



The Employee Interview...A Strategy to Position You as the Undercover Boss!

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

As an agent or broker, you understand the critical importance of risk identification, assessment, mitigation, and transfer. Today, you most likely employ an array of strategies to evaluate risk including an analysis of claims, insurance contracts, employee manuals, business income worksheets, safety committee minutes, policies and procedures, as well as training and orientation materials. These diagnostic efforts elevate your status and lead to client acquisition, retention, and cross-sell opportunities.

I would like to suggest an additional strategy – the employee interview. The employee interview is a simple, yet powerful method to gain an inside look at the corporate culture and perspectives of risk from the people who are in the know. The one-on-one employee interview is an art that will separate you from your competition to enhance your performance.

In the 12 months after attending a Beyond Insurance Purple Cow Leadership workshop, Parker Rains, vice president and 32-year-old producer with Fisher Brown Bottrell in Franklin, TN, has produced over \$175,000 in new business revenue using employee interviews. Parker says, “My request to perform employee interviews weeds out non-qualified suspects who would, otherwise,

have required me to go through the entire quoting process, wasting my firm's marketing time with the chance of getting rolled by the incumbent at the last minute."

It is interesting to note that Parker started an office from scratch and has been in the Nashville, TN market for only two years. "The accounts that I have taken through the employee interview process have all led to broker of record letters. And some had 20-year relationships. Prior to my first meeting, these firms had never heard of me or Fisher Brown Bottrell. Through the art of the employee interview, I uncover risk issues that have a material impact on the prospect's bottom line."

The Undercover Boss

Let me explain the employee interview in the context of the *Undercover Boss*, the television series that features the experiences of senior executives working undercover in their own companies to assess processes, operations, and employees first-hand in order to implement changes that will improve business outcomes.

As you may have experienced first-hand, in each episode, the executive alters his or her appearance and assumes an alias and fictitious back-up story. The fictional explanation given for the accompanying camera crew is that a documentary about entry-level workers is being created. The boss usually spends one or two weeks undercover working in various areas of his or her company with the goal of being exposed to a series of work issues and predicaments. At the end of their time undercover, the executives return to their true identity and request the four-to-five individuals they have been working with to travel to a central location – often corporate headquarters. The boss reveals his or her real identity and thanks the employees for teaching them things that they did not know that threaten the integrity, market share, customer experience, and reputation they worked so hard to build.

As an avid viewer of *Undercover Boss*, I am fascinated by the show's focus on organizational dynamics and corporate culture. *Undercover Boss* evidences the fact that most well-intentioned business leaders are out of touch with the realities of the inner workings of their organization as they have never taken the time to get "down and dirty" in their own business. It is also obvious that lines of communication are in desperate need of repair. Simply put, there is a disconnect between the business leaders and their rank-and-file that creates risk and impairs culture, productivity, and performance.

The Employee Interview as a Part of the Risk Assessment Process

When I started The Addis Group in 1990, I created the Beyond Insurance® Process – a four-step risk management approach to identify, measure, prioritize, and mitigate exposures to loss. Instead of starting with the traditional "bidding process," I offered a risk management audit three-to-four months after the insurance renewal. The Beyond Insurance Process® is simple, yet revolutionary. It begins with a curiosity and desire to understand the inner workings of a business to position oneself as an outsourced risk manager. It is my belief that if one does not

understand the business and its risk issues, it is not possible to perform exposure identification. The design and procurement of insurance is essential. It is an art. However, insurance by itself is not the cornerstone of deep, long-lasting, and mutually profitable relationships. Insurance is a tool to transfer risk, not a strategy to identify and/or mitigate risk.

I stumbled across the employee interview a number of years ago through a conversation with Peter Kellogg, my college roommate from Princeton. After graduation, Peter took a position with Booz Allen, a management consulting firm headquartered in Tysons Corner, VA. As I explained the risk management process, he suggested that I include employee interviews as an essential part of the client discovery phase. Peter had learned through his hands-on consulting experience at Booz Allen that employees often tell business leaders what they want to hear. Therefore, managers and supervisors make decisions based on what they are told, rather than the realities that face the organization. Simply put, the truth is buried within the inner workings of the business. And the lock and key to understand these issues are held by the employees, not the CEO and his or her leadership team.

Positioning the Employee Interview

At the mid-point of the initial prospect meeting, I ask one simple question, “If you are in my shoes, how best to learn your business from the inside out without taking your valuable time?” To my pleasant surprise, the vast majority of business leaders suggest meeting their employees. When I get the green light to perform employee interviews, I am off and running.

I put together a picture-perfect, 30-minute, confidential, one-on-one interview script through which the employee offers his or her perspectives in three areas:

1. Perceived **strengths** of the organization,
2. Future **opportunities** for growth and prosperity, and
3. **Risk issues** that impact organizational culture and performance.

These open-ended questions set the stage for a fascinating session whereby the employee opens up to explain the realities of the business and its issues. I actively listen, take copious notes, and probe as needed. If the company is safety-sensitive, I include a 10-question safety opinion survey.

The interview process is the lock and key to build credibility, trust, and drive emotion through filling three buckets:

1. A bucket of organizational strengths,
2. A bucket of future opportunities, and
3. A bucket of risk issues.

As you can imagine, when I present my findings to senior management as well as practical solutions suggested by the employees, they are totally blown away. Never in their wildest dreams did they expect me to teach them things they did not know. While there are numerous consultative and diagnostic tools in the Beyond Insurance Tool Kit®, the employee interview remains one of the most precious as it empowers the risk advisor to gain valuable insight on the strengths, opportunities, and risk issues that impact the culture and, ultimately, the performance of an organization.

Today, the employee interview is used by all members of the Beyond Insurance Global Network (BIGN), a progressive group of agencies that have moved beyond the insurance bid to offer diagnostic risk assessments as a means to acquire and retain business. It is enabling these firms to flaunt their consultative talents leading to the efficient acquisition of new business and long-term, profitable relationships.

Below are a few statements by select members of the Network:

"I have found through employee interviews that ground level employees are often more willing to express concerns and issues in regards to their company to a neutral 3rd party than they are directly to management. Knowing that the interviews are anonymous allows them to be truthful without fear of repercussions. Management is often surprised to hear that things aren't always going as well as they perceive them to be." – Stuart P. Harris, CPCU, CIC, ARM, McClure Bomar & Harris LLC, Shreveport, Louisiana

"Asking employees what they think the risks are through confidential interviews is a powerful tool and a huge part of designing and building a risk management system." – Randy Boss, CRA, CRM, SHRM-SCP, Ottawa Kent, Holland, Michigan

"The employee/employer relationship is very much like a marriage – it requires the perspective of both parties involved to effectively be communicated to one another in order to truly be successful." – Ronny Michelle Smith, Director & Senior Executive Employment Advisor, The Midstate Group, Lynchburg, Virginia

Research-based Findings

There is much research that supports the employee interview process. Huthwaite, an international sales and negotiation consultancy, studied 35,000 sales interactions over a 12-year period, placing the consumer's "purchasing strategy" into four value-creation categories focused on both the perceived importance of a product or service as well as the difficulty of obtaining. Huthwaite concluded that consumers are willing to pay a premium, redefine the buyer/seller relationship, erect barriers to the seller's competition, and establish the seller as a trusted advisor when the seller accomplishes two things:

1. Reveals to the buyer an unrecognized problem
2. Establishes for the buyer an unanticipated solution.

In the wonderful book, *The Challenger Sale*, by Matthew Dixon and Brent Adamson, they reinforce the findings of Huthwaite by saying, "Surveys of customers consistently show that they put the highest value on salespeople who make them think, who bring new ideas, who find creative and innovative ways to help the customer's business. In recent years, customers have been demanding more depth and expertise. They expect salespeople to teach them things they did not know."

And in the article, "8 Reasons Your Salespeople Are Not Closing Sales," from SalesDrive (<https://salesdrive.info>), reason #4 states that "Prospects Do Not Perceive Salespeople as Trustworthy." This interesting article conveys, "You must coach your salespeople how to build trust. They should avoid immediately pushing the product/service and instead focus on having genuine conversations where they discover the prospect's needs and then communicate how those needs can be met with the product/service they are selling."

The employee interview is a weapon that will put you in the control seat of the risk management process. It will position you to become the Undercover Boss!

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.