish this, you must deeply engage your customer’s feelings in addition to, and even above, their intellect. The simplest strategy is to find out what keeps your customer up at night as well as what drives them. It is your discovery of their goals, passions and struggles that opens the door for an intense and lasting relationship – an emotional connection that transcends price and product.

Lead with PRI³CE to stand out in a crowded marketplace.

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.