



Mining My Business



How we keep track of our business has changed over the years. In the old days we used to file policy cards in index files organized by issue dates or client names. Over the past decade, however, policy cards slowly have been vanishing. They no longer are that reliable, guaranteed-to-be-there part of the producer's business. As many companies have migrated away from that old antiquated, yet fairly reliable cataloging technique, most of us have adopted some form of database or other in its place.

Technology is supposed to make it easier for us to track everything. And indeed, when properly maintained and updated, most databases do an adequate job. Unfortunately, as time moves forward, most of our data stands still. And no matter how diligent we are, there still seems to be a failure to update vital information: an overlooked lapsed policy here, a coverage or account change there, premiums, risk profiles, insurance needs analysis, and the list goes on. For the producer with a larger client base, keeping up with all of it can be daunting. This is especially true in an agency setting where personal control of data is not always possible.

Most producers can relate to an awkward moment while working with outdated information. Many of us therefore spend upwards of several hours a week preparing for appointments by verifying items we already should know.

I have hired a company to help maintain my agency's data. My agency's employees are terrific, but they are busy people too. By investing dollars into actively maintaining information, my agency concentrates on more important things; you know, like sales.

Hiring a company that not only minds, but also mines my business has eased my schedule and the staff's burdens. In essence, my hired data maintenance company's job is to know my business. It keeps my firm abreast of any changes to our clients' information that we may have overlooked or not been aware of. It is a give and take relationship: They verify and give us information, and we take that information and run with it.

Mining 101

There are various definitions of data mining. Some people say it is searching for fuzzy unrelated patterns and trends in the data we have.

Some say it is the analysis of data using predetermined criteria. And still others say it is actively going out and collecting data from many sources to compile it into something useful. I say it is all of the above.

Much of my personal business is in the area of annuities and long-term life planning. I had mentioned in previous columns that my agency sends out consolidated financial reviews showing a client's fixed, variable, and equity values on a quarterly basis.

As most Series 6 or 7 producers know, obtaining equity information is a fairly easy process. Getting some of those fixed and indexed annuities or variable life values, however, can present quite a challenge, particularly en masse.

DST Fan Mail provides some variable annuity information on companies that opt to participate. Some other companies provide downloads with only the policy totals and no sub-account information. I write a lot of business with one such company, so it became necessary for my data maintenance company to develop proprietary mining software. The solution has solved many difficult issues and now provides me with all of the information I need.

Statistics 101

It often is said that knowledge is power. With proper information, finding additional business is a breeze. Important items such as age 59½, required minimum distributions, plan to dates, policy anniversaries, goals, and other important events all become part of a system of information.

How often a producer should see a client always has been a fine balancing act. The estate planner with only 20 or so multi-million dollar clients may opt to visit with them once a quarter. For most of us, though, seeing a client more than once or twice a year is not practical. Whatever the producer's market, accurately compiled data makes for a better appointment.

By having my information checked and updated every quarter, I can feel confident about any unexpected telephone calls or walk-ins. Being able to review a client's entire spectrum of products also enables me to address all of his or her needs more effectively. Now I see the whole picture.

Demographics 101

Demographics are important in our business. Some of us concentrate only on sales with certain criteria. Whether that be income, address, age, employment, or something else, the suspects and prospects to whom we sell usually have some commonality. Knowing who customers are is a key to success.

Databases in general offer many static reports that may not be scientific. And whether the producer has a database or not, looking at information in many different ways can reveal interesting statistics and trends. By exporting or entering customers and their products into something like a spreadsheet, the producer can organize, sort, and reveal information he may not have known.

Maybe most of the producer's clients live and work in a particular ZIP code, are a certain age, or work in a certain occupation. Knowing this can assist in future sales and marketing campaigns.

Compiling data is not easy. Actively maintaining it is time-consuming and few of us like to do it. Yet it is so vital to us. Most producers are unable to pinpoint the true value of their active business. Many others spend hours looking for sales when all they would have to do is look in their own back yard. It is right there, yet they do not see it. Now might be the right time for the producer to step back and mine his business.