

“The Barometer and the Standard”

SGA Meeting – Dallas

December 3, 1989

Mr. Rapoport says his “state of the union address” for American Income is very upbeat. The company has done very well this year because of their talented leadership and the hard work of their sales teams. Rapoport says, “We are riding a crest and we have to be careful that we don’t take any falls.” This speech will give them some ways to keep coasting on the wave.

This speech’s title relates to two measuring tools. The standard is a set guideline that applies unilaterally. The barometer measures atmospheric pressure and helps predict the weather. The State General Agents can forecast their future by comparing their actions to the standard and adjusting their personal barometer. The amount of pressure they can take and the amount they can put on their salespeople will determine whether their day will be sunny or cloudy. Rapoport explains some of the company standards they should follow and some of the pressures they can expect to get from the home office.

The quota sets the standard of production for each SGA according to his or her area. State General Agents lose territory when they cannot meet their quotas. They have to earn the right to work in their territory. Those meeting 70 percent or less of their quota will come to Waco for a special planning session. The home office team will make a plan with the SGA that will detail what he or she should do to be on quota within six

months. This plan will be the standard to follow. The barometer will measure how much pressure it will take for the SGA to get there.

The State General Agents have the challenge of working with a set population in their area. They must explore new areas of untapped potential to be able to use as much of the population as possible. In addition to the large labor union resource, they ought to look at credit unions, small businesses, nurses, and retired union members. They should never be dependant upon only one area. If an agency has one local it works with, the production level will be zero if that union goes on strike or the relationship falls apart. They have to establish multiple areas of reserve for low production periods.

Rapoport knows that they are a “flexible group and are receptive to new ideas.” He challenges them to have the boldness to change things in their agencies. Some SGA’s have not had any agents win the WGB bonus all year. They will have to make something happen to get this bonus going. Rapoport advises them to show the agents that the company does not make empty promises and the WGB is real. If they must, State General Agents should sell enough to earn the bonus themselves and set an example for the rest. Rapoport asks for those who have not had a WGB bonus in their agencies to make sure at least one agent has it by the end of this month.

Some other changes they can use are in recruiting. Rapoport wants the State General Agents to try the approach of contacting other insurance businesses to trade workers. The way this works is that an SGA calls the other company and explains that maybe they can help each other. The SGA has some agents who do not like direct selling and would like to be doing more “sophisticated programs” such as estate planning and annuities. The SGA would ask if the other businessman has some agents who need to

have places to go in their hand. Then they should see if they can work out a deal that would benefit the companies and the employees. Bob Day had success with this approach and Rapoport suggests that the SGA's talk with him about it. The home office will put pressure on them to use this method by checking on their progress.

Rapoport remembers watching old westerns and loving the phrase, "Head 'em up and move 'em out." The State General Agents need to corral their agencies together and push them in the right direction. Rapoport says, "Give them the kind of leadership to which they are entitled." They have to be tough but fair. If they abide by the company standards and use their barometer, they can forecast a prosperous future on the horizon.