

Stewardship Reports - Locking the Backdoor, by Rob Ekern  
In this article, Rob Ekern argues that a well-crafted Stewardship Report prevents the flow of revenue out the brokerage door. Stewardship Reports are a detailed analysis of your past performance and projection of future goals for your larger accounts. For the past several months, Advisen has assisted our clients in the creation of Stewardship Reports. Read Rob Ekern's article here as well as learn more about Advisen's Stewardship Report creation capabilities.

### **WANT A STEWARDSHIP EXAMPLE?**

View an example of an Advisen-produced report, view our Stewardship Report Webinar, or use our Stewardship Report Calculator at

[http://corner.advisen.com/reports\\_stewardship\\_homepage.html](http://corner.advisen.com/reports_stewardship_homepage.html)

### **STEWARDSHIP REPORTS: Locking the Backdoor**

By Rob Ekern, President of C.R. Ekern & Company (used by permission)

I was standing in front of a client group recently, when a bolt hit me out of the blue (it does happen occasionally!) We were discussing the importance of doing Stewardship Reports. Now, as many of you know, we first started talking about Stewardship over a decade ago. Today, Stewardship Reports are a well accepted key to Consultative Brokerage.

But here is the dirty little secret that I know - while many other agents and brokers talk about Stewardship Reports, very few actually deliver them! And unfortunately, most of the "reports" being offered do not qualify as true Stewardship Reports. They are simply a rehash of the features offered to clients.

This is very frustrating to me. Why? Because I know that an effective Stewardship Report is the key to "Locking the Back Door." The amount of revenue that is lost for lack of a good Stewardship Report is staggering! Without them, brokers are subject to both competitive and pricing pressures that can cut the guts out of their revenue stream. All because they didn't do a good job of making certain that the client understood their Value Proposition well prior to the renewal.

So, what was the bolt that hit me? The reality that a good Stewardship Report is actually more important to your revenue stream than the renewal itself. Why? Because an effective Stewardship Report sets up the renewal correctly and makes it simply

a project. When a client already understands the benefit of your Value Proposition, it removes the tension around the renewal.

But don't take my word for it. Here is an actual example that happened last week. A Consultative Broker delivered a renewal to his client's CFO with a \$125,000 premium increase (approx. \$600,000 in renewal premium.) This meeting took place sixty days before the renewal date. Because the Consultative Broker presented a solid Stewardship Report, the CFO understood their Value Proposition of close to \$1,000,000. The client accepted the increase because of this demonstrated value. It happens all the time.

So, let me ask you a question: Would you consider not delivering renewal terms to your clients? Of course you wouldn't. Why? Because you perceive that is when you earn your money. I believe that you really earn your money with the delivery of a Stewardship Report. The renewal is simply the time that you collect it. Wow, what a concept!

So, why don't more brokers do meaningful Stewardship Reports? Simply because in most cases they either don't know how to, or they can't offer any ongoing value other than placing and servicing the insurance program. So, either they ignore the Stewardship Period or present something that is simply a policy and claim review. This doesn't feed the bulldog.

If you want to provide a meaningful Stewardship Report to your key accounts, here is what you must do:

**Establish a Benchmark Stewardship Period** – A true Stewardship Report should be presented six months in advance of the renewal. It should include your projects and Value Proposition for the past eighteen months. Every good Consultant uses a benchmark against which they can compare their outcomes and progress.

**Know your Value Proposition** – Using the concept of Total Cost of Risk (TCOR), you must be able to demonstrate how you have impacted the client's business model. The ability to quantify your impact makes the Stewardship Report relevant as a demonstration of your business partnership.

**Understand Conceptual Impacts** – As part of the Stewardship Report, you must show the client how you intend to impact their outcome over the next eighteen months. This requires that you know how to utilize the TCOR methodology into the future with conceptual results. This places you on the same side of the table as your client.

**Treat the Renewal as a Project** – If you have done your Stewardship Report correctly, the renewal is simply a project that reflects the successful follow-up of your discussion. In short, the entire sting is taken out of the transaction. This is the natural conclusion of your plan and strategy in concert with your client and carriers.

Stewardship Reports are the most talked about and least utilized tools of the average agent or broker. The term has become a buzzword touted by consultants who have never brokered a deal. Most agents are unable to produce meaningful Stewardship Reports. They therefore ignore the one project that would allow them to effectively “lock the back door” and focus their time on growing their business, rather than protecting it at renewal time.

Contact Rob in Phoenix, AZ at 888.670.1177 or [cre@crekern.com](mailto:cre@crekern.com)

### **WHAT IS A STEWARDSHIP REPORT?**

Stewardship Reports are a detailed analysis of your past performance and a projection of future goals for your larger accounts. They include historical narratives, accomplishment timelines, benchmarking, statistical analysis, modeling, market conditions and forecasts, and more. The typical Stewardship Report that Advisen produces has a serious “thud factor” often weighing in at 80 or more pages.

### **WHY DELIVER STEWARDSHIP REPORTS?**

It's very likely that your big important client does not pay attention to his insurance program as much as you do. Nor does he spend much effort following the insurance markets and his peers. After all, that's your job as his broker. But how do you convey the essence of your job in a format that your big important client can understand? That's the Stewardship Report.

### **WHAT IS THE PURPOSE OF A STEWARDSHIP REPORT?**

You need to advise your client of the status of their insurance program. You also want your client to be able to measure the progress you have made on their program and you need to create a foundation from which to discuss next year's goals. Finally, you want the client to be able to judge the effectiveness of their efforts when combined with the broker team.

### **TABLE OF CONTENTS**

A typical Advisen-produced Stewardship Report's Table of Contents includes:

- Executive Summary
- Broker descriptions and the client team

Account Overview  
Property Accomplishments and Goals  
Casualty Accomplishments and Goals  
Bonds and Travel Accident Accomplishments and Goals  
Management Liability Accomplishments and Goals  
Actuarial Services Accomplishments and Goals  
Loss Control Accomplishments and Goals  
Claims Accomplishments and Goals  
Technical Services Accomplishments and Goals  
Insurance Program Benchmarking  
Service and Advocacy  
Post Placement Services  
Discussion & Analysis  
Schedules of Insurance

Exposure analysis, line by line cost analysis and Benchmarking to illustrate comparable programs and comparable losses are standard. So are plenty of graphs and charts to showcase comparisons.

**DO IT YOURSELF OR HAVE US DO IT FOR YOU**

Advisen.com's tools and services enable you to assemble meaningful Stewardship Reports. Or you can have our Consulting Team build one for you. Odds are that we write more Stewardship Reports than you; we're very good at it. Stewardship Reports take hours to research, assemble and analyze. That's the main obstacle to generating them. Advisen's Consulting Team expeditiously takes on that burden to assist you in securing that big important client. Contact Advisen's Chief Stewardship Architect Mike Lichman at [mlichman@advisen.com](mailto:mlichman@advisen.com) or review the Stewardship samples, calculator or webinar posted on the Advisen Corner Store at [http://corner.advisen.com/reports\\_stewardship\\_homepage.html](http://corner.advisen.com/reports_stewardship_homepage.html)