

THE SOVEREIGN
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How to Join the "Best of" Lists

Life is pretty simple: You do some stuff. Most fails. Some works. You do more of what works. If it works big, others quickly copy it. Then you do something else. The trick is the doing something else.

Tom Peters

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Have you noticed that some companies come up often in discussions about success? Whether that's Best Place to Work, or Best Customer Service, even Most Profitable?

In their book *The Ownership Quotient*, three Harvard professors noted the same thing. And, after researching successful organizations, they attributed that success to strong, adaptive cultures. The professors also identified the most important elements in creating these successful cultures.

Leaders establish and maintain the culture by living it every day. They, and everyone else in the organization, also invest in their culture by making a commitment to it. They demonstrate that commitment with actions and team learning.

Everyone validates the elements of the culture. Employees take an ownership perspective when they assess management decisions involving hiring, rewards, and discipline. Through this engagement, they exude a culture that gives the company labour cost advantages.

Codifying and enforcing their strong cultures means not only greater employee loyalty, but also greater customer loyalty. Interestingly, these companies also 'fire' customers who are abusive or make unreasonable demands. The end result? An environment in which "the best serve the best".

These organizations are also careful to ensure their efforts to be the best don't turn them into dogmatic cults. From time to time they revisit and reaffirm their core values and the behaviours that underpin them. If success leads to a loss of curiosity or a dwindling interest in change, then leadership is exercised to get the culture back on track.

Finally, these organizations take a keen interest in succession, to prepare new leaders, and to ensure transitions are as smooth as possible.

According to the authors, patterns involving these elements exist in all successful companies and organizations. And they add that these elements also provide a roadmap for those that aspire to see their names on "the best of" lists. (10 **Reasons to Design a Better Corporate Culture**, *Harvard Working Knowledge*, December 22, 2008)



Coach Yourself, Coach a Winner

Are you taking your own advice? Are you doing what you'd challenge your children or your friends to do if they needed help? Giving advice is one thing; acting on it is quite another. Can you coach yourself?

To help you coach yourself, think of an imaginary coach, one who would insist on clarity and a step-by-step plan. You can help this process along by asking tough questions of yourself, as a coach would, and then answering out loud (in an appropriate place, of course). You could also pretend to advise another person, and address their objections one-by-one. Finally, believe in yourself, and believe you can coach yourself to success. (**Brazen Careerist: Be Your Own Career Coach**, *California Job Journal*, January 4, 2009)

No Website? No Problem.

In an age when even small children have Facebook profiles, you may feel guilty if you don't have a website for your business. But, before you get out the Yellow Pages and look for web designers, step back and ask yourself if you truly need a site. In many cases, you may not, and building one will simply drain away time and money from more productive pursuits.

Are your prospects looking for you online? Do your clients expect to do business of some kind over the Internet? If not, you can safely ignore the wired world altogether. If they do, perhaps you could settle for a simple web page; just one page with basic and contact information, rather than a site with many pages – something that costs just \$10 or \$20 a month, and requires almost no time to set up and maintain. Sometimes, less is more. (**We Don't Need No Stinkin' Web Sites**, *BusinessWeek*, January 8, 2009)

Finding Young Talent

As the average age of employees and owners of PC agencies inches upward, *American Agent and Broker* magazine asked four agencies about their staffing strategies. Two messages came through. First, they're not sitting back and waiting for responses to classified ads or for people to walk through the door. Second, they're aiming for higher levels of engagement with the talented people they do hire.

The agencies go directly to high schools and colleges. As one agency manager says, "Go to the high schools and talk to the students....They'll be loyal to you because they're glad they're not flipping hamburgers." In addition, the agencies also report they try to grow from within, providing training so their people can grow into new jobs, and they're using practices like employee share ownership plans. (**The Graying of America: Can Insurance Cope?**, *Agent & Broker*, January 2009)



Where Reps Go Wrong

How aware are you of the traps awaiting unwary salespeople? Or, if you're a sales manager, of the practices that keep salespeople from reaching their full potential? Sales trainer Tim Rooney cites what he calls the seven habits of highly ineffective salespeople.

He says these seven habits tend to be chronic, rather than acute, so they don't always show up on the radar. But, they're all too often present, quietly eroding revenue and profitability. The seven habits of ineffectual salespeople are:

- 👑 Not digging up enough new business. To get over this hurdle, Rooney suggests that sales managers set appropriate targets, and adjust compensation so new business generates higher rewards than the servicing of existing accounts. Make the path of less resistance less rewarding.
- 👑 They let themselves be dragged down by rejection. So, tell them it's okay to be frustrated, as long as they don't stop trying. One other idea: focus on their behaviour, not on the outcomes; you can control the former, but not the latter.
- 👑 Failing to qualify prospects. Coach them on asking the right questions, and listening carefully to the answers. Help them find out what the prospect needs and wants, identify the prospect's decision-making process, and be ready to provide a pricing rationale.
- 👑 They act first, and think later. Sure, it's great to see people display a go-get-it attitude, but at the same time, sales managers need to work with the reps to establish appropriate direction, focused efforts, and afterward, to review how the plan worked out.
- 👑 Not building trust. An immediate tactic - salespeople should mirror the words, body language, and tone of the prospect. That's a start. In the longer-term, however, successful reps deliver on promises made, whether those promises are implicit or explicit.
- 👑 Trying too hard to sell. Turn off the neediness, and play it cool, even when you're not. Reps can signal confidence from the start by inviting prospects to say "No" at any point in the meeting if the prospect doesn't think their needs can be met.
- 👑 Not asking for help. Yes, sales does attract people who like to work alone, and exhibit characteristics of the lonely hunter. Sometimes, though, teamwork makes the salesperson more effective. Junior people can learn from senior people, especially if the management rewards senior people for being mentors.

The good news is that each of the habits can be identified, addressed, and overcome. If you're a rep you can address the issues yourself, if you're a sales manager you likely have a toolbox for dealing with many, if not all, seven habits. (**Sales Management: Sales falls**, *PROFIT Magazine*, December 2008)

Dear Friends,

Without a doubt 2008 has been one of the most tumultuous and challenging years in the history of the financial services industry in general and the insurance industry specifically. Firms that were amongst the largest insurers and financial institutions on the planet only a year ago are now wards of their respective governments. Others have disappeared altogether.

In the face of this global economic turmoil we turned in a solid year at The Sovereign. Our net income before tax of just over \$16M was a 30% improvement as compared to the prior year. This operating profit coupled with a conservative investment policy has allowed us to weather the substantial downturn in equity markets without compromising our capital strength. With an MCT of 216% we have the capital strength to support substantial growth in 2009.

For The Sovereign, 2008 was also a year of building capabilities. We focused a great deal of time and effort on the enhancement of our core technical competencies. Through the acquisition of key resources and the creation of substantial internal development programs, we enter 2009 with a much stronger team, ready to find solutions for the specialized and complex insurance needs of your clients.

As we look forward there is clearly a great deal of uncertainty in the economy in general and the financial services sector specifically. With a solid capital base and a team of knowledgeable and experienced insurance professionals we are positioned to be a stable and consistent partner through this period of uncertainty. I look forward to growing our business together in 2009.

Best Regards



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Safety and the Motorcycle Rider

The image of the typical motorcyclist is changing. No longer do young, thrill-seeking riders predominate. No longer are motorcycles looked upon as cheap transportation. Today, more and more middle-aged riders are taking to the road. Many of them ride powerful, expensive machines. There's even a name for the new wave of motorcyclists - "rubies" (rich urban bikers).

The average age of riders in CSC's motorcycle training program is now late 30s, about 10 years older than a decade ago. During the 1990s, the age of the average US motorcycle buyer rose from 25 to 39 over the past 10 years.

The typical California motorcycle buyer is a 42-year-old male white collar worker with an income of US \$67,000.

In Canada, motorcycle sales have more than tripled in the past few years, from 24,000 in 1996 to 76,000 in 2003. The average age of buyers is about 46 years old.

Most Canadian bikers are trained

Seventy per cent of all newly licensed motorcyclists in Canada (in Ontario, 85 per cent) take the Canada Safety Council course, which is called *Gearing Up*. Enrollment is increasing as motorcycles regain their popularity. In 2003 alone over 23,000 riders across Canada completed the Canada Safety Council's Motorcycle Training Program. The program has achieved world-wide recognition for its excellence in content and delivery. Motorcycle enthusiasts not only become safer riders, they also thoroughly enjoy the course.

Teaching someone how to ride a motorcycle is very different from training a new driver. Most new drivers need to learn how to operate the vehicle, obey the rules of the road and relate to traffic. On the other hand, most beginning motorcycle riders already know how to drive and have experience in the road environment. The bike is a second vehicle, often bought for recreation, and they want to be able to handle it safely.



Impressive progress

Motorcycles used to have a bad reputation for safety. Motorcycle fatalities peaked in 1973, when 903 motorcyclists died on Canadian roads. The heavy toll of deaths and injuries raised an alarm, which led to the Canada Safety Council's motorcycle training program, the first program of its kind in the world. Transport Canada provided seed funding in 1973-74, and the motorcycle industry has provided ongoing support since then.

Today's vehicles and roads are safer, and so are the riders - because most of them have been trained. In 2002, there were 172 motorcyclists killed on Canadian roads. This represented 5.9 per cent of the total road fatalities in Canada, down substantially from 10.7 per cent in 1983. In the 11 years from 1987 to 1998, the motorcycle fatality rate decreased by 40 per cent. The injury rate went down by 48 per cent.

The decline in motorcycle fatalities has outpaced a general downward trend as fewer people in general are being killed in motor vehicle crashes. Between 1983 and 1999, the total number of all traffic fatalities dropped 30 per cent. During that period, motorcycle registration dropped 33 per cent, so a reduction would be expected due to less exposure. However, fatalities dropped by a very impressive 65 per cent.

Many fatal motorcycle crashes have a common profile: single vehicle, on a weekend, in the summer, at night, in a rural location and on a road with a posted speed limit of 90 km/h and over. These crashes are typically the fault of the motorcyclist. Alcohol is involved in about one-third, well over half of which have excessively high BACs (over 0.15). Young riders account for only 11 per cent of motorcycle fatalities.

For any who dispute the value of training, recent experience in Quebec is revealing. From 1985 to 1997, motorcycle rider training was mandatory in Quebec. In 1998 - immediately following the removal of mandatory rider training in 1997 - motorcycle fatalities shot up by 46 per cent. Quebec reintroduced mandatory rider training effective July 1, 2000.

Mandatory rider training offers benefits, but also has some drawbacks. Ontario, for example, has taken the route of voluntary training with incentives, which has proven more effective in the long run.

The bottom line, he says is that there is no substitute for a safety conscious, sober, trained motorcycle rider.

(March/April 2009)

For further information on motorcycle safety and training, see the Canada Safety Council website at: <http://www.safety-council.org/index.html>