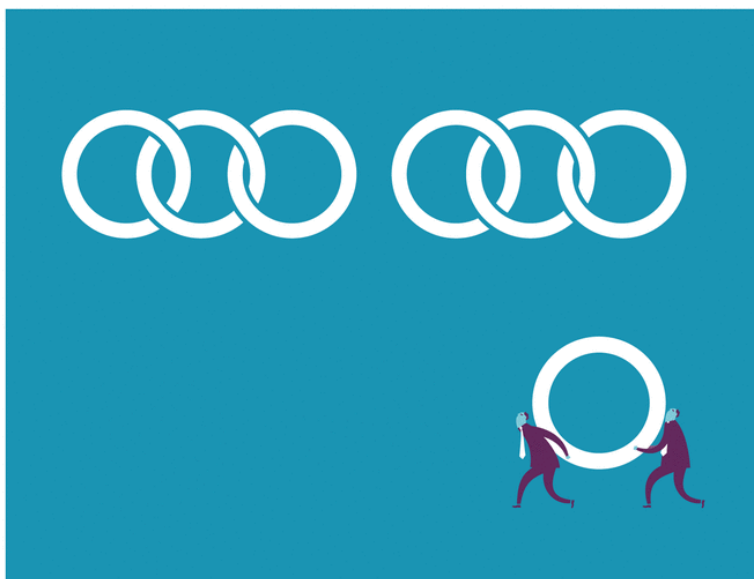


# 7 keys to creating a great BGA partnership

Choosing the right BGA is one of the most important career decisions you'll make. These guidelines can help.

By David A. Saltzman, RHU, DIA



**M**anagement guru Peter Drucker said, "Efficiency is doing the thing right. Effectiveness is doing the right thing." It is easy (and fun) to focus on the latest smartphone, tablet or app that helps us to be more efficient. But to create real growth in your practice, focus on becoming more effective.

The best way to become more effective, especially in today's highly specialized environment, is to create a strategic partnership with the right brokerage general agency (BGA).

The mission-critical task of assessing which BGA is the right one for you can be one of the most important business decisions you are likely to face. In every strategic relationship, there are seven

key components you must include in your evaluation.

## 1. Experience and expertise

This might seem to be the most obvious — and it is, which is why it should be the starting point in your evaluation. Begin by asking questions and learning about the core competencies of the BGA. Because, in the end, people are the prime determinant of success or failure. Learn as much as you can about the principals. How long have they been in the business? What were their career paths? How did they come to be BGAs as opposed to brokers, company reps, wholesalers, etc.?

If there is more than one principal, learn about each and take the time to evaluate

whether or not they offer just one level of experience and expertise repeated several times (not good) or whether their experience overlaps and forms a web that will provide whatever you may need as cases and practice areas develop.

## 2. Specialization

In today's marketplace you have to be great. Good enough just isn't good enough. The amount of detailed knowledge you need to be great at one practice area is overwhelming. Being great in *all* of the practice areas you discuss with clients is almost impossible. We also know that, over time, brokers find their sweet spot. For some, it may be corporate life; for others, individual disability income. Regardless, when evaluating a brokerage general agency, the first thing you need to do is take stock of *your* practice strengths and weaknesses. Be brutally honest.

Once you have your great/good list, learn about the areas in which the BGA specializes and which members of the BGA team have experience and depth of knowledge that can help you bring your good areas up to great. If you are an expert in annuities, partnering with a BGA that is great at annuities won't help you. You may think this kind of analysis is a no-brainer, but you would be surprised at how many brokers select a BGA without taking the time to make this critical analysis.

## 3. Access to a team

If you are a sole practitioner, you may be your whole team. That can work on the retail side of things, but it is definitely not a quality you want in your BGA relationship. The next step in evaluating potential partners is to assess the depth of their bench. If the BGA doesn't have redundancy, you will find yourself *waiting* when you really want to be *selling*.

As an example, if you are going to depend on your BGA partner for disability income expertise, you don't want to come to a dead stop if the single DI expert isn't available. We've all been at a client meeting

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where an unexpected (and often technical) question is asked. If you need to get an answer on the spot, you don't want to depend on one individual; you want a team.

### 4. Collaboration

This may be one of the most serious aspects of selecting a BGA. You have already assessed *what* you work on. Each of us develops a unique style that suits us. You may see yourself as a general practitioner whose expertise is in developing a dreams-and-goals rapport with a client. This allows you to assess a client's exposures and provide solutions that transfer those risks, where appropriate.

Or you may see yourself as an expert in one or two areas. You are keenly aware

of how much effort it took to develop that expertise — and how challenging it is to keep that knowledge fresh. Given the experience in your key areas, you know you need to ally with others to augment your expertise in areas where you *don't* specialize.

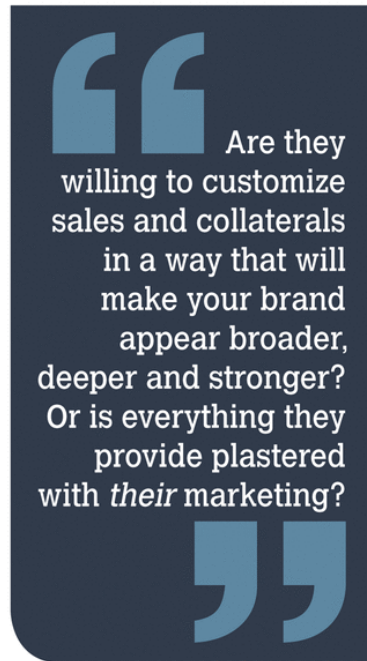
However you define your style, a strategic partnership can help you to be a more complete and effective resource for your clients. The long-term goal is to develop deeper and more lasting client relationships. The more you (and your new strategic partners) can help, the more likely that will happen. Those deeper relationships are the key to securing sequential sales and significant referrals, two critically important components in growing your practice.

### 5. Help to build your brand

Not too many years ago, a brand was just a recognizable logo on a package or service. Today, that definition is nearly obsolete. While it is great to have recognizable materials, the new meaning of brand is broader and, therefore, more important when marketing yourself and the services you provide.

Most brokers think of the products they provide and the solutions they offer as what they sell. Yet in reality, your *brand* — why a client chooses to do business with you over another advisor — is actually the first and last thing you sell. Seth Godin, who has been called "America's Greatest Marketer," defines brand as "a set of expectations, memories, stories and relationships that, taken together, account for a consumer's decision to choose one product or service over another."

When selecting a BGA as a strategic partner, you must make sure they're positioned to help you advance *your* brand — not *theirs*. Are they willing to customize sales and collaterals in a way that will make your brand appear broader, deeper and stronger? Or is ev-



erything they provide plastered with *their* marketing? Remember, a key goal in building your practice is building *your* brand. Your partners should help you do that.

### 6. Flexible visibility

There may be both strategic and tactical reasons for you to ask your BGA partner to be visible in some instances and invisible in others. Take time to think about the practice areas in which you have real depth. As your practice has been built, odds are you have developed a generalized knowledge across a range of subjects, but your real in-depth skill sets are in just one or two specialized areas.

Let's continue to use DI as an example. Individual disability income insurance is an area where many producers have enough knowledge to have a preliminary client conversation. That discussion brings a critical risk exposure to light.

The client wants to learn more about how a DI policy might transfer this risk. You know that you have a prospect for a new sale, but you aren't certain what to do next.

Earlier, we discussed your collaborative style. For some, this may be a great time to tell your client, "As you might imagine, disability income plans have many variables and definitions that govern coverage. At our practice, we are fortunate to have a DI expert we work with, and I'd like to get them involved in helping us with this exposure."

No one expects his or her advisor to be an expert in *every* discipline — especially where specific technical knowledge is required. In medicine, a general practitioner refers patients to specialists. The Apple store has "geniuses." Clients already think in terms of specialists, and they utilize and appreciate that specialized knowledge. Think about what this says about your brand. How much more valuable have you become to your client when you can call in an expert who is part of your team?

Because you have followed the seven keys for creating a great BGA partnership, you have selected a BGA with DI expertise and a willingness to work with you in a front-stage capacity. They will participate in conference calls or will accompany you to your next client meeting. Of course, the next client your BGA helps you with may have a need that is in your comfort zone. In that case, they can stay invisible. It is that flexibility that you want (and need) to find.

### 7. Transparency

The final key is the one that can kill an otherwise perfect BGA relationship if it isn't present. Without this seventh step, steps one through six won't really matter. For your BGA strategic partnership to work over the long term, *everyone's* cards must be on the table. This is true of everything in the expectation

chain, from turnaround time on proposals, case follow-up, access to the team, marketing collaterals and ideas, and, of course, compensation.

Before starting your quest for the perfect BGA to fit your profile, make a list — an old-fashioned paper and pencil deal — of what the deliverables must be. Remember, you are making a selection that won't be just a one-time date. Ideally, you are seeking a long-term relationship. For that to work, both parties need to know what the expectations are. It is a matter of trust.

Many a broker/BGA relationship has hit the rocks over a lack of time taken in this step. No matter how perfect the fit may feel on a human level, if you don't start out on the same page, you will always end

up somewhere you didn't want to be.

Drucker also once said, "If you want something new, you have to stop doing something old." The old way — trying to go it alone — is a dangerous strategy in today's marketplace. Take your practice to the next level. Apply these seven guidelines and find a great BGA relationship that will make you more effective *and* more efficient. ↕



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