

# AGENT'S SALES JOURNAL

## This I Believe: A Philosophy for the Future

By: Mike Sullivan

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1951, Edward R. Murrow initiated a series of radio broadcasts titled "This I Believe," featuring the philosophies and values that guided the daily lives of Americans in the post-World War II era. It was a tumultuous time, as the journalist observed in the show's debut: "We hardly need to be reminded that we are living in an age of confusion. A lot of us have traded in our beliefs for bitterness and cynicism or for a heavy package of despair, or even a quivering portion of hysteria ... And there is a creeping fear of doubt, doubt of what we have been taught, of the validity of so many things we had long since taken for granted to be durable and unchanging."

How aptly that describes the current state of the employee benefits industry for many — present company excluded. While I acknowledge the industry is in a tremendous state of flux, this I believe: change presents opportunity. I want my company to be on the leading edge of that curve, and we are doing everything possible to make it happen. We have tapped into the minds and hearts of the people that make our industry tick. I'd like to share what we've learned.

### Starting the discussion

First, let me tell you how we arrived at the strategies that will drive our future. During 2010, representatives from our organization spent time with most of the major insurance carriers in the nation. We also had discussions with hundreds of leading brokers around the country. We examined the current state of affairs, and we looked into the proverbial crystal ball. Industry thought leaders and investors shared their ideas and predictions. And Uncle Sam was part of the mix: We addressed technology and other solutions with government entities via CIAB and Booz Allen. We then spent time with technology companies, health care providers and specialty solutions emerging around the country.

These dialogues helped shape our perspective on trends. With that as a background, "This I believe:"

- Operational scale becomes increasingly of strategic importance for brokers, carriers and providers.
- Technology and operating platforms will become intrinsic to an agency's competitive advantage — or disadvantage.
- Access to call centers will become essential.
- Employers will require **brokers** to more directly support individual and family decisions.
- Providers, carriers and **brokers** will be engaged in providing mechanisms to harness price and quality transparency for consumers.
- Multi-media educational tools and communication platforms will become a competitive differentiator for brokers.
- Voluntary products will become more integrated and support agency profitability.

### Tomorrow's success stories

If I had to summarize the primary difference between how brokers operate today versus how they will perform tomorrow, it would be this: Brokers will become an integral component of the effort to reduce costs. And not just by lowering commissions. It will no longer be possible to simply shrug our shoulders and pass along the costs. If the focus of your efforts three years from now is sitting in front of employers performing product/pricing comparisons, your days will be numbered.

The agencies that will thrive will bring more efficient, cost-effective technology platforms, as well as communication and education solutions to employers, insureds and carriers. Operating scale will be essential to survival. Today's independents can achieve that through partnerships, alignment and outsourcing.

As Murrow admitted in his address, we don't have all the answers. "We don't pretend to make this a spiritual or psychological patent-medicine chest where one can come and get a pill of wisdom, to be swallowed like an aspirin, to banish the headaches of our times," he said. Yet I do believe that dialogue about these issues will help our industry prepare for change and most important, remain relevant. The wisdom and advice our company garnered through discussions with others has helped us formulate an approach for the road ahead. I hope sharing our beliefs helps you fortify your own plans for the future.