

“Profitability”

SGA Speech

May 5, 1990

This Saturday morning speech is meant to be a general talk about how to increase the State General Agents' profits. Mr. Rapoport says, “My remarks this morning were not intended to be particularly coordinated.” The connecting thread running through each snippet of wisdom is the goal of profit. He throws a lot of ideas out for the State General Agents in an effort that some of them will help their agencies.

Rapoport wants the SGA's to take advantage of the home office's programs. The company leaders have changed the AD&D program so that it will benefit the SGA's by \$500,000 a year. Rapoport expects them to start using the AD&D more often in public relations because of the affordable price. Another neglected area is the national public relations campaigns that the company spends “hundreds of thousands of dollars” each year. American Income spokesmen like Al Barkan and programs like the Labor Advisory board can have many unexpected benefits. The company has also been working on ways to help State General Agents improve themselves. Rapoport says that during this meeting they will find out about the “SGA Evaluator” that keeps a point system to track how a State General Agent uses his or her time. Rapoport wants the State General Agents to start using these home office initiatives.

In public relations, some small improvements can result in big savings. Public relations people should set up a diverse network of labor associations, which the agencies can tap for leads. Rapoport suggests the public relations people know 40 to 50 different

labor leaders personally. Once one local membership is prospected then the agency should give it a two-year break before using it again. Phone lists should be kept current and as accurate as possible so that agents can keep up with policyholders.

When training and motivating agents, the SGA's have quite a few options. New agents should be fully educated about unions. The company provides tapes, videos, books, and brochures on unions that the State General Agents can use for the new recruits. The new salespeople should understand that American Income sells quality products to good people who need them. They have to understand the market before they can sell anything. The State General Agents should make sure that all American Income employees "wear that union label proudly." When in the field training new agents, the SGA's have an obligation to make sure they do everything right. Although sometimes they may have to be tough with the agents, Rapoport believes that a leader who gives discipline shows his or her genuine concern for the person. Retaining agents can be as easy as making a few telephone calls. For instance, the phone lists on Agent's Advance Reports can help them decrease lapses by using seven to 10 minutes calling policyholders. This activity boosts the agent's persistency and saves business for the agency. The WGB and quarterly bonus can be a powerful motivational tool. The company pays half of the bonus, so Rapoport does not understand why the SGA's do not use this opportunity more often. Agents who get bonuses want to stay with the company and work harder to earn other bonuses. Rapoport asks that agencies try to have 25 percent of their workforce qualify for bonuses. Although the bonuses cost more upfront, Rapoport believes that the increase in worker productivity will be most profitable.

Some areas of profit have just been overlooked by the State General Agents. For instance, credit unions have been the “savior” for many struggling agencies. When working with small businesses, many agencies have experienced “nothing but disaster.” A young man who just joined the American Income team had a great idea to combat this problem. He asked the employer to advance the first month’s premium as a way to solidify the arrangement. These marketing ideas may be areas of untapped profit for the State General Agents.

Rapoport has learned from many mistakes he has made over the years. He acts as a kind of library of failed and successful attempts for the State General Agents. All of them should share their experiences so that they can benefit from “a sharing of knowledge.” This way, State General Agents do not have to go through the same costly mistakes that others already have. They need to be open and receptive to advise from others.

Rapoport loves his job. He spends his Saturdays making phone calls and then dictating the *Spotlight* for six to seven hours. He enjoys getting to know each of them better and celebrating their wonderful work. Rapoport hopes that each of them want to come to work each day. As Winston Churchill said, “Work should be your pleasure and pleasure should be your work.”