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Outsource to grow your agency

Concentrate on providing value to clients

Professional, independent insurance agents promote the value of what and how they deliver to their customers. Customers want personal, prompt and courteous service, while agents understand their exposure to risk and provide comprehensive coverages. Inevitably, agency principals ask: How can I best manage the costs of delivering on these commitments? One answer is by partnering with experienced professionals outside of your agency.

Regardless of your agency's size, if you outsource any of your day-to-day agency functions (e.g., accounting, customer service and information technology), you will free up time. This saved time will allow you and your staff to focus on reaching out to prospective clients; account rounding your current clients; and concentrating on new lines of business, which will help you grow your agency's business.

Accounting functions

When you're looking to control costs, outsourcing an essential, but secondary function, like accounting is a cost-

effective option. You eliminate the expense of training, employing and providing benefits to an in-house accountant, while gaining access to an entire team of accounting specialists. And, you spend less to get more.

"If you're an insurance agent, you want to focus your energy and time on sales and service. You're running an insurance agency, not an accounting firm. By outsourcing 13 in-house bookkeeper does. When an objective third party manages and monitors your financial transactions, it reduces that risk and its potential impact.

Customer service

Similarly, outsourcing routine insurance customer service and/or back-office processing can provide a multitude of benefits. While cost reduction is one consideration, an agent adds capacity and flexibility by outsourcing. Hiring a firm that provides customer service team members allows your agency's in-house staff to focus on new business, marketing, account rounding and revenue enhancing goals.

Why not have those service needs handled via a website? Despite the perceived benefits of requesting policy service via an agency's website, there are many circumstances when insureds need to speak with an experienced customer service representative. Time is of the essence; insureds often have a pressing need for delivery of required documents, so they can go on to their next priority. The opportunity for the insured to ask questions, and the team member to make coverage suggestions, or identify gaps in the account, results in a positive outcome for both insured and agency. Prompt and personal service is handled in one call, leaving the insured satisfied.

IT and systems

Agencies always have been dependent on technology. Today, keeping your systems running and protecting your agency from cybersecurity crimes has become more difficult. Agents need to monitor key systems in real time to identify issues as soon as they occur. If your current staff doesn't have this skillset, you should consider outsourcing your information technology responsibilities.

"Agencies of all sizes have the same fundamental needs when it comes to technology: staying connected and keeping company data secure. Outsourcing technology is an affordable and scalable way for agencies of all sizes to meet these needs on a continuous basis," states Joe Mari, president of JMK Systems Solutions Inc., of Ipswich, Mass.

While all business models are different, professional, independent insurance agents use the same tools to get their job done. Agency management programs, carrier websites and rating tools are all in your systems tool kit. Finding a company that can manage your network security, and which has experience working with your software vendors and carriers is a win-win situation.

Evaluate an outsourcing partner

The quality of a relationship with the firm you select will depend upon the time invested upfront, by both parties. Here are key considerations when outsourcing:

Expertise. Look for a firm with credentialed leadership and staff expertise. Are they qualified to interpret accounting data, read financial reports and explain these to your agency leadership and certified public accountant? For insurance customer service, what level of insurance experience do the team members have in your territory and with your agency management system? For technology, ensure your IT partner has broad experience working with agencies similar to your own.

Internal controls/best practices. The firm should have workflows that provide a review process by different staff members. Is there a written information security policy in place that ensures computer equipment is monitored for virus and malware intrusions? Cybersecurity liability and professional liability insurance coverage also should be in force. Make sure the IT firm has a local help desk. This will increase your level of service and speed of issues resolved.

A proven track record. Look for a firm that has been providing services in this space for several years and has a long-term and stable plan. Ask for agency references that match with the services you seek. Personally Identifiable Information is a huge risk for insurance agencies, so be sure to find a technology partner that understands the best practices for information security.

Continuing education. Ask how the outsourcing firm handles team member education and expertise on your agency management software.

For systems outsourcing, because IT is an ever-changing industry, select technology professionals who will recommend the latest tools to help improve your agency.

Expectations. Define what duties/tasks you want the firm to perform. This process takes time and a commitment on both sides. Ensure you have a good fit, culturally and in expertise.

Communication. Remain in regular contact with your new partner, seeking feedback and resolution as any questions arise.

Flexibility. A quality firm will adapt to your business's needs and adjust to accommodate changes.

When you are considering how to achieve your strategic goals, outsourcing specific business functions may be an optimal way to streamline some of your agency's processes and help grow your bottom line. ■

Milne is the business development coordinator for Virtual Insurance Professionals. Headquartered in Manchester, N.H., VIP is a full-service

firm that helps guide agency principals through the process of outsourcing their agency's customer service. Prior to joining VIP, she was a regional COO for a national insurance brokerage firm. She began her insurance career as a customer service representative in a 20-employee insurance agency.

