The Secret to Building an Organized, Efficient and Profitable Insurance Agency
AgencyBloc helps life and health insurance agencies grow their business by organizing and automating their operations using a combination of an industry-specific CRM, commissions processing, and integrated marketing automation.

Start organizing, automating & growing your agency right now!
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What’s the Secret?
What’s the secret?

Every small business aspires to be more organized, efficient and profitable, and insurance agencies are no exception. The secret to becoming a more organized, efficient and profitable insurance agency is adopting and consistently using an agency management system. You may hear the term “agency management system (AMS)” being used somewhat interchangeably with the term “CRM (customer relationship management) software”, but that’s not entirely accurate. Let’s discuss the difference.

AGENCY MANAGEMENT SYSTEM VS. CRM
If you’re currently searching for new software or have done any research, you may be wondering whether to search for a CRM or an agency management system (AMS). Sometimes the terms are used synonymously, but they shouldn’t be. Let’s discuss the difference between the two.

Customer Relationship Management (CRM) software is described as “a term that refers to practices, strategies and technologies that companies use to manage and analyze customer interactions and data throughout the customer lifecycle, with the goal of improving business relationships with customers, assisting in customer retention and driving sales growth”. Simply put, CRM software is generic, and agency management systems
are specific to an industry, like the insurance industry.

An agency management system (AMS) is a SaaS (software as a service) technology that insurance agencies use to organize their book-of-business and more effectively run their operations. Though an AMS is often said to be equivalent to a CRM (customer relationship management system), there are substantial differences. Some AMS vendors label their software as “a CRM for insurance agencies”. But, it’s not necessarily that simple. Any worthwhile AMS goes beyond simply being a CRM with industry-specific fields. Beyond tracking clients and prospects, a valuable AMS can also:

- Track agents
- Track policies
- Track carrier data
- Process commissions
- Automate workflow
- Automate email marketing

When searching for an AMS, it’s also important to understand that there are several different types even within the insurance industry. Some are built for property and casualty (P&C) insurance whereas others are built for life and health (L&H). Some might be more generic and can handle both, though you may not get the same capabilities from those.

This can all be a bit confusing. Throughout this eBook, as we look at the reasons for using an AMS, we’ll offer
some buying tips to hopefully help you identify what to look for when you begin your search.

Next Section: The Use of Agency Management Systems
The Use of Agency Management Systems
The Use of Agency Management Systems

A recent study found that 79% of insurance agencies are using an agency management system. And, 44% attribute their increase in productivity to this technology. Though it’s been argued that the insurance industry was slow to adopt this technology, AMS use continues to rise as agencies realize the need for centralized data in a backed-up, secure location accessible from any internet connection.

The following chart shows value customers have received from using a CRM:

Respondents reported getting value from a range of CRM usages, but there is significant opportunity to improve.
Though this isn’t specifically about insurance industry AMS software, you can still see why businesses have adopted this kind of technology. Insurance agencies see value in it for similar reasons, especially:

- Opportunity management (leads)
- Customer info look-up
- Performance management (agents)
- Account assignments (follow-ups, activities)
- Sales forecasting (projecting commissions)
- Campaign management (email campaigns)
- Internal coordination
- Customer communication

Like mentioned before, an insurance-specific AMS has capabilities beyond generic CRM capabilities, but you can begin to see the value here.

WHO’S USING AGENCY MANAGEMENT SYSTEMS?
Both P&C and L&H agencies have adopted the technology, but the systems can vary greatly based on what they’re built for. As we mentioned before, it’s important to consider what the system is built for when you’re considering whether it will meet your agency’s needs.

Each agency has its own specific needs or “must-haves” to make a switch to AMS software, but the desire to move from paper files and Excel spreadsheets often stems from similar pain points across agencies, like these for example:
Mobility (mobile access to your data improves productivity by an average of 14.6%)  
Disaster-preparedness  
Efficiency

Beyond these basic needs, many agencies make the switch because they wish to enhance their sales and marketing efforts, want to be more efficient in processing commissions, or hope to begin analyzing their data to make smarter business decisions.

FUTURE USE OF AGENCY MANAGEMENT SYSTEMS
Many business sources predict the use of CRMs to continue to rise considerably over the next several years, and the use of AMS software is no different. Twelve years ago, only 12% of businesses reported using cloud-based CRM software (accessible via an internet connection). That number has increased to 87%.

You might attribute the rise of CRM or AMS use to the rise of millennials stepping into the industry, and that’s accurate. But, there are also many agency owners who have been in the industry for decades who currently advise other agencies on the importance of technology.
Like in any company in any industry, fear of change can inhibit adoption of technology. Education on the benefits and proven statistics on the technology’s value is necessary for building a case to take on the switch, and that is the goal of this eBook.

“The oldest and strongest emotion of mankind is fear, and the oldest and strongest kind of fear is fear of the unknown.”
—H. P. Lovecraft

Next Section: Why Use an Agency Management System?
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Why Use an Agency Management System?

There is an abundance of reasons insurance agencies, big and small, use a CRM or agency management system. Research shows that the biggest drivers for technological spend in insurance agencies are:

- Operational efficiency
- Profitability
- Sales growth
- Reducing E&O exposure
- Consolidation

When agencies are speaking with us, they indicate that they want to organize their contacts, find information faster, track all of their policies, automate renewal reminders, monitor sales numbers—overall, they want their agency to be in a “better” place than it currently is. They've run into a problem or hit a standstill that they're attempting to resolve or push through with new technology. We've found that these drivers towards technology or problems current agencies are facing generally fit into three categories. The agency would like to organize, automate and grow.

Though some agencies have been slow to adopt an AMS, the rapidly-changing insurance industry is forcing many agencies to abandon paper files and Excel spreadsheets. Research has actually shown that in
organizations that rely on paper files, the average person wastes 4.3 hours a week searching for files. As your agency grows and the data becomes more complex (especially if you process commissions), it can be a struggle to remain organized with paper files or Excel spreadsheets.

In addition, customers who are pleased with their customer service are 3x more likely to recommend that brand. For insurance agents, this means being available 24/7 during the application process, providing email updates during the application process, and periodically “checking in” on them after that (this includes cross-selling!). Agencies who excel at providing positive customer experiences create even more business with those clients using AMS software with built-in email campaign and cross-selling tools. They're able to automatically keep in contact with clients without adding to their already busy schedule.

The most organized, productive and profitable insurance agencies have embraced agency management systems to help them excel.

Let’s dive deeper into each of these categories to better understand how your agency could benefit from an agency management system.

**Buying tip:**
If you calculate and pay out commissions, search for an AMS with commissions processing and tracking capabilities.

Customers who have a positive customer service experience are 3x more likely to recommend you.
ORGANIZE
When an agency is looking for a more efficient way to organize their data, they’re really just searching for a way to be more productive. They’ve realized that paper files aren’t very efficient for pulling up client information, or they’ve found that Excel spreadsheets aren’t the easiest way to process commissions. There’s been at least one instance where their current way of organizing data hasn’t sufficed that caused them to look into using an AMS.

Organization overall leads to better productivity, and that’s what many agencies have discovered. One study showed that part of our problem as humans with productivity is that we context-switch every three minutes. We’re working on a task, we get side-tracked or start another task, and we don’t return to that task for an average of 27 minutes. The study pointed out that the importance here is to have your data (or book-of-business in your case) organized to the point where you can efficiently react to incoming tasks or information. Agencies that have to dig around for client notes, emails, or phone numbers find that their productivity lacks because of simply being unorganized.

An insurance agency uses an AMS to organize their data so they can be more confident in their production. An organized book-of-business within an AMS allows agencies to cut...
out “time-wasters” like searching for paper files, manually keying data into spreadsheets, double data entry, and recovering lost files.

When you have extremely organized data, you’re able to quickly pull up that information and use it to provide exceptional customer service and close opportunities.

AUTOMATE
Many insurance agents or agency owners say they got into the business because they wanted to genuinely help people. You care about giving the best customer service to your current clients, but you also only have so many hours in the day. Anywhere you can automate is appreciated.

Not only does automation save you time, but your clients and prospects appreciate consistent, timely communication. In fact, “91% of the most successful users agree that marketing automation is ‘very important’ to the overall success of their marketing across channels.” Not to mention, automation allows you to help your agents or other employees stay on top of their tasks without any extra direct supervision from you.

Insurance agencies use their AMS to automate both internal and external
communications. If available within the AMS, you can set up automated email campaigns to trigger based on events. For example, you could set up emails to go out to prospects:

✔ To let them know you’ve received their request (if you’re using a lead form on your website)
✔ To relay educational resources when/if they aren’t quite ready to buy

Agencies also like to use automated email to maintain positive relationships with their current clients. You could send an email to your clients:

✔ To say happy birthday
✔ When they’re nearing age 65 (cross-selling)
✔ To say welcome to the agency
✔ To let them know the status of their policy application
✔ To reach out when their policy renewal date is approaching

You can also use automated email to relay important information to your agents like when their license renewal date is approaching or when a new lead has come in that is assigned to them.

Automated emails aren’t the only way to create a more efficient agency. Insurance agencies also use automation within their
AMS to maintain a lean sales process by using tasks/activities, follow-up reminders, and productivity dashboards.

When your AMS has the capabilities to automate some of your workflow, you have the ability to take a step back and look at growth opportunities.

**GROW**

Some agencies attribute much of their growth to referrals, some agencies have to do some marketing or cross-selling, and many agencies do both. In both of these situations, access to relevant data is key. For example, you can use advanced searches within an AMS or cross-selling reports to quickly identify candidates for cross-selling. Take that list of people and apply your most effective marketing tactics—maybe for you, that’s email. For other agencies, it might be calling clients. Either way, the ability to consistently identify cross-selling opportunities fosters growth within current clientele.

This same agency using an AMS could also be identifying where to find new clients (prospects or leads) based on historical lead data. Sophisticated AMS software will supply insurance agencies with real-time analytics on information like individual clients by lead.

**Buying tip:**
Search for an AMS with real-time analytics/reporting if you want to analyze your data to aid in decision-making.
source, group clients by lead source, and policies by lead source. Access to this data allows you to analyze what has worked in the past and what hasn’t so you can allocate your resources towards the right tactics. Though there’s plenty of research on which marketing tactics are best, insurance agencies are all different. Having your own data to analyze is the best way to understand your unique audience and plan what to do next.

Next Section: Consider Customer Service
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It’s likely that you now have some ideas for what your agency is looking for in an AMS. But, there is a vitally important feature your list of vendors should have before you consider buying: excellent customer service.

You’ll notice that almost every vendor claims satisfactory customer service. But do your research. Ask the vendor how involved they’ll be with helping you make the switch, with training and with questions as you get up and running. If they provide it, ask for client references they have that you can speak to about their customer service.

Even if you consider yourself to be pretty tech-savvy, knowing you have the vendor’s support during the switch is essential. You don’t want to find yourself frustrated when you don’t understand how something works in the system, and you can’t get a hold of anyone to walk you through it.

**CUSTOMER SERVICE RESEARCH**

Moving your entire agency over to new software is a big step, so you can see why having the ability to count on the vendor’s help during and after the transition is crucial. Just how crucial is it?

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**Buying tip:** Ask vendors about any fees tied to training or customer service.
Recent research indicates that 66% of customers switch companies due to poor service and 82% of consumers have stopped doing business with a company because of bad customer service.

Putting due time into researching each vendor’s customer service is 150% worth it—you don’t want to find yourself switching vendors after you realize their customer service isn’t what you’d hoped.

Next Section: Where to Find the Agency Management System for Your Agency
Where to Find the Right Agency Management System for Your Agency
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GOOGLE
Google is a wonderful place of endless information. If you know exactly what you’re searching for, it can be a powerful tool. If you’re using Google to search for an AMS, try search terms like:

- Insurance CRM
- Life and health insurance crm
- Insurance ams
- Cloud-based ams for insurance agency
- Insurance commissions
- Commissions tracking
- Insurance agency management system
- Agency management system

You may notice as you search these terms that a website called Capterra comes up somewhere on the page. Let’s take a look at that.

CAPTERRA
Capterra.com is a software search engine that allows you to see reviews on all listed software vendors. You could search these terms here:

- Insurance agency software
- Insurance policy software
- Commissions processing software
Capterra is a great place to browse software vendors while also seeing real feedback about the technology and its customer service.

PEER REFERENCES
People are extremely likely to try a product if they're referred to it by someone they trust. Ask peer agencies what they're using and see if it may be a good fit for your agency as well. Obviously, you’ll want to ask agencies that are similar in size and that sell similar products as yours because AMS software is sometimes built to serve specific agencies. They aren’t all built alike.

Next Section: Start Building a More Organized, Efficient and Profitable Agency

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Throughout this eBook, we’ve discussed the technology that insurance agencies are using to build an organized, efficient and profitable business: agency management systems. An insurance AMS differs from a generic CRM in that it specifically caters to insurance agencies, so it’s built with capabilities beyond a normal CRM.

The use of AMS software is rising substantially as users see value in the technology. They see value in the software’s ability to help increase overall productivity, develop and maintain positive relationships with clients and prospects, and visualize data in a way that facilitates analyzation to make smart business decisions.

When deciding what your agency needs in an AMS, consider how your agency’s data is currently organized, how well you can automate workflow, and your ability to analyze data in order to identify growth opportunities. Also, take customer service into mind when searching for an AMS vendor—you don’t want to be switching only months after implementing because the customer service wasn’t what you expected. Google, Capterra, and peer references are all great sources to begin your search.
What is AgencyBloc?

AgencyBloc helps life and health insurance agencies grow their business by organizing and automating their operations using a combination of an industry-specific CRM, commissions processing, and integrated marketing automation.

Check out our overview video to learn more:
Ready to see if AgencyBloc is a good fit for you?

Sign up for a live, one-on-one demo of AgencyBloc.
You’ll be able to discuss your agency’s specific needs and see the application in action.