

counterpoint



FEATURING

Look Out for Talent

Recruiting outside of the insurance industry requires showing people the opportunities an agency or brokerage career can offer.

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PRODUCTIVITY
AND ORGANIC
GROWTH



SPOTLIGHT
ON GREGORY
& APPEL



BET ON
PEOPLE OVER
STRATEGY



MAKE YOUR
INCLUSION
EFFORTS MORE



FACT,
NOT
FICTION

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MarshBerry's 14th Annual **IMPACT SUMMIT**

Growth-focused agents and brokers have the opportunity to learn more about the market for investment capital and professional investors have the chance to learn more about the current state of the insurance distribution space.



November 7, 2019
Park Hyatt, New York, NY

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- Investors or capital providers interested in investing in the insurance marketplace

Who Should Attend:

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- Professional investors from private equity firms, family offices, pension funds, lenders, sovereign wealth funds, banks, and other similar parties.

Agenda Highlights:

- **State of the Industry:** MarshBerry's State of the Industry Review provides highlights of the challenges and opportunities that are likely to present themselves in the upcoming year to independently owned agencies and brokers.
- **Middle Market M&A Update:** Merger & Acquisition* hot topics in pricing trends, deal structure, earn outs, and more for middle market insurance agents and brokers.
- **Ratings Update:** Discussion of trends in ratings criteria, acceptable leverage levels, rates, etc.
- **Regulatory Update**

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About counterpoint

CounterPoint is the proprietary publication of MarshBerry. The magazine offers eleven editions annually and is published for independent insurance agents and brokers, national brokers, private equity firms, banks, credit unions, insurance carriers and specialty distributors.

Male, Pale & Stale

At some point, you may have heard these three adjectives used to describe the demographics of the insurance brokerage industry. With what is perceived as a space with little diversity and an aging workforce (more on that in a minute), now is the time for your firm's leadership to shake it up, and turn its focus to sourcing, hiring, and retaining top talent at all levels. In fact, the future of your firm might depend on it.

If you don't believe me now, consider the following:

- The average age of staff within high-growth agencies, as determined by our proprietary database, Perspectives for High Performance, is approximately 2.5 years younger than the average performing firm.¹
- The average producer age, as tracked in our proprietary financial management databases, is approximately 50 years. According to the 2018 Employment Benefit Research Institute survey, the average retirement age in the U.S. is 62 years old. This means the average producer is only 12 years away from retirement.²
- Studies have shown that gender and ethnic diversity on executive teams increases a business's likelihood of financial outperformance of their industry peers.³

Across the board, the complexion of the U.S. workforce is changing, which means the way your firm thinks about talent must evolve in order to keep up.

In this issue of *CounterPoint*, we examine several strategies that can help jump-start your firm's vision around staffing for the future. Before digging in, consider...



Does everyone in your firm look, speak and think exactly like you? If so, it may be time for you to rethink how your firm recruits and retains its number one asset – its employees. ■

John M. Wepler

Chairman & Chief Executive Officer, MarshBerry

¹ Deloitte "Big Demands and high expectations: The Deloitte Millennial Survey" <https://www2.deloitte.com/content/dam/Deloitte/global/Documents/About-Deloitte/gx-dtl-2014-millennial-survey-report.pdf>

² MarshBerry Perspectives for High Performance 12/31/18 TTM data.

³ McKinsey & Company "Delivering through Diversity" <https://www.mckinsey.com/business-functions/organization/our-insights/delivering-through-diversity>

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By **Brooke Lugonjic**,
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Are your recruiting efforts bringing in a measly amount of unqualified candidate leads? Have you been disappointed by the “star” insurance producer you recruited from the competing firm who can’t seem to make numbers? What about the service associate you brought on who left a firm across town because it just wasn’t working out, and now as your employee the situation doesn’t seem to be much better?

Look Out for Talent

If you're mining the insurance industry for top talent so you can build a bench, fill positions to support growth and replace people you lost due to attrition — you're probably barking up the wrong tree.

Yes, you need to recruit for these reasons; but no, you should not focus your efforts on finding professionals who are already working in the industry.

Is this surprising?

Consider this statistic: In 2013, 86% of the people MarshBerry placed at insurance firms applied through traditional job postings and were hired. Fast-forward to today: MarshBerry recruiters had to find 64% of the individuals we recruited for firms through solicitations like cold calling, LinkedIn messaging, etc. Our candidates no longer find their next opportunities on job boards. They weren't looking for employment in the insurance industry. Instead, we found these candidates because they had transferable skills and showed them the opportunity.

In five years, the hiring scene has shifted dramatically from hiring from insurance competitors to looking outside the industry for qualified employees. And today, running an internal referral program isn't enough to supply the talent a firm needs to achieve healthy organic growth, or to perpetuate the leadership team. Sure, these programs should be part of your recruiting strategy as one tool, but your organization will need to tap other pipelines — outside of the insurance industry.

Show the Opportunity

The reality is an insurance career probably isn't on the radar of most college students, recent graduates, or anyone else who is actively job seeking.

College students in particular are enchanted with the idea of a career with innovative tech firms, marketing agencies, and other industries actively targeting younger professionals.

Potential job seekers struggle to understand what an insurance career in an agency or brokerage could even look like. What incentives are available, what benefits are offered, what sort of lifestyle could they lead if they chose to pursue an insurance job?

As an industry, we need to tell the story. We need to show the opportunity by connecting personally with potential

candidates — meeting them on campus, in the community — and illustrating what the insurance industry can provide. MarshBerry encourages our clients to frequently leverage social media and online tools to relay the success, work-life balance, independence and promotions professionals can earn when they go into insurance. If you haven't posted something cool about your firm or the insurance industry within the last 30-days, put it on your to-do list to post today.

When soliciting talent on social media, target candidates who can bring transferable skills to your insurance firm. In 2018, 70% of the hires MarshBerry completed for firms were generated from LinkedIn. These were not people looking for insurance jobs or even had insurance experience. MarshBerry builds keywords into postings including: outside sales, business-to-business and consultative selling, among others (notice: 'insurance' or 'producer' is not one of our keywords.) Once we build the value proposition, our recruiters message people whose profiles align with these competencies so we can share the opportunity and what it means to work in insurance.

Also, consider candidates that are right in front of you — the persistent, skilled salespeople you might encounter in your everyday life, whether it's the person who sold you a new car or the woman who follows up about a better deal from an energy provider. Think about the people you interact with during the business day — the company that approaches you for payroll outsourcing or printing services, the list goes on.

What niches does your firm want to explore, and where can you find that knowledge? You don't need an insurance veteran if you're looking to launch a transportation insurance division. Instead, you might gain a competitive edge if you recruited someone who had experience selling software to trucking companies or even semi trucks to fleets. You can

When soliciting talent on social media, target candidates who can bring transferable skills to your insurance firm.

teach new hires about insurance, but professionals inside the industries you sell to have a subject matter expertise your prospects will respect.

Consider building an internship program, whether that means recruiting one student to shadow and learn the company or several who can train under different departments.

This goes back to the importance of showing the opportunity insurance offers, and what better way than to bring young candidates in to experience your company? They will see the lifestyle that is possible if they grow a career in your organization — and recognize that by starting young, they could quickly achieve the type of professional and personal goals they find attractive.

Where do you find these students? Participate in career fairs. Offer to be a

guest speaker at events. Connect with campus organizations such as the Gamma Iota Sigma insurance fraternity, which is not only looking for speakers to present but firms that will hire interns. There are countless benefits for training a student to succeed in an insurance career at your firm before he or she

even walks across the commencement stage. You could have ready talent.

Selling the Industry

Now that you're expanding the firm's talent pool, how should you talk about insurance to help candidates understand the benefits of working in the industry?

For most, insurance is just something you have to buy — and it's an expense that many would rather avoid altogether. But there's a consultative risk management piece, where clients can turn to insurance professionals to gain insight for future planning, to mitigate liabilities, and to secure their wealth and assets.

The fact that insurance is a business requirement is a selling-point because the industry is virtually recession-proof.

Unlike selling other products and services that customers might decide to "cut out" when their budgets tighten, they aren't canceling insurance policies. In addition, once customers get to know and trust their agents, they're highly likely to renew services and rely on them for other insurance

Check out the **Broker Spotlight** in the August Edition of CounterPoint—it highlights **Insgroup**, and how MarshBerry is helping them achieve their recruiting goals.

M E T R I C O F T H E M O N T H

Productivity & Organic Growth

Total Commissions & Fees Per Service Person

Total Commissions & Fees (TCF) per Service Person measures the productivity of your service staff by depicting the relationship between your firm's income and the amount of business that your service staff maintains. The metric can be even more useful when comparing organic growth and service staff compensation.

The graph compares TCF per Service Person to Organic Growth based on Average Service Personnel Payroll. The size of each bubble is determined by average service personnel payroll (the bigger the bubble, the higher the service pay). The data shows what can be direct positive correlation between average service personnel pay and productivity of the service staff, as well as organic growth of the firm.

The data also shows higher staff efficiency at higher service payroll levels. While it may seem counterintuitive to increase efficiency by increasing

products. As a result, there's a built-in upselling opportunity along with the security of renewals and recurring revenue, which is converse to many of the other sales roles that wipe commission earnings clean year-over-year.

Insurance also provides a great deal of autonomy, particularly in producer positions where salespeople can gain some flexibility as they build their schedules once they're established. Certainly, there is accountability, but flexibility is something many young professionals seek in employment.

Career development and ongoing training is a big part of what insurance agencies provide so their team members can earn additional certifications and better serve clients. Potential employees should know that their professional development will be supported, and there are pathways to accelerate their careers.

Ultimately, insurance careers provide long-term opportunity for those who join the industry — and when we can show this to people outside of this space we cast a wider net for attracting talent.

So rather than trolling competitors' rosters for potential employees, or picking up a producer who left another firm because it "wasn't working out," replenish your firm's hiring pool by searching for people with the values and soft skills you need to succeed. ■



MarshBerry is pleased to announce that **Phil Trem** has been named **President of Financial Advisory**, effective Sept. 1, 2019.

Over Trem's nearly ten-year career with MarshBerry, he has become a key contributor to the organization through his leadership within its Merger & Acquisition ("M&A") advisory team and company operations. His experience encompasses the full life cycle of an M&A transaction while he works diligently to provide clients with a seamless, comprehensive experience. In addition to Trem's M&A responsibilities, he has been an influencer across the rest of the organization through his experience in best practices analytics and management consulting services.

"I'm excited about the opportunity to help drive success for our Financial Advisory team as we become even more effective at adding value for our clients. We've made our mark in the insurance industry as the #1 M&A sell side adviser and through our perpetuation capabilities.¹ However, I'm eager to showcase our strength in other Investment Banking solutions such as debt and equity capital raising," said Trem.

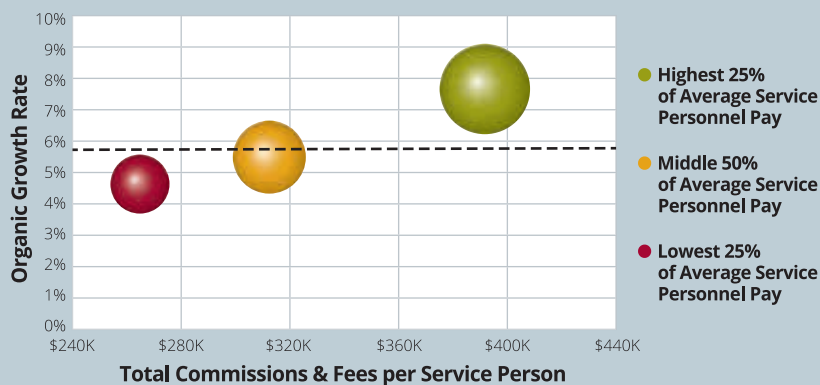
¹Completed and announced sell side transactions in Insurance Brokerage (1999-2018) in which a financial adviser was used. Ranked by total number of deals and as tracked by S&P Global Market Intelligence.

costs, raising service staff payroll (either through pay increases*, new hires, increased training and experience, etc.) can reduce the need for producers to service accounts.

Instead, producers could ultimately focus on writing new business and driving organic growth for your agency. ■

**Increasing pay of current service staff without any other changes may not increase efficiencies to match historical data.*

AVERAGE SERVICE PERSONNEL PRODUCTIVITY & ORGANIC GROWTH RELATIVE TO SERVICE PERSONNEL PAY



Source: MarshBerry proprietary financial management system Perspectives for High Performance ("PHP"). "Average" is the average performance of all agencies in the dataset. Results include most recent data available through 6/30/2019.

On the Move



'Moving people' is a focus at Gregory & Appel Insurance, which recognizes that shifting team members into ownership roles will help the firm realize its vision to succeed.



By **Christina Moran, PhD,**
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A persistent and fierce focus on perpetuation is how Gregory & Appel Insurance, founded in 1884, grew from having a single shareholder

20 years ago to 32 owners today. It's how the Indianapolis, Indiana-based firm expanded from 50 employees and \$8 million in revenue to a now \$25 million company with 140 team members.

A relentless pursuit of perpetuation is why young people at the firm find opportunity and how long-term team members build wealth. Gregory & Appel is constantly fine-tuning its plan to put the right people in the right spots and to empower producers and staff to pursue their passions.

"We can't lose sight of the fact that perpetuation is only possible in a vibrant, growing organization — we have to focus on being the best firm we can be to attract top talent who will want to invest in this organization," says Andrew Appel, president of the firm, following his father, Dan Appel.

That means looking beyond the industry and sharing what insurance careers have to offer — the lifestyle, the autonomy, the financial gains, and professional development. "I'm really passionate about this industry, and there is so much you can do that is rewarding," Appel relates. "It's exciting when we can bring someone in who has had no exposure to insurance, teach them the trade, and watch them find opportunities within our firm."

Gregory & Appel is proudly privately-held.

And, it takes a lot of strategic planning, grit, and everyday hard work to maintain that status, acknowledges David M. Riley, chief financial officer. "Perpetuation is paramount to the success of our people, so we recognize and are committed to preparing

the organization to move into other people's hands," he says. "We know we have to always keep our eyes open."

You can never let your guard down. Because as Appel and team know, succession is more successful when stakeholders find value in the firm — and value comes with consistent growth and viability of career opportunities.

"There are not that many independents left in our market," Appel points out. "That definitely is a leg up for us when we're bringing new producers on board. We're always trying to get ahead of the curve and look for people who share our values and fit the culture, even if they don't have the technical skills. Those, we can teach."

Teaming Up

The Indianapolis market isn't Chicago or Los Angeles; and that's a positive for Gregory & Appel because the firm is able to find community people who are passionate about collaborating with their colleagues.

"When they see a person who joined the organization in a very different role who has grown their skill sets and moved up in the organization, that is inspiring," Appel says.

For example, one of the firm's two commercial lines operations managers started in an entry-level position at Gregory & Appel after a career change. Next, she progressed to account manager, and then eventually was promoted to a senior account manager. There are many other stories like this at Gregory & Appel.

"We are looking for candidates that have the soft skills," says Christina Kelley, chief operating officer. "So, we want someone who is good at conflict resolution — someone who can understand the context of a conversation and put the pieces together," she says. "It's the emotional intelligence qualities that help them be successful in a team environment."

Gregory & Appel isn't targeting a specific industry (including insurance) for its recruiting efforts. "We go through a very deliberate interview process that our human resources manager has created, and this allows us to figure out if a candidate will be a good fit for our organization," Kelley relates.

She adds, “You can teach the industry piece, but you can’t teach the skills they’ll need when talking through details of a difficult situation or working on a complex deal with multiple personalities.”

Working with a team is critical because of the way Gregory & Appel’s account managers and producers collaborate. They rely on each other’s industry expertise to serve clients with diverse needs. “They’re always walking across the office to talk to their colleagues who might know a certain industry and asking, ‘Want to work on this with me?’” Riley says.

In this way, mentorship to develop team members’ careers can be relatively informal — or quite structured, in terms of training-up an individual to assume a leadership role. What’s important is that there is constant momentum, and this is paramount for perpetuation.

That includes Appel transitioning into his father’s leadership role as successor of the business. “My father has been committed to the MarshBerry model of perpetuation, and he has hired a lot of really talented people and empowered them to do the roles he used to manage,” Appel relates. “And, he is comfortable with them taking the business where they want to take it. He’s willing to step back and allow others to step up.”

The team at Gregory & Appel includes professionals who are recognized among Employee Benefit Adviser’s “25 Most Influential Women in Benefits Advising” and “Rising Stars in Advising,” Indianapolis Business Journal’s “40 Under 40,” and Independent Agent Magazine’s “10 Millennials Who are Transforming the Industry.”

In addition to being high-performing, the workforce is also diverse. “We are committed to that — it’s not just lip service,” Appel says.

And, the firm emphasizes a culture that involves more than writing business and cutting checks.

“Being a privately held company gives us a platform to use our business as a force for social good and change, and not just maximizing shareholder profit,” Appel points out, noting how staff seek to give their time and resources to local organizations such as Noble of Indiana, which serves people with disabilities. “That resonates with people who are

entering the job market. They want a career they can feel good about.”

Carving Out Niches

While “follow your dream” sounds trite, the reality is that team members are encouraged to pursue their passions at Gregory & Appel. And doing this has helped expand the firm’s footprint.

“We want our people to come in and have that entrepreneurial, autonomous spirit to build whatever niche they want to work in, and we’ll help support that,” Riley says. “We allow our producers to develop their own passions and expertise.”

For example, one producer who came on board at the firm grew up on a family farm. “He is passionate about it — he can speak the language, and he has written a tremendous amount of farm and agriculture business because of it,” Riley says.

One colleague loves to ski. “He is helping to run a large ski practice and he will ski 22 days this year living in Indianapolis — largely with clients and prospects,” Appel says. “He’s passionate about it and has created a business case that makes sense to us.”

Producers also build niches that make sense in the Indianapolis market. “We look at what our market looks like — and some opportunities include

health care, manufacturing, and education,” Appel says, “So we encourage those with the right skill set and drive to pursue those areas.”

Riley adds, “If you go around the office, you will tend to see that our producers have both a personal passion niche and a more economic niche. But none of our producers are involved in an industry they don’t care about. And that’s important because they need to really dig in and understand what our clients’ business challenges are beyond an insurance product.”

Part of delivering on what clients need involves leveraging technology to better serve them. “We have to look at technology as a way to create efficiencies,” Kelley says.

The firm taps into business intelligence tools and is looking toward automating tasks like billing and reminders. “We’re

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“We can’t lose sight of the fact that perpetuation is only possible in a vibrant, growing organization — we have to focus on being the best firm we can be to attract top talent who will want to invest in this organization.”



Bet on People Over Strategy

By **Mitch Mikoletic**, Senior Consultant 440.220.5432 | Mitch.Mikoletic@MarshBerry.com

If you own an insurance brokerage firm, you are aware of the dramatic increase in valuations over the last five years. Just as the rising tide lifts all ships, so do rising valuation multiples.

However, many of the published Merger & Acquisition (“M&A”) multiples are averages; and going back to Stats101, averages only calculate the central tendency of the data in question. They don’t tell you what factors cause multiples to be pushed up or down from the average.

Business valuations have many factors that dictate the ultimate value, many of which are within management’s control, but some are not. Specifically, an interesting correlation was discovered in MarshBerry’s transaction dataset that focuses on the importance of hiring world-class talent.

Yes, the job market of walk-on talent is limited... Yes, world class employees are hard to find and often expensive... **Yes, we have heard just about every excuse under the sun... what little sun we see in Ohio.**

However, it’s time to take control of the future and stop making excuses. Why? Because your company’s value depends on it.

If a recession occurs in the next 24 months, valuations will likely be at risk. It’s reasonable to expect lending to tighten, which may cause the M&A market to have a downturn in activity. A decrease in acquisition activity may increase supply, resulting in lower valuations.

If a downturn does occur, one way to increase the chances of retaining the value of your organization is to consistently generate a higher than average year-over-year growth rate. Per MarshBerry’s proprietary transaction database from January 2016 through December 2018, this would mean growing at a rate greater than 6.9%. During this time period, the top 20% grew at an average annual growth rate of 23.9% and obtained a 10.9% increase in maximum purchase price when compared to the average.

TOP 20% MULTIPLES

| Growth Rate 23.9% | Base Purchase Price | Real Purchase Price | Maximum Purchase Price |
|----------------------|---------------------------|---------------------------|------------------------------|
| EBITDA | 8.3 | 9.4 | 11.4 |
| REVENUE | 2.9 | 3.3 | 4.0 |

AVERAGE MULTIPLES

| Growth Rate 6.9% | Base Purchase Price | Real Purchase Price | Maximum Purchase Price |
|---------------------|---------------------------|---------------------------|------------------------------|
| EBITDA | 8.1 | 8.8 | 10.4 |
| REVENUE | 2.8 | 3.0 | 3.6 |

Source: MarshBerry’s proprietary transaction dataset. EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortization

Getting the right people in your business is another key factor when determining value. As stated in the *Consulting Psychology Journal*, “Survey research demonstrates that superior human capital practices are not only correlated with financial returns, they are, in fact, a leading indicator of increased shareholder value” (Pfau and Cohen, 169).¹

As a business owner on the verge of a potential recession, the importance of employing top performers to achieve higher-than-average growth, cannot be overlooked. The necessity for top tier talent is summed up by a former COO of General Electric, Lawrence Bossidy. “I am convinced that nothing we do is more important than hiring and developing people. At the end of the day you bet on people, not on strategies.”

With the recent yield curve inversion discussed in the June 2019 CounterPoint article, “Does Yield Curve Predict the Future,” owners should be focusing their efforts on hiring and retaining the best talent possible. ■

¹ Bruce N. Pfau and Scott A. Cohen, “Consulting Psychology Journal: Practice and Research,” Vol. 55, No. 3, *Aligning Human Capital Practices and Employee Behavior With Shareholder Value* 169–178.

When you think of ways for the insurance industry to be more “inclusive,” what comes to mind? Usually in conversations with industry stakeholders, we first think of generational inclusiveness. The workforce and owners of our industry (and all industries) are aging and considering options for filling their time that include less or no work.



By **Christina Moran, PhD,**
Vice President

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Many also think of gender inclusiveness, but in the traditional binary sense of the concept: simply, how and when will we see more females rise to the ranks of ownership.

However, there are many more avenues to consider on the journey to becoming a more “inclusive” organization. Veterans returning to the civilian workforce, individuals of different faiths, sexual orientations, and ethnicities, and people with disabilities are just a few of the populations who can succeed in insurance but often get less air time in the inclusion conversation than is allotted to discussions of adding more females and people of diverse ages.

Even with the best of intentions, it can be daunting to figure out where to start on the journey toward a more inclusive workforce.

After all, whereas other industries (e.g., technology) have a laundry list of organizations that support the hiring and development of protected populations, the insurance

industry has very few. Larger organizations and carriers often have dedicated programs to support the hiring and success of individuals from minority groups, but these resources are often not open to brokers outside of their walls.

There are a few resources that can help. Specifically, the United States Department of Labor and nonprofit organizations offer some information and insight into ramping up the hiring of individuals who could contribute to a more diverse workforce. For example:

- For hiring people with disabilities: www.dol.gov/general/topic/disability/hiring
- To consider how inclusive your workplace policies are to Lesbian, Gay, Bisexual, Transgender, and Questioning (LGBTQ) individuals: www.hrc.org/hei/employee-benefits-and-policies-overview

Also, there are a number of associations supporting individuals already in the insurance industry:

- National African American Insurance Association: www.naaia.org
- Latin American Association of Insurance Agencies: www.laaia.com
- Asian American Insurance & Financial Professional Association: www.aaifpa.org
- U.S. Department of Veterans Affairs: www.va.gov/vetsinworkplace/resources.asp



**Make Your
Inclusion Efforts
More Than Just
Lip Service**

Do you know of another resource that would be helpful for firms looking to ramp up their inclusion efforts? Share it with us at **Connect@MarshBerry.com**. There is no doubt that the insurance industry, as a whole, is a “late adopter” when it comes to inclusion. After all, intention with no action really is just “lip service.” ■



New Blood Drives Growth: **Fact, Not Fiction**

By **Jim Wochele**, Vice President – Strategy Consultants

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High-growth firms in the insurance industry have a staff that is on average 2.5 years younger than their average-growing counterparts. High-growth firms are defined here as the firms with top 25% organic growth in 2018; these firms grew 18.5% compared to their average counterparts which grew organically at 7.6%.

As the baby boomer generation continues departing the workforce, the talent shortage will only become more of a challenge for executives. This is especially concerning for industries like insurance that require a high level of sophistication.

Think about some of the ways new blood can positively impact an organization:

1 ENERGY AND EXCITEMENT

They want to succeed and prove themselves. They still have their “hustle.” They may even foster social connections from within their work community.

2 HUNGER TO CONSTANTLY LEARN

They tend to have pursued more education than their prior-generation counterparts. Forty percent of millennial workers aged 25-29 had a bachelor's degree in 2016, compared to 26% of baby boomers in 1985.*

3 INNOVATION AND NEW PERSPECTIVES

They approach problems with a fresh set of eyes and may challenge the things you've been doing the same way for a long time.

4 TECHNOLOGY ACUMEN

They are the first generation of digital natives and are not only comfortable with technology but EXPECT it to be integrated into every aspect of work. Expectation pushes innovation; forcing companies to modernize and get relevant.

If you're going to hire less-experienced employees, you should have the following in place to better attract, retain, and develop them into future high-performers and even leaders of the organization:

- **Onboarding and training programs:** Continuous, not just for the first year (or first week).

TOTAL COMMISSIONS & FEES ORGANIC GROWTH RATE BY AVERAGE AGE OF STAFF

| | Executive Personnel | Production Personnel | Service Personnel | Support Personnel | All Staff Average |
|----------------|---------------------|----------------------|-------------------|-------------------|-------------------|
| High-Growth | 51.5 | 46.4 | 45.1 | 43.1 | 46.2 |
| Average-Growth | 54.3 | 48.4 | 46.4 | 47.4 | 48.7 |
| Difference | - 2.8 | - 2.0 | - 1.3 | - 4.3 | - 2.5 |

Source: MarshBerry's proprietary financial management system Perspectives for High Performance (PHP). Trailing twelve months 12/31/18. High Growth firms are those within the top quartile of PHP based on their organic growth results for the given year. Average is the average of all firms in the dataset.

- **Mentorship plans:** They want to look up to someone, not necessarily be told what to do. Find someone who emulates who they aspire to be when they “grow up.”
- **Path to ownership they can earn (not given):** Subjective and objective criteria that can be used during the interview process to sell candidates on your approach to hiring “Future Owners” not just “Producers.”
- **Purpose and transparency:** What is your firm doing to contribute to the greater good in the world? How direct and honest are you with your employees with your company’s financials? You don’t have to share everything, but you must tie their hard work into a bigger picture impact they have on the organization’s success.
- **Leadership programs for top performers:** Top firms hire curious people who are constantly trying to learn and improve.
- **Career paths:** How can they earn a promotion or more responsibility? Very few people want to be a Customer Service Representative (CSR) for the rest of their life. Do you have a plan you can share with them to go from CSR1, to CSR2, to CSR3, to Account Manager 1, to Account Manager 2, to Account Executive and the skills they need to master in each level?
- **Flexible hours or work from home opportunities:** They want work to fit their life, not life to fit their work. Allow work from home days once they’ve proven to be productive.

It is getting more and more difficult every year for employers to attract and retain top talent. That will continue for the foreseeable future. You are not just competing for talent against other insurance firms, you are competing against technology companies, energy companies, media companies, the list goes on and on.

If you want to succeed in the war on talent, some of you may need to break out of your shell and open your mind to a different approach to acquiring, onboarding, training, developing and retaining your top talent. If you don’t, your competition will. ■

**Source: Business Insider, Hillary Hoffer September 24, 2018, <https://www.businessinsider.com/how-college-is-different-now-then-millennials-vs-baby-boomers-2018-9>*

On the Move

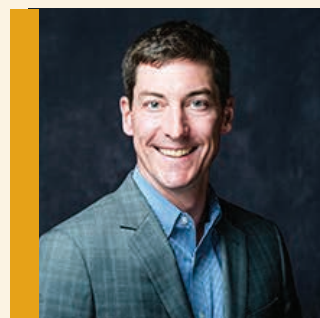
Continued from Page 7

looking at how we approach the whole lifecycle of a policy,” Kelley says.

Efficient processes improve the work environment, Appel points out. “Technology and efficiency allow our people to get menial tasks off of their desks or processed as quickly as possible, so they have more time to do what they enjoy — interacting with clients and underwriters and carrying out the value-added services that clients appreciate.”

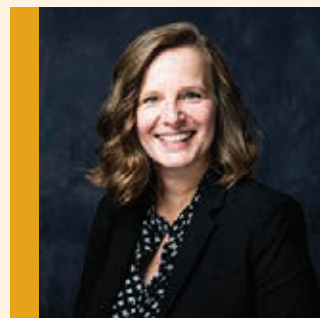
This technology mindset aligns with the way Gregory & Appel approaches growth and perpetuation. Never get too comfortable. Always move forward.

Appel says, “To the extent that we have a group of people who are willing to question why we do what we do, and how well we do it, we will be more successful as an organization.” ■



Andrew Appel,

President,
Gregory & Appel
Insurance



Christina Kelley,

Chief Operating
Officer, Gregory &
Appel Insurance

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