Personal Success in Auditing

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<u>The Importance of Being Productive</u>

Traditionally, field auditors and inspectors who worked for insurance companies, served two primary purposes:

- ✓ To act as expiration underwriters (thanks to Jim Marks for this concept), gathering exposure and rating information on commercial risks.
- ✓ To act as public relations envoys from the carrier to their policyholders.

Mainly due to the second of these stated objectives, carrier reps have operated with limited production goals. It is not unusual for a company auditor to do 10-15 audits per week. Many times, a combination audit (say W/C and GL) on the same risk would count as <u>two</u> audits. To adequately handle public relations, the auditor must spend some time with the insured dealing with issues that might not directly come under the area of his/her control.

Compare this to an "outsource" rep who will typically complete 25 or more reports in a similar period of time. Why is this? How is it that an "outsource" rep has production goals so much higher than their counterpart at the insurance company?

Well, for one thing, the "outsource" field person isn't required to provide the same level of customer service as his/her counterpart at the insurance company (although professionalism is non-negotiable.) As well, the carrier employee's salary, benefits and expenses are funded from policy premium. It is not uncommon for commercial policies to generate $100,000 in premium. Sometimes the premium is many multiples of that.

An "outsource" field person is typically paid a percentage of the revenue that he/she is able to generate. We call that percentage amount <u>acquisition</u>. In simpler terms, if the "outsource" rep generates $100,000 in revenue in a given year, only a certain portion of that amount can go back to the field person in pay, benefits and expenses; otherwise the rep is not profitable. Obviously, an unprofitable rep holds little appeal to the company. After all, we operate our business "For Profit" so that it can be self-sustaining over a period of time.
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From the standpoint of the field person, it is important to maintain a certain production level in order to make a livable wage. Most of us have homes, automobiles and other basic needs, which require a minimum income to support. Beyond that we have other understandable desires, such as the need for vacations, savings or college tuitions, which raise our minimum standard of living.

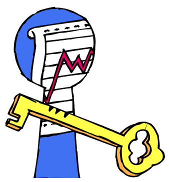
You might be saying, "What if I don't have many basic needs? What if my house and cars are paid for and I only want to work a few hours per week?" In many cases, Legacy accommodates reps in this type of situation. But, bear in mind that there are fixed costs (such as the cost of computers, support personnel, etc.) which really do necessitate a certain production level.

Okay, so the bottom line is this – productivity is important because it is the lifeblood of the rep and the company. Without it, neither party is in business. I have known many reps through the years that enjoy the business, are diligent workers, produce good quality reports but wash out because they cannot keep up with the demands of production. This course is intended to provide some strategies that will ensure your success in this arena for years to come. There is good money to be made in field work, but it doesn't happen by mistake.

Overview of Productivity Issues (The Three P's)

In very general terms there are 3 basic keys to success in this (and every other) business. These are concepts I have taught trainees and experienced reps alike for many years. We'll call them the "3 P's" of Productivity. They are:

- ✓ Planning
- ✓ Pursuit
- ✓ Providence

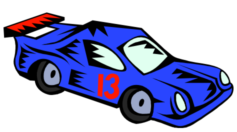


Planning:

Have you ever tried to do a small building project, such as adding a deck to your house, without plans? Yeesh! What a mess. Most of the time, when we venture into an endeavor like this without planning, it is because we think it will save us time. What is usually the result of this ill-advised shortcut? Generally, we end up spending twice as much time, three-times as much money and for our efforts, we wind up with an inferior product.

As a field analyst, planning will make up a large part of your life. Some very good producing reps will tell us they can count on 1 hour of production for every 2 hours worked. That is because so much of your time will be spent planning your attack.

Years ago I was watching the Indianapolis 500 on television. Somewhere around mid-race, driver Johnny Rutherford's car was wrecked by a younger driver who had made a foolish error. Out of the race, Rutherford was interviewed by one of the race coverage announcers. I'll never forget what he said.



"Young drivers don't generally wreck because they aren't watching 100 feet in front of their cars. They wreck because they aren't watching what's happening a mile out."

Do you get it? The thing that is going to keep you from being successful may be some distance away. It could be an illness or bad weather. It might be tax season or some other more predictable event. In any case, your long-term success is very much dependent on your ability to predict challenges and deal with them appropriately. You must have contingency plans. Things won't always go your way. You can take that to the bank.

Successful analysts plan for "blown" appointments and know they have to over-schedule in order to compensate for these. In order to manage this effectively, you not only have to know where you are working today, you have to know where you'll be working two to three weeks from now. You have to maintain a plan so you can use it flexibly and to your advantage.

You might have heard the carpenter's adage, "Measure twice and cut once." In other words, you have to be sure of what you are doing before you actually do it. One misstep leads to another. Getting an effective system in place, and using it, is the key. Planning cannot, Cannot, CANNOT be overemphasized. Once you have determined the best way to manage your work, you have to faithfully follow your plan. "Plan your work and work your plan." That leads us naturally to the second of the "3 P's."

Pursuit:

Remember my admonishment that things won't always go your way? It is probably healthy to also keep in mind that your objectives are not always the same as your insureds. To you, getting the report completed is JOB ONE. To the contractor you are trying to work with, building houses is probably much higher on his list.

This requires some patience (another "P"?) This is also where pursuit comes in. You might have to try several times before you successfully set up an appointment with busy (or otherwise elusive) insureds. If you don't understand the dynamics of the lives of today's small business-owners, you will likely go crazy in this job. Appointments don't happen in a vacuum. They require tenacity.

Send a letter – call – call back – call at night – call on Saturday – be creative.

Remember, we get paid for successfully completing reports. It does none of us any good to make a feeble attempt and then give up. Learn to think like an insured. Be sensible. Contractors work from dawn till dark. In the summer, they might not be home until 10 p.m. Find out from their family when they are normally home and call them then.

Think about whom in town might know the insured. Often in small towns, the local builder's supply is a good starting place when looking for contractors. They likely buy their nails there each morning. Stop in and ask. I've been directed to job sites, spouses and accountants using this approach. Stop at the post office. Stop at the barbershop. Become a detective.

Above all, don't waste your time on techniques that don't work. If the post office won't give out info, give it up. Try something else. Ask other reps how they find people. Often the "old timers" are really good at this aspect of the job.

Finally, you have to be flexible. I've done audits at 6 in the morning as well as 10 at night. If an insured wants to work at night, I'll meet them (and I'll charge well for my time too.) Make sure insureds can get a hold of you when it's convenient for them. I once had a rep tell me, "I don't take business phone calls at night."

"You're in the wrong business!" I replied.

Be willing to meet anywhere, as long as it's safe and doesn't blow the rest of your schedule. A Worker's Comp audit at the local McDonalds? No problem! Tell me when – I'll be there.

You can find people if you are creative. Call them, page them, leave them messages. Check the yellow pages or internet for alternative numbers. Put a call back card on their door. Call the agent or hire a skywriter, whatever it takes to run them down. But when you find them – BE POLITE!

Nothing makes me happier than to track down an elusive insured and hear them say, "I can't believe you found me!" Oh, if you're alive, I'll find you. That's what I do.

Planning and Pursuit – it's a winning combination. If you do them both effectively, you can't lose.

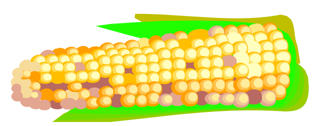
Providence:

You might be saying, "What is providence, other than a town in Rhode Island?" According to Merriam-Webster's Collegiate Dictionary, "Providence" is "divine guidance or care." Well how in the world does that come into play?

Some people relate this to the concept of Karma – the ethical consequences of one's actions. I prefer to think of it, as Stephen Covey calls it, the Law of the Harvest. It seems to be true that what you do in life, how you treat people, has a direct impact on the way the rest of your life seems to work out. People who are givers receive back. Those who are miserly receive little.

There is a field just above the sub-division where I live, which I pass everyday on the way to work. In the spring of the year, someone comes along and tills the field. For weeks it is a field of ugly, brown earth. One day, I'll pass the field and notice the field is now covered with a green, grass-like growth. For days I'll admire the grass. Not too much later the grass progresses into knee-high stalks. Finally, I realize – that's corn growing in the field.

Sure enough, within weeks the corn stalks are way over my head and I can see the silk poking out from around the ears. Soon it will be harvest time.



If I were to tell you this crop of corn is really quite unique in that the farmer who owns the field actually planted alfalfa, you'd think I was out of my mind. Why? Because, it would violate natural laws. Somehow, we expect to "reap what we sow" when it comes to farming. We can't break this law any more than we can break the law of gravity. Would you drop your pen and expect to see it stick to the ceiling rather than fall to the floor?

Human interaction is also subject to natural laws. If you "live right" and treat others ethically and with respect, you can expect them to reciprocate. If you choose to do otherwise, you might not have the same quality of interaction. Field work is no different.

You might be saying, "Okay, I understand the principle but give me an example of how this all works."

Years ago I was working relief out-of-state. I had planned my work and I was pursuing people like there was no tomorrow. There was one particular insured whom I couldn't seem to catch up with. Around lunch one day I decided to spin by his house again (for about the 3rd time). When I pulled in the driveway I was disappointed – no one home. Just as I was ready to back out of the drive, a pickup pulled in behind me.

I got out and introduced myself. The man was cordial and invited me in. In a few minutes, I had the audit done and was ready to leave. He made a comment as I was leaving that crystallized the principle of "providence" for me.

> "Boy, you were lucky to find me (his words, not mine). I came home to feed the dog. If you had been here 5 minutes earlier or 5 minutes later, you would have missed me."

As I drove off, I thought about how neither planning nor pursuit had really gotten this audit. Even though I had gone by again, it would have likely been futile had the timing not been perfect. There was something provident about my getting that audit – it was very clear to me at that moment.

You might discount "Providence" out of hand. Perhaps you are a skeptic and don't' believe in anything beyond intelligence and initiative. I would hate to think about having done this job for the past 20 years without a lot of "providential" assistance.

Workspaces

From this day forward, you will live in your office and your car (and hotels, at times.) I'd suggest that you take the time to make them comfortable and efficient. Get rid of the clutter. Think about the ergonomics of your workspaces. They should be laid out in ways that maximize your performance. They should also be safe and free of distractions.

Your Office:

A field reps' office is generally located in his/her home or apartment. Make every effort to allocate space for an office. Don't try to work on the couch, dining room table, bar or other makeshift areas. It is counterproductive to have to pick up all your work whenever its dinnertime or the kids want to play Monopoly. It just doesn't work well. You need space to organize, file your documents, set up your equipment and write up your reports. Most of all, you need a place that is private and relatively quiet.

Many reps have kids. Without being a bear, negotiate some rules with your spouse and your kids, regarding your workspace. If you don't, you will find your work disappears, your laptop suddenly stops working and your printer mysteriously becomes gummed up with a Coke-like substance. If you want to make a living at this job it is imperative you have some room to spread out and work.

Your office should have a door (preferably with 5 separate locking devices ☺). It should be well lit and have good air circulation. You might want to have a radio for background music but I'd discourage having a TV since it tends to call for your full attention. Above all, move in emotionally! If your office is bleak, give it a paint job. Do some decorating. Remember, you will spend a good bit of time here. You want to be in a good frame of mind while you are working.

Place your file cabinets and equipment in places that maximize workflow. Some reps actually have two desks. One for their computer, printer and fax machine – another for paperwork and a phone. This is not necessary but does reduce the obstacles to good work habits. Bottom line – be sure you have allocated enough space to work. You will need to have an area to lay out requests and sort them almost every week.

Communicate your need for privacy. A former co-worker once admonished:

"It is important to advise family and friends that just because you're at home – it doesn't mean you're not working!"

Interruptions can be a killer to productivity. Balance is the key though. If you budget an appropriate amount of time to spend with your family, it is more likely they will honor your need for quiet and privacy when you are working. My observation from my years in this business is that most reps work either too little (leading to poor productivity) or too much (creating relationship and morale problems). Striking the proper balance is a challenge.

Working out of your home can be great. Just remember to keep your perspective. There will always be work to be done. If you're not careful, you will find yourself working when you should be tending to other responsibilities.

Your Car:

An analyst's car becomes an office away from home. Many of the principles, which apply to setting up your home office also apply to setting up your car. Stay organized. Keep some trash bags in the back seat and discard McDonald's bags, wadded up paper and other assorted trash items regularly (like when you stop for gas.)

Develop a system that works and stick to it. Find a place for your maps (or Mapquest printouts) and keep them there so you're not wasting time looking for them when you need them most. Folders with work to do and finished cases should be in separate places so they don't get mixed up. Many reps use file boxes to keep their work organized. This is helpful because it makes transferring work between home, car and hotel relatively simple.

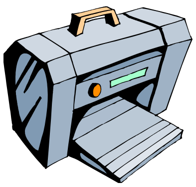
Find a place to stow your computer, cell phone and other hardware. They should be easily accessible, protected from the direct sun and NOT in a place where they will hurt you if you have an auto accident. Many people forget that loose objects can suddenly become projectiles if the car stops abruptly.

Make sure you have extras of essential items – spare pens, rubber bands, binder clips, folders – the things you use every day. Nothing is more frustrating than having to swing by a 7-Eleven to buy a pen when you lose yours.

Trainees Beware!: When you do field training and are riding with an experienced rep, you will turn their world upside down. Be sensitive to that fact. Normally you will be sitting in the passenger seat of their car (if they ask you to ride in the trunk – run away). The passenger seat is normally the desk of their "car office." Suddenly they will have to put things where they don't belong. They might even appear somewhat disorganized since having a rider can really impact workflow.

Cell phones are great. They really save time – although they can be a large expense. Be sure you have a system that allows you to use your cell phone safely in the car. Pull over to talk or use a hands-free device. Nothing kills productivity and morale more than a few weeks spent in intensive care.

Finally, make provisions for eating in your car. Almost all very productive reps eat while they travel, rather than stopping for lunch. Find an effective way to manage food and drink without them getting irreparably mingled with your paperwork. No customer wants an audit or survey request back with ketchup on it.



<u>Tools of the Trade</u>

There are a number of items you will need to effectively do this job. I am not suggesting this is a complete list, however it will help you get set up:

Office Tools:

- ✓ Desk with adequate work space
- ✓ Telephone
- ✓ Answering machine
- ✓ Small filing cabinet
- ✓ Small bookshelf (or other area to store manuals)
- ✓ Clock
- ✓ Printer (Legacy provides)
- ✓ Power strip with surge protector to protect electronics
- ✓ Fax Machine (or multi-purpose printer?)

Additional Office Items:
- ✓ Tape dispenser
- ✓ Scissors
- ✓ Glue stick
- ✓ Hanging file folders (if your system requires them)
- ✓ Manila Folders
- ✓ Several 3-ring binders (for Customer Requirements, etc.)

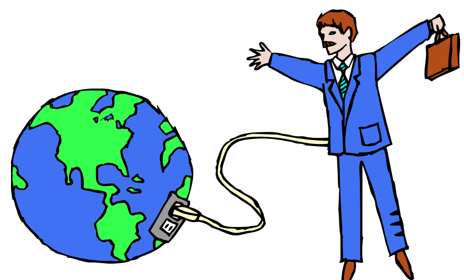
Tools for the Car:
- ✓ Spare pair of glasses (in case yours get broken)
- ✓ Travel coffee mug
- ✓ Flashlight
- ✓ Small tool kit (you never know)
- ✓ Emergency equipment (extinguisher, road flares, cold weather gear)
- ✓ A/C adaptor for laptop
- ✓ Handheld Dictaphone (optional – for recording messages while driving)
- ✓ Clipboard
- ✓ Camera and film (surveyors will have these – auditors should too in case of an accident)
- ✓ Rolatape (surveyors)

Tools Required in Both Office and Car:

- ✓ Calculator
- ✓ Laptop (Legacy provides)
- ✓ Access to your maps (for planning & navigating)
- ✓ Stapler
- ✓ Staple puller
- ✓ 3.5 floppy disks (for backup)
- ✓ Envelopes (several sizes)
- ✓ Stamps
- ✓ Paper clips and rubber bands
- ✓ Pens, pencils and highlighters
- ✓ Magnifying glass (for reading small maps)

You will quickly develop an idea of what additional items you might need in order to work efficiently and effectively. Have you ever tried to hammer a nail into the wall using your shoe, a stapler or some other object that just wasn't made for the job? Using the right tools for the job IS important. If the task is necessary, the tool to complete the task is non-negotiable.

Organizing Your Territory



Territory management is not easy. It takes work. This is not a reality that begins or ends with a field analyst. We are constantly having to evaluate territorial lines in order to maintain equity of work between reps.

As a general rule, the smaller the territorial allotment, the more fluid the lines between areas must remain. If one rep has 180 workable cases and his/her neighbor has 70, work must be redirected, otherwise time service will suffer. Having said that, good territory management begins with the field rep.

There are two primary areas of focus regarding territory management:

- ✓ Minimizing delinquent items
- ✓ The analyst completing the work profitably

Good time service is a key element to keeping customers satisfied. They are often willing to pay more to get a case within their time guidelines. Remember, you can't stop a loss until the survey comes in and you can't collect additional premium until the audit is booked.

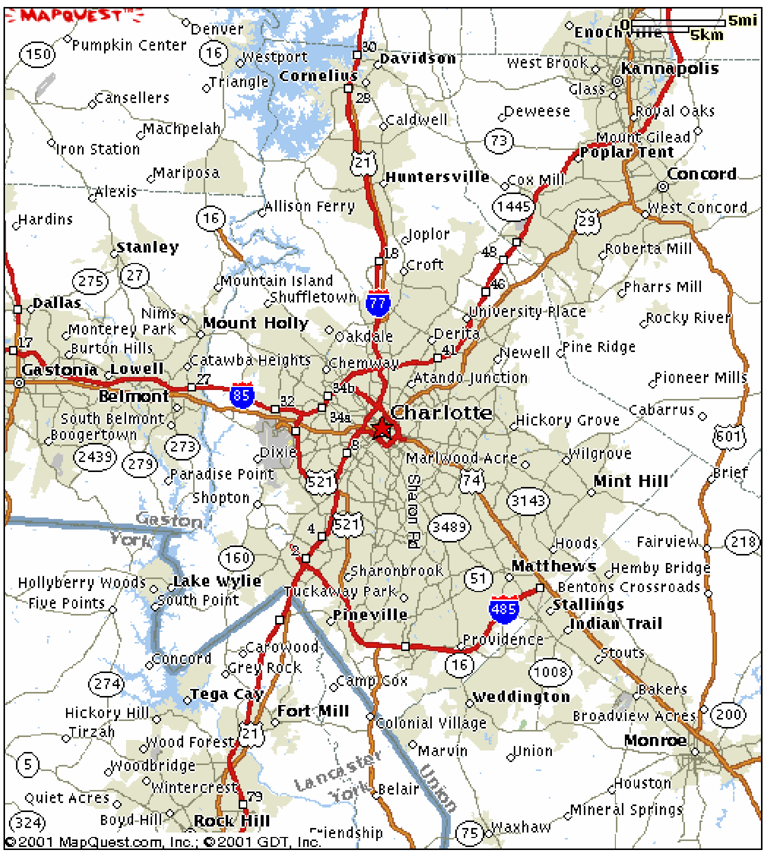
No less important is the pay issue. Reps must work their cases in a way that allows them to make money. Driving 250 miles in a day to get one stray case doesn't make sense (unless it's inevitable.) Please remember it's in the company's best interest to have a content field staff. This requires a concerted effort on everyone's part to make your day as productive as possible.

Keep in mind some territories are larger than others. I remember hearing years ago about an auditor who worked nothing but downtown Chicago, primarily around the Sears Tower. He rode the train to work each day and, due to the number of businesses in and around the tower, kept busy without any additional territorial responsibilities. If you live and work in a remote area, you might frequently drive 200 miles or more between single stops in a given day.

Generally, the larger the territory, the more difficult it is to manage. It makes sense. Reps who work 3-4 counties are able to visit all areas of their territory with greater frequency. This means if an insured misses an appointment, you can likely pick them up the following week. If you have territory you will visit only once a month, a missed appointment can be a killer. There are always exceptions to the rule, but for the sake of discussion, let's think about an average-sized work territory.

Below, you will see a map of the territory I worked when I started with AV&S in 1986. Because of larger volumes of work, the company I worked for then now has 2-3 reps working in this same area today.

This is a good example of how effective selling takes place from the field. The reps who have worked the territory in recent years have done a fantastic job of maintaining high quality, good customer service and rapid time service. As a result, the workload has grown, requiring less travel for all of them. They can now do as much work as they did 3 years ago, in a much smaller area.

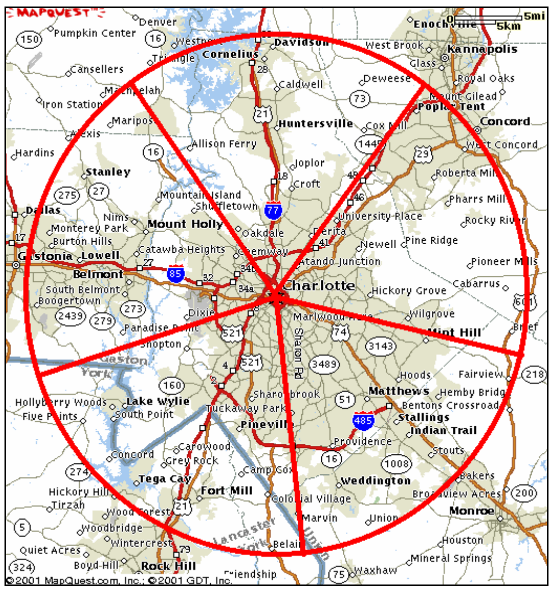


This territory encompasses about 5 counties in south-central North Carolina and the upper portion of South Carolina. The hinge point of the whole area is Charlotte, a city of some 415,000 people. Charlotte has a number of bedroom communities that have built up around Lake Norman to the north and Gastonia to the west.

The challenge of working an area like this is you have outlying areas you won't travel to except once or twice per month. Also, Charlotte is geographically large enough so you don't want to schedule work on opposite ends of the city in the same day, unless you have to.

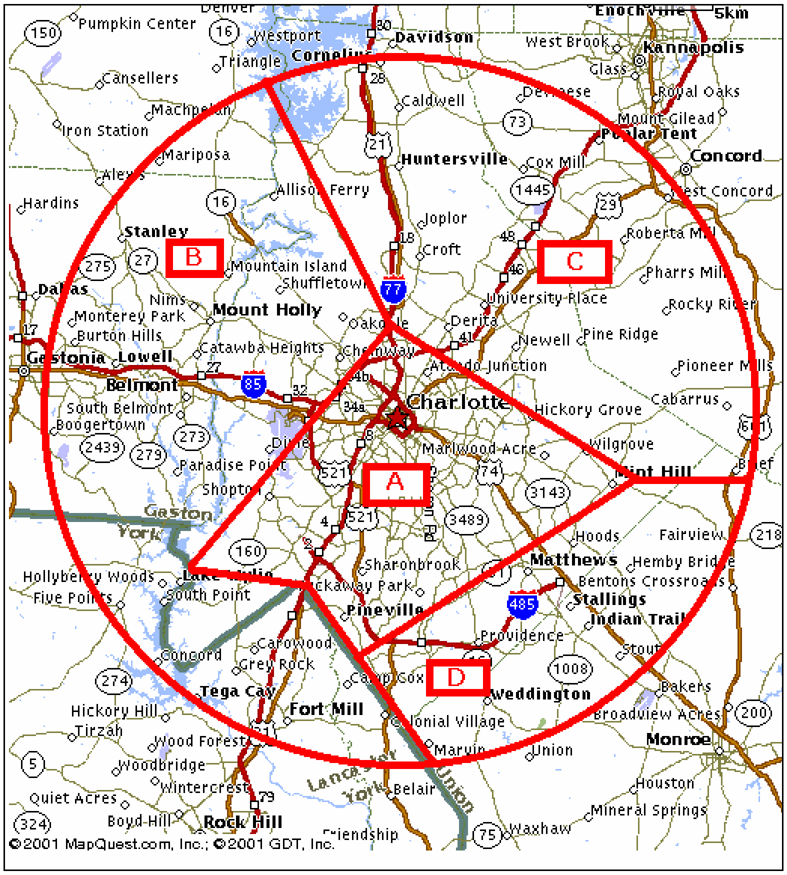
After a short period of time, I was able to divide the territory into several areas or zones. When teaching territorial management in a classroom setting, I often refer to the "territorial wheel." The idea behind the "wheel" is setting up your territory in zones you will visit on a regular basis.

As new work comes in, you place it in folders by zone. In a perfect world, you would have 5 identically sized territories that you would schedule, one per day, every week. In reality, you will have areas that require more time and attention because the amount of work there is much heavier than outlying areas. Compare the following territorial ideal with reality:



Ideal Territorial Wheel

The reality of a normal territory is seen in the map below. Notice there are only 4 zones. Two days a week will be spent in Charlotte (sometimes 3). The other zones will be visited as workload permits.



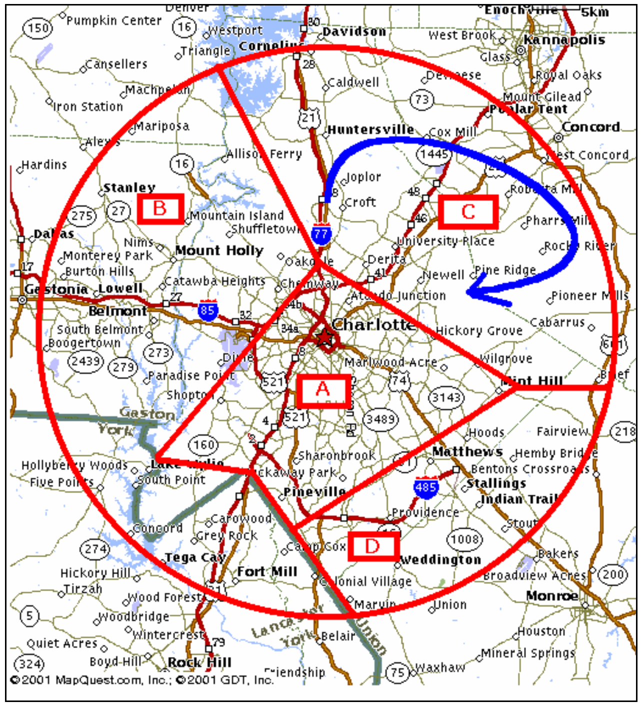
A typical week's schedule might look something like this:

Monday – Zone "A" (8 Audits Scheduled)
Tuesday – Zone "C" (6 Audits Scheduled – 4 Surveys)
Wednesday – Zone "D" (7 Audits Scheduled)
Thursday – Zone "B" (5 Audits Scheduled – 7 Surveys)
Friday – Zone "A" (6 Audits Scheduled – Half Day Write up)

Keep in mind you might have to schedule 10-12 cases per day in order to get 7-8. Even if you schedule audits firm (confirmed appointments) people will forget and you will actually work less than you plan. Don't be afraid to schedule aggressively. At first, you will likely be reluctant to do so because you won't know how much time to allocate for each case. Within a short time (3-4 months) you will have a better feel for scheduling. Push yourself! ***Schedule 1 more case than you are comfortable with, every day.***

Now there are two lines of thinking when it comes to working your day. I always got up early, drove to my farthest stop and worked my way back home. The logic is if you have to reschedule a case or two, due to time constraints, they will be the ones closest to home, rather than farthest away.

Many reps will work a circuit. This involves working out from home and then back. This is illustrated on our map below.



Of course, your territory could look more like this. If so, managing it could be a bit more challenging. ☺

Mapping Software

Some reps have found mapping software allows them to better plan their work. Rand McNally and other companies offer programs that you can pick up for about $50 at your local office supply store. Of course, you can always use Mapquest or another on-line resource.

Not only do these tools help you with locating risks, they will also plan your trip for you and allow you to print a daily itinerary. An additional feature is the designation of rest areas and other public and private facilities, such as gas stations. Perhaps the greatest value is that you can print maps of small towns that might not otherwise be available.

Based on reviews from PC Magazine and CNET, one 1 says the new version of Rand McNally is great. One says AAA Map-n-Go by DeLorme is the better of the two. Both have GPS capability (allows you to track your current location, based on satellite triangulation.) Microsoft Streets is supposed to make the "prettiest" maps. For a minimal investment, a good mapping program can pay you back with more productive use of your time in short order. Bear in mind that the market for mapping software changes regularly. If you feel this would be helpful, you will likely want to keep up on the latest and greatest availabilities.

Scheduling

Experienced field reps will tell you scheduling is the most difficult part of the job. The difference between effective schedulers and ineffective ones is the difference between success and failure. In order to work productively and maintain good time service, a rep must do a few basic things:

- ✓ Layout routes to maximize the opportunity for success
- ✓ Avoid backtracking as this wastes time and is expensive
- ✓ Be flexible – your itinerary will change so be prepared with contingency plans
- ✓ Resist making unprofitable trips (unless time service demands it)
- ✓ Use the scheduling technique most likely to work for each case

Most surveys can be worked without a prior appointment (although some clients require an appointment or agency call). Larger ones probably require notification to assure the proper person is available to show you around. It is important, though, to have a schedule worked up on surveys a week or more in advance. I've known new inspectors who get up in the morning, sort their work and decide where to go. This is counterproductive and leads to backtracking.

Audits, on the other hand, must be scheduled in advance. Some reps schedule 2 or more weeks out. I find that scheduling beyond 2 weeks creates a problem because people tend to forget their appointment. 10 days is probably the optimum amount of time.

There are several ways to go about scheduling. Success is found in using the right technique at the right time. It also varies by region as to which scheduling method works best.

For years auditors scheduled appointments using post cards. These were relatively easy to fill out and cheap to mail. In the past decade, many auditors have gone to using letters. The advantage of the letter is it looks more formal and is less likely to get thrown in the trash as junk mail. Also, a letter allows the auditor to add more specific information in the form of notes and special instructions.

Some audits are best scheduled by telephone. Although there are auditors who schedule all their work by phone, I wouldn't recommend using the approach exclusively. It seems to be a better usage of time to use the letters as a rule and call the insureds that won't likely respond to a mailing. Some examples are a small general contractor who is rarely at home or a large manufacturing firm where a letter can easily get lost on the desk of someone not directly involved in the audit process.

By calling, you can nail down a firm date and time and develop a contact name so you don't end up wasting a trip. Once you have a confirmed appointment, be sure to write it down on your calendar and put the case in the appropriate daily file. We'll discuss this a bit more in a minute.

Scheduling by letter can be a bit of a science. Our current program allows you to print your letters and with some creative folding, fit them into a window envelope. Anything that makes the letter look personal will improve the chances of someone reading it. For example, using postage stamps in lieu of metering the mail makes it look <u>less</u> like junk mail. A return address sticker will also get better notice.

As for the letter itself, do what you can to make it easy to read. I'd suggest you use a highlighter to emphasize the items you really need for the insured to read. For example, you might put a statement at the bottom of the letter saying:

> If your records are with an outside source, such as a CPA, please notify them of our visit. Also, call me at 614-555-1234 to let me know where the audit should be conducted. Thanks in advance for your help.

Avoid "out" statements like, "If this appointment is not convenient for you…" because this encourages the insured to reschedule. Remember, audit appointments are rarely 'convenient' for anyone. We have put the appropriate amount of "out" language in our standard appointment letter.

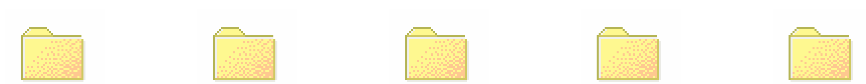
Give the insured as many ways of getting hold of you as possible. If you have a cell phone, pager or voice mail, let them know. You want to facilitate as much communication as possible.

Effective scheduling begins with good organization. Here is an overview of one suggested way of organizing your work.

Step I - Begin by creating zone folders, which you will use to sort new work as you receive it from the office. Sort by due date (oldest on top.)

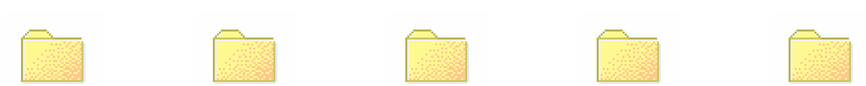
Zone A Zone B Zone C Zone D

Step II - Create 2 week's worth of daily work folders – 10 folders with Mon/Tues/Wed/Thurs/Fri written on the folder flaps sequentially. You will always have two sets of daily folders – one for the current week and one for the upcoming week that you are scheduling.



Mon Tue Wed Thurs Fri

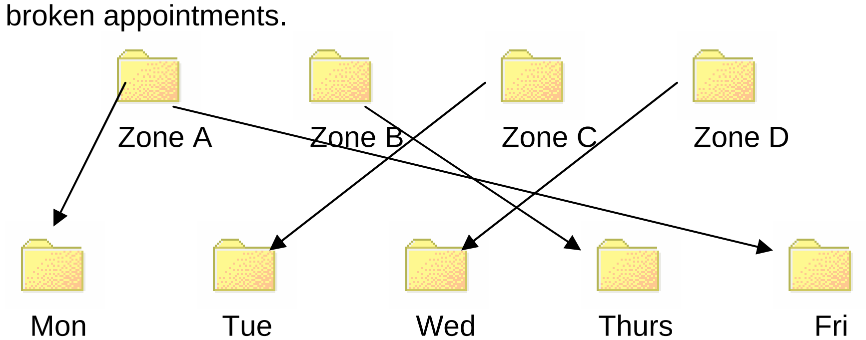
Work to Schedule



Mon Tue Wed Thurs Fri

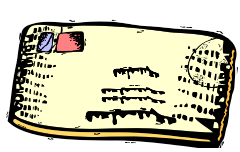
Current Week's Work

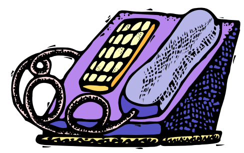
Step III – Sort your work out of the zone folders and into the various daily work folders, beginning with the oldest work first. Remember, schedule enough work to cover your broken appointments.



Work to Schedule

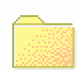
Step IV – Send letters or make phone calls to schedule appointments. Phone calls may have to be made early in the morning or late at night to catch small contractors since they work long hours, particularly in the summer.



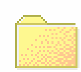


Step V – Pursuit. If the appointment is not kept, call the agent and call the insured. Remember, become a detective.

Step VI – I'd suggest you create two other folders. One will be for completed work and the other we'll call "Moment's Notice".



Completed Work



Moment's Notice

In the "Completed Work" folder place all cases after the fieldwork has been completed on them. This way they don't get mixed back in with workable cases.

The "Moment's Notice" folder is an idea I derived some years ago. Many times you will make a call and the insured will say,

> "Oh, my bookkeeper was ready for you but she had a sick child today and couldn't come in."

Some reps will fall prey to the temptation to throw this type of case back into their work mix and reschedule it two weeks later. This kills time service and productivity.

A better approach is to say to the insured,

> "I'm sorry to hear that. I hope everything's okay. I should be back in the area this Thursday (for example). If I call and give your bookkeeper an hour's notice, would it be okay to try to get together with her then?"

I have never had an insured say "no" to this request. I'll write instructions on the ticket, to remind myself of the details of our conversation, and then I'll put the case in the "Moment's Notice" folder. Every day you should check the folder and see if you can clear any of the cases you have put in there. It won't be unusual to have 8-10 cases in the folder at any one time.

As a point of caution, don't forget about this work. It is easy to focus on your daily folders and forget these cases. Look at them every day and move them back to the daily files if need be (if you keep getting put off). This folder can also be used for holding your Agent Call files. These are cases you are waiting for info from the producer.

Phone Scheduling – The "Z" Way

Sometimes reps will find that setting up audit appointments by phone works well for them, because their territory. In reality, all auditors have to phone schedule from time to time. Our friend and colleague Jim Zimmerman (Mr. Z) has an approach to scheduling by phone that he has honed to perfection. He writes:

"Here is an alternative audit scheduling method using the telephone and guaranteeing a 100% completion ratio for each audit visited. After determining which zone to schedule first "Oldest First Theory", make a phone call to the insured. (Obtaining the phone number for the insured and agent is done during the diagnosis period.)

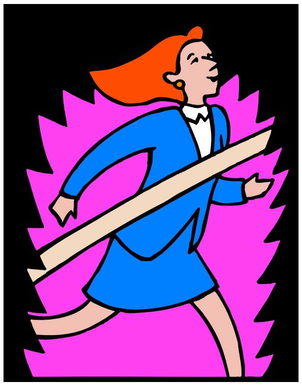
After you make phone contact and introduce yourself, ask to talk to the person who keeps the records. Consider the approach below with your contact.

> *'Hi Ms./Mr. PolicyHolder, I'm Jim Zimmerman, the Insurance Auditor with Legacy P&C Partners. We do the Worker's Comp audits for ABC INS CO and I'm calling regarding your policy through BB INS AGENCY.*
>
> *Your latest Worker's Comp policy expired on July 1 and it's time for the premium audit. I will be in the area on Monday and was wondering if that is a good day for you? (wait for response which generally includes a yes, no, or what time)*
>
> *Rather than give you an exact time, what I'd like to do is call you just before I'm on my way. If you can see me I'll be just around the corner - if not I'll call another time. That way you can go on with your normal business day because I will call just before coming out. (remember, using this method you must call each case at least twice, once to set the appointment and a second time to notify them you are on your way.)"*

You can see that this method has many opportunities for success. Not only are you not nailed down to a time, the insured doesn't lose an entire day waiting for you to show up for the audit. It's possible that the insured will give you a cell phone number to call which will even give them greater freedom from their office.

Final Thoughts on Scheduling

Remember, you will likely have your schedule reordered on a daily basis by insureds. Take it in stride. Throughout the day, look over your cases and see if your original plan is still working. Don't be afraid to improvise. Sometimes, one route looks best when you are planning but when out on the street, you can see a more effective approach.



As I have stated all along, you have to develop a system that works well for you. This system is not written in stone. This is merely one out of a hundred or more methods used successfully by analysts every day. But be sure you are working effectively. If not, change your system.

There is an old saying,

"The definition of 'Insanity' is doing the same thing over and over again and expecting different results."

How true that is. Don't get locked into a bad system. Be flexible. Ask other analysts how they organize their work and continue to be open to change. If you do this, you'll find a way that works well for you.

The Weekly Disciplines

There are a few tasks every analyst needs to do every week in order to meet our client's needs. These tasks can seem like non-productive time spent. In truth, if you will do them religiously, they will save you reaction time.

The first task is Inventory Control. Successful reps look over their entire inventory each week. Some do it virtually every day. Look for 'lost' cases and make sure you have at least a 2-week plan in place. You should be able to account for your workdays, weeks in advance. By doing this you will readily be able to reschedule cases when appointments fall through. Look at your calendar and say to the insured,

"I'll be back next Tuesday. How's 2 p.m. for you?"

Some cases will seem more familiar to you than others, because of the amount of effort you put into them. By printing your inventory and looking it over each week, you will keep the less familiar ones on your radar screen. Make sure all the cases becoming delinquent are on your working schedule. It's a bad sign if you don't know when you will be working a delinquent or nearly delinquent item.

As a side note, we recommend you fill out an itinerary. Not only does this help you see the big picture, it also provides a valuable safety tool. Leave a copy with your spouse or a friend. In the event of an accident, they will be able to use the itinerary to direct the police or other officials in the direction you were working.

Another weekly discipline is writing Status Reports. Status reports tell the client what has been done on a particular case. You should designate a time each week to write these on any cases that will be delinquent through the following Tuesday. Update your statuses frequently. Information that is 30 days old is of no particular value.

Status reports can provide a value to you as well. On a daily basis, customers will call the office to check on the status of cases. If we can check current status off a progress report, there is no need for her to bother you further. If there is none or if the information is old, we will need to call you to get an update. Then you will have to give up valuable production time to reply to us about your progress on the case.

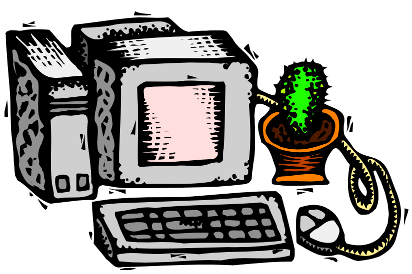
Fridays are good days to write up statues. Irrespective of which day you choose for this task, perform it religiously and your customers will love you. By the way, so will our office staff.

Mailing to the office is another task you will need to plan. It is easy to get into the habit of mailing one time per week. You really need to mail 3 times weekly. This allows our reviewers to get your work in a more consistent manner.

Think about the nightmare of having to review the work from every analyst in the company, all in one day. Yikes! It will help you get paid on a more consistent basis if you mail every other day. It will also encourage you to write up as you go.

Mailing is greatly a matter of planning. Buy stamps ahead of time so you can drop work in the postal box at your convenience. Learn where boxes are in towns you visit every week. Make mailing a consistent part of your weekly work routine. If you do this for a few weeks, it will become second nature to you.

The last weekly discipline is Transmitting & Checking E-mails. I can summarize this pretty simply – transmit to the office and check your e-mail *every day*. You don't get your e-mails until you connect to the VPN. Often the office has urgent info to pass on to you, which you can't afford to miss.



Your work doesn't go to the office and you can't pick up new assignments unless you transmit. Do it every day! Think about the frustration of traveling to a remote area to work a few straggler cases only to come home, transmit for the week and find out you had two other cases in the same area assigned to you three days before. Arrrrrghhhh! Murphy's Law says there will always be some of these, no matter what you do but you can certainly minimize the instances by doing your part to transmit.

The Value of Public Relations

We began this discussion talking about reps performing a Public Relations function for insurance companies. At that time, I made the comment that "outsource" fieldreps are not typically given this responsibility.

It is important to mention though, that P-R is a part of every field person's job description. Maintaining good relations with insureds and agents is always in the best interest of the rep. An old associate of mine once wrote:

> "Be polite and courteous to all if you want to be welcomed back…and you will be back sooner or later…"

Good advice. Remember, scheduling is the toughest part of the job. Discourteous field reps develop a reputation and it becomes increasingly difficult to get appointments. On the other hand, reps who act professionally are usually well received by insureds, year in and year out. In other words, it is in your best interest to build good working relations with others. It might seem like a small thing since you only visit insureds once or twice a year, but in reality, your success will be directly proportionate to your level of professionalism.

This same auditor also noted,

> "It pays to get along with your reviewers – we all have a job to do."

This is also very true. Reviewers have the task of assuring product quality. Their job is made easy by reps who follow requirements and produce good reports. None of them want to send cases back for correction – keep in mind this takes unnecessary time out of their schedules.

Enough said about public relations. Invest your time in building positive relationships and you will be rewarded for your efforts. Remember the "Law of the Harvest."

Write Up, Work Ethic and the "Slurpee" Principle

If scheduling is the most difficult part of this job, write up is the most time consuming. For most reps, fieldwork is enjoyable. You get to travel and meet people. The real work begins when you arrive home exhausted and road weary. Your kids jump on you as you come through the door and the last thing you want to do is sit down at your computer and work again.

If there is a time that calls for discipline, it is now. Soon you will be back on the road creating an additional pile of work to add to the one that you chose to ignore tonight. As a result, you will eventually sit down at your computer and feel the overwhelming crush of the "pipeline".

I don't know who coined the phrase "pipelining" but it refers to work that has been done in the field but not written up. When you have work in the pipeline, it means you have a huge investment in getting it done but have not been paid because the work cannot be released to the customer.

Budget time for write up, in fact - budget a lot of time for write up. It will usually take you 50% more time to write up a case than you think. Also, don't succumb to the temptation to write up the small ones first. Do you remember the expression, "If you have to eat a bunch of frogs, eat the big one first"? That should be your motto when it comes to write up. Get the big ones behind you and the small ones will easily follow.

If you procrastinate writing up cases, they will become tougher to handle. For one thing, they'll get "cold" to you. In other words, you won't be as clear on what you asked or what you saw. You have to face them eventually. You'd do well to get them out of the way first. Then it's all downhill coasting.

Some reps write up one day per week. Again, this might work for you but I'd discourage it. You can only do field work when businesses are open. A better use of your time is to write up at times when you can't be doing fieldwork. It's called "making hay while the sun shines."

At times you will need to call the insured or an accountant for additional information. You might have to wait for copies of insurance certificates or additional survey info. Don't let those cases get out of hand. Follow up quickly. Call until you get what you need or take the decision to close the case with the info available. Nothing is more overwhelming than a pile of unfinished write up, even for the most experienced rep.

Write up some every day and never accumulate more than two days of finished work. If need be, schedule a write up day intermittently to get caught up. New reps tend to learn this lesson like young couples learn about debt. If (or when) it bites you, learn from your mistakes and adapt.

* * * *

I have always wondered if work ethic is something an adult can learn. It seems most people who have a strong work ethic learned it from their childhood. There is no substitute for a good work ethic in this business.

Years ago I read an article by a business consultant who stated everyone should view themselves as independent contractors. We tend to work harder when we feel we are working for ourselves. Doesn't that perfectly describe what "outsource" reps do every day? We manage our work, schedule, follow up – no one is looking over our shoulders or showing up to get us out of bed in the morning.

In order to do this job, it takes a commitment of time. Most successful reps report they work 55 or more hours per week. Some work considerably more and their pay shows it.

A successful auditor once wrote to me,

> "I usually have a few jobs still to be input on Saturday morning, when I also fill out last week's expense report. This is 'gut check' time. Am I satisfied with 30 hours or am I willing to put in 5-8 more audits to complete a super week? It is my choice and yours!"

There's no question about it, being a productive and well-paid analyst takes time. You certainly won't do it working 9-5. The upside is you can plan your own schedule. If you coach little league, you can plan that into your week. It will likely mean that you will have to work 3-4 hours some other evening but still, it's doable.

The key to success in this business (and any other) amounts to organization, planning, tenacity and hard work. We have a large number of reps who have done this job for 30 years or more. You can't make it that long without burning the midnight oil pretty regularly. Success also requires the ability to prioritize.

My old friend and colleague, Lee Surridge, refers to this as the "Slurpee Principle." As a rep, you may have a short-term luxury of NOT putting in the hours. A lot of other things will call for your attention – family, recreation, you name it.

There will be times at the end of a long, summer day when you think,

> "Man, I'd sure like a Slurpee right now! I think I'll quit working for the day and go get one."

Maybe your compulsion is not a frozen drink from the local 7-Eleven – perhaps it's picking up the dry cleaning. Whatever it is, keep it in perspective. There will be time for Slurpees later. How do you want to invest your time right now? Make yourself write up one more case – then another – pretty soon you'll be finished and then it will be "Slurpee" time.

Years ago at an industry meeting I heard an operational VP encourage auditors to do all the cases they could tolerate in a day and then <u>do one more!</u> Do the math on that. If you make an additional $30 per day using this exhortation, that will amount to another $7,800 per year in your pocket.

Don't forget, I said, you need to budget time for your family and friends. After all, that's important, that's why you work. Just don't get the two confused. Allocate work time and allocate family time. When you are traveling and staying in a hotel, make good use of your extra time. After all, you don't have the pull of your family on the road so be sure you are working to free up time to spend with them on the weekend. Be tenacious. Be unrelenting in your work ethic. When you do, you will benefit yourself, your family and your company.

<u>Conclusion</u>

Well, that's all I know about being a productive field rep. There are no magic potions or mysterious elixirs. Hard work will win the day. Remember, most reps work too much or two little. Seek to achieve the balance. Many of your colleagues have figured out how to do this job in a way to facilitate good earnings and a happy career. You can too! It won't happen by accident. Planning, Pursuit and Providence are the keys to success.