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The Power of the Positive Audit— Part I

BY PAT ALEXANDER

Editor's Note: This is a two-part article based on Pat's presentation at HIGH-TECC 2008. The first part of the article covers office culture. The second part will detail real solutions.

Last year when I attended the “Building Winning Teams Workshop” with Patrick Lencioni, he introduced his newest book, *The Three Signs of a Miserable Job*. Now, at this point, you're probably thinking, “Oh no! I don't want my staff to see this!” Well, the book isn't really for your staff—it's for management. Ever since I read the book, I've been thinking about how to apply its lessons to the insurance industry, specifically in terms of auditing.

Almost everyone thinks an audit is a negative term and event. Most certainly, when the Internal Revenue Service audits you, they want to find out what you did wrong on your tax return so that they can acquire additional funds from you. Moreover, auditors in general think that they have not done their job until they have found something wrong.

That said, there are several good reasons an insurance agency should audit, including:

- E&O prevention.
- Workflow/procedure compliance.
- Workflow/procedure effectiveness.
- Workload monitoring.

In this article series, I'll also share what agencies should audit and how this process can be positive for both management and staff. But first, let's take a look at the three signs of a miserable job:

Sign #1: Anonymity

Individuals who are not known and individually appreciated by their managers will not be fulfilled in their jobs. According to Gallup and a number of other resources, the number

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one reason people leave their jobs or report unhappiness in their jobs is not money or working conditions. It’s the relationship they have with their bosses.

I have to admit that for many years I believed that my personal life (and that of my staff) belonged at home. At work, it was “all business.” However, as I matured as a manager, I learned how important it is to recognize each person as an individual. Doing so often means knowing something about an employee’s personal life. It’s not hard to learn enough personal information to be able to inquire about how the children are doing in school, how the parents are doing when they are ill, etc. You need to be in touch in order to relate to what’s going on.

Sign #2: Irrelevance

Employees who don’t know how their work impacts the lives of others will not be fulfilled in their jobs. As you all know, each individual in your office is a cog in the machinery that makes the agency run. But does the scanner person

know how his or her job affects other staff members if the scan is not readable or is not done when expected?

Several years ago when I was doing E&O audits for an E&O carrier, I was impressed by one agency’s approach to this issue. This agency had a well-defined training program in place. New employees were provided with a handbook that included an organizational chart that showed where they fit. The handbook also included their job description, which had been presented to them during the interview and hiring process, as well as workflows and procedures relevant to their position. The handbook even included print screens of each section of the agency management system that this individual would be responsible for completing and maintaining.

Sign #3: Immeasurement

Employees who can’t assess their own level of performance and success will not be fulfilled in their jobs. Think through your career. Have you ever wondered after a review, “Why did

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(or didn’t) I receive an increase in salary or a bonus?” When I asked this question during a presentation, everyone in the room raised their hands. Some said they didn’t know how to show their staff how they are measured. This is another reason why it’s important to audit.

Reverse negative culture

I have been in a number of agencies where nobody seems to feel miserable—and there is a real sense of a family atmosphere. How is this achieved? Well, I’ve learned that a positive culture isn’t something that is specific to a certain size or type of agency.

Many think cohesiveness only occurs in small, family owned agencies. However, I have found family-like atmospheres in some large national, multi-location agencies as well. In these agencies, the staff is productive

and content—and wouldn’t dream of leaving their jobs. That said, I have also been in numerous small agencies where this wonderful atmosphere is not present.

A number of years ago, an agency owner hired me to train new staff members on their agency management system. The owner told me on the phone that he was having trouble keeping people because of the system his agency had chosen.

Well, the system was hardly the problem. I could feel the tension in the office the moment I walked in the door. By mid-afternoon, the owner began yelling from his office at different individuals. When a person arrived in his office, he continued yelling. I was on another floor in the building but I could hear every word. Employees were mortified. Several apologized to me, while others just couldn’t

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look up from their desks as I was leaving in the afternoon. No wonder this owner was having trouble with staff turnover!

As another example, a number of years ago I moved from one MGA to another MGA. Things they had in common were:

- Family owned.
- Small, stable group of employees.
- Same agency management system.
- One common insurer.

I had over 25 years of experience in the insurance business, with most of it in the MGA arena. As far as the owner at the new job was concerned, I was good to go once I had completed all of the employment forms and had been given my computer login information, shown to my desk, and handed a book containing the various markets' programs. I, however, felt like I had landed on another planet.

It took me a good six weeks to get a grip on their procedures, the new insurance carriers, and the retail agents whom I had not worked with before. Fortunately, I had enough experience to know where my position fit into the machinery. Plus, I'm too stubborn to fail, so I toughed it out and made it through.

However, I have witnessed other situations where individuals are so lost that they end up leaving to find other jobs.

Create formal job descriptions

Many agencies still struggle with good job descriptions and techniques for annual reviews.

As we all know, there is never time available to take care of these details. Especially in smaller agencies, I find that formal job descriptions and reviews just don't exist. I hear things like, "I don't want my people to have job descriptions. If they have job descriptions they will get the 'That's-not-my-job' attitude. Plus, I can't change what I want them to do each day."

I also find this in mid-size agencies where the owner has not moved to a more corporate structure and still handles everything personally. This is a real problem area for agencies moving from a small staff to a larger staff that needs more structure.

Great salespeople/entrepreneurs are usually not good managers. Sometimes these individuals can't move into the corporate structure needed in mid-size and larger agencies. They either sell or downsize back to where they feel comfortable.

In Part 2, I will share stories about agencies that have successfully addressed these issues and implemented tools, as well as information you need to make these solutions a reality in your agency. 📧

🗨️ Patricia Alexander, CIC, is a Consultant, Coach & Mentor. Her many years of experience in retail agency and MGA settings gives her a broad range of knowledge in agency operations. She is dedicated to educating her clients on using their technology to enhance and build their business and profitability. Subscribe to Pat's Blog via her website www.patalexander.com. She may be reached at pat@patalexander.com.

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As a “seasoned” member of the insurance industry (that means I’ve been around awhile) and as *TAAR*’s owner and executive editor, I have the privilege of interacting with innovative agents across the country. I am able to discover from leading agencies the best practices they have developed to satisfy the changing needs of their clients. I often tell my clients that “change for change’s sake” can be detrimental—but change to produce a better product or service is well worth the effort.

And just like your agency, *TAAR* has changed to help you find and implement the best technologies and best practices for superior results.

New name: The Anderson Agency Report. As a continuing sign to you of my personal commitment to quality and a laser-like focus on the needs of the independent agency, I am putting my name behind *TAAR*. The content of *TAAR* still remains about the overall impact of technology on every element of your agency.

More content: We’ve added four new pages to *TAAR*, which contain more of the articles you have enjoyed and profited from over the past years.

New look: Easier readability. *TAAR* has a completely new design. My hope is that it will be easy to read, navigate, and allow you to find the information you need quickly.

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