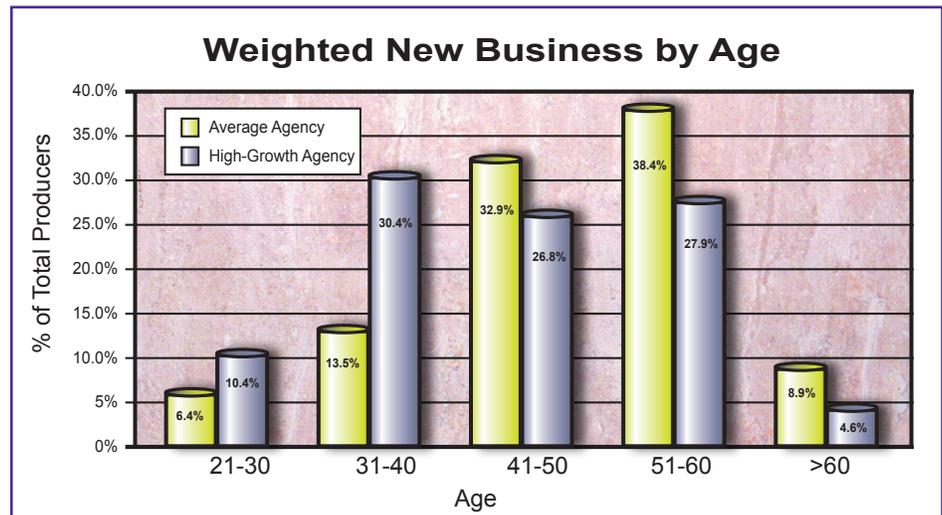


## Weighted Average New Business Production

As agents and brokers continue to refine 2010 strategies and budgets, new business sales remains the coveted prize. When dissecting budgeted revenue growth, agents and brokers can not directly control contingents, investment income or miscellaneous income. Additionally, agents and brokers cannot control the premium rates associated with commission and fee retention. High-growth agents and brokers focus acutely on that which they can control: New business sales and PIF retention.

Beyond the annual planning and goal setting process, high-growth organizations consistently look at the long term viability of the enterprise. Regarding new business production, 47.3% of all new business within the *average* agency is generated by producers over the age of 50 years old. As a comparison, only 32.3% of new business sold within *high-growth* organizations comes from producers over the age of 50 years old.



Long-term viability is critical and long-term plans that include new business production and account retention must be established and executed. To summarize the last four issues of *For The Record*:

- *High-growth agents and brokers consistently hire more producers and cut the cord quicker on failing producers than their average agency counterparts. Over time, they retain 2X as many producers while seeing marked improvements in the quality and success of the retained production staff.*
- *30.2% of producers within high-growth agencies and brokerages are over the age of 50 years compared to 40.5% for average organizations.*
- *38.4% of commissions and fees within high-growth agencies and brokerages are controlled by producers over the age of 50 years old compared to 51.9% for the average organization.*
- *32.3% of new business within high-growth agencies and brokerages is written by producers over the age of 50 years old compared to 47.3% for the average organization.*

As we look toward the future, carriers, agents and brokers alike must all understand the sales and retention implications associated with retiring producers. Peak performers have an evenly weighted bell curve relative to producer age, books, and new business. The average agency is heavily weighted toward maturing producers in all areas.

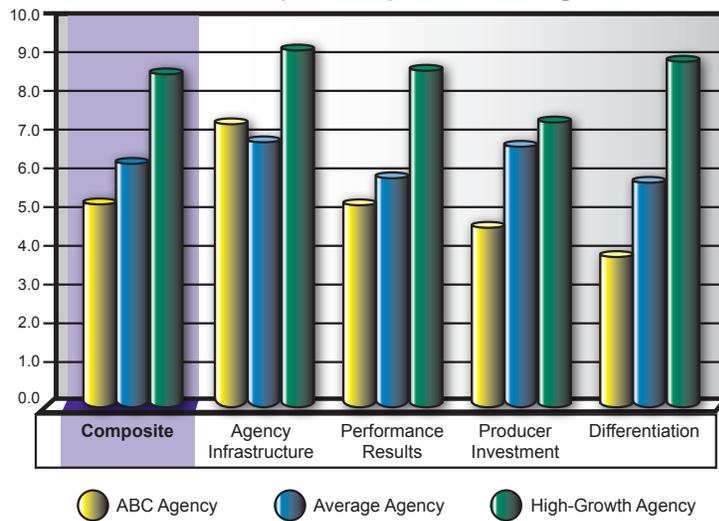
Authored by Patrick T. Linnert, Executive Vice President, 440-392-6568



### MarshBerry's Sales Management Benchmarking Report

correlates the metrics and practices of the nation's leading organic growth agencies and brokers relative to your organization. By measuring your performance on over 50 key sales management ratios and practices, you will be able to compare your company's growth potential against peer groups and high-growth organizations while planning a road map for future growth success.

Sample Composite Scoring



For a customized organization and/or producer benchmarking report, please contact Patrick T. Linnert at 440.392.6568 or [Patrick@MarshBerry.com](mailto:Patrick@MarshBerry.com).