

Time to Hold Them, Fold Them or Raise Your Bet



Las Vegas is the home of the company's national convention because of its memorable events and excitement, not to mention the glitz and glamour that come with it. Picture being at a poker table with the same stack of chips you started with. It seems like you've been there forever, and all the people who originally sat down with you have already gotten up, taken their chips and left, while others busted out of the game along the way. All of a sudden, the dealer looks at you and asks, "What's your play?" You take a minute and pause to look around. As you begin to reflect on your past decisions, you begin to contemplate your chances of winning, based on possible strategies, and suddenly, you find yourself facing a scenario similar to the one below:

Your chips have been dwindling with every new hand the dealer gives you. He smiles and says, "This might be your lucky night..." Then he reassures you by telling you he wants you to win and that he is on your side. You opt to play the game, but as your luck would have it, the dealer takes away your chips again and encourages you to keep playing and working hard because someday, your luck is bound to change.

You keep playing the game, but you have

grown weary and have lost your focus. Your attention begins to wander elsewhere, causing you to put less effort into each hand and it seems as if you are wasting your time. Then every time you think you have finally gotten a handle on the game with a good hand, another surprise awaits you. The dealer says, "Wait," and proceeds to pull out two queens, which trump your tens.

The dealer offers assistance and assures you he has your best interests at heart, which is for you to succeed. He then offers you a manual and tells you that it will explain and help you learn how to play the game. Next, he shows you another gaming table on the other side of the room that is known as the "high-dollar table." With great expectation in his voice, the dealer states how the guys over at the high-dollar table play for big stakes and that one of them had even won the jackpot recently. After mulling over the dealer's story for a moment, you begin to question the truthfulness of his story. This leads you to ask, "Just how much did those guys actually lose before they finally won?" The dealer tells you not to worry, because if you follow the manual and do exactly what it tells you to do, then you will win too. "So," he said, "step up and become part of the high-dollar table where you can win big."

Still sensing you aren't completely convinced, he reveals the key to you winning, "You simply were not spending enough to win the game."

So, you read the manual. It has some great strategies and it explains techniques you can use to increase the odds of winning. In fact, it basically echoes what the dealer revealed, which was to play more games and invest more money with each successive hand. The more you play, the more you stand to win. The casino even recognizes the top ten guys who have played the most hands. Ironically, these top ten did not really win anything, but they did, in fact, try more often than everybody else.

Consequently, this thought drives you to get up from the table and do something you should have done before, which is to talk to the high-dollar guy. He proceeds to share that he plays big, but he doesn't make much profit due to the amount he actually bets each time. Moreover, he shares his endgame with you, which is to have enough wins by year-end to "qualify" him for the jackpot game where he'll win back all the monies he's invested throughout the year – all in the same game. He even explains how he gets recognition for "playing big," even though when he does win, he only breaks even. But still, his year-end goal is to make it to the jackpot game where the "jackpot" is the ultimate prize. In essence, he will reach the jackpot by investing enough in each game to qualify. He will get the jackpot money and will even get to go on an all-expense paid trip. If I recall correctly, he said that this year, the jackpot winners will be recognized in China. You acknowledge that would be great, but you look down at the table and notice your chips are almost gone. Then you re-

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alize that your only chance of winning is to either go to your savings and get more money or take a loan so you can get into the game at the high-dollar table.

You decide to tell the dealer it doesn't make sense to spend more money and hope you get to the jackpot game. He responds by giving to you three options:

1. Leave the table if you don't want to play the game and forfeit the chips you have on the table. He adds that no one at the table can pay you for your chips.
2. Find a new player to take your place and then they will let you sell your chips.
3. The House may agree to pay you 50 cents on the dollar for your chips, but not all at once. They will mail you a check for them each month for a year.

After hearing the options, you see the pit boss hurriedly coming your way. "Wait, wait, wait!" he exclaims. "There's a new rule; we will we pay you back 50 cents on the dollar, monthly, over a period of two years." Finally, you have enough nerve to get up, and disgustedly say, "Whatever!"

As you walk away, you look back and watch the pit boss's lips as he smiles and says, "We got another one!" Then the dealer – as if nothing happened – barks "Next player, please," and the game goes on.

Agents, does this analogy sound familiar? Do you realize that the "chips" you continue to play are representative of your insurance agency? The dealer is your FSL, the pit boss is regional leadership and the other players at your table are your fellow agents. The high-dollar table players are your market's top producers. Remember the "jackpot?" Well, that is our annual bonus, which is tied to Chairman's Conference and Inner Circle. I mention all of this metaphorically to relate how many agents feel... like players in a casino.

However, I also would like to offer a different perspective. When you see your chips dwindling away, you can ask yourself two questions: Should I leave the game with the money I have left? Or, should I stay and be a player the high-dollar table?"

With all of that being said; you truly have just three options to consider:

- **HOLD 'EM! Keep playing the**

game the way you always have even though the rules have changed. You must realize that all games evolve. Poker, football, basketball, golf, and even the game of life have all changed – none of them are the same as they were 20 or 30 years ago. New poker players use new technology to keep up with the house. Some chess players play three games simultaneously with players in other locations. Basketball players hire professional trainers and/or coaches to work with them to better understand how they can keep up with newer and better players. Kobe Bryant hired Hakeem Olajuwon to teach him new post games so he could keep pace with the new system the team implemented.

What will you do to evolve as the company has evolved? If you don't change, your chips will dwindle and eventually, the dealer will inform you that you are not betting the minimum at his table. Have you noticed that as time goes by, dealers raise the minimum limit at the table to speed up the elimination of players the casino deems unworthy of playing? The same thing is happening at Allstate. If you don't keep pace, the company will keep raising the table minimum, which is now 25 IPS items a year. If you don't want to play the game the new way, don't wait until the pit boss asks you to leave.

- **RAISE YOUR BET! Think positive and talk to the people who are going for the jackpot the right way.** Without a doubt, this is a financially rewarding business. I have seen agents who were at the brink of selling their agency because of the new rules, but then decided to stay and "go for it." Some went from thinking of selling their agency to buying another and making a bonus of \$250,000. Others have gone from a negative cash flow to becoming \$10 million agencies. In other words, they made up their mind to play the game.

You might think you can't turn your agency around and grow it or that you can't buy another agency. But, as they say, "Where there's a will there's a way." In order to make it, you must invest in good sales people. You will also need to grow by merger or acquisition. Successful people surround themselves with other successful, high-performing people. I have had the opportunity to be around some

of the top agents in the country. What they share in common is that they are business people, not insurance agents. They all think positive. They believe they will succeed. They find out who is doing well and they seek them out. They find out what is working for others and they try it too. They are not afraid of change. They are also not afraid to admit that something isn't working – they simply look for better ways to accomplish their goals, which inspires internal innovation. This is how well-managed Fortune 500 companies survive. They know how to survive and thrive, do you?

- **FOLD THEM! Cash out and sell.**

By now, you should know that conditions have improved and this is a seller's market. In some regions, there are lines of buyers waiting for the right agency. Lenders have opened up their pocketbooks and are anxious to lend good multiples when deals are structured properly. Agency values have moved 20% higher in 2013.

Sellers also need to know there is an influx of corporate retirees looking for a safe place to put their money. They love our business model once they understand the cash flow concept. This is a cash flow business. If you understand that and how to present it, you can sell your agency for a great value.

The three pieces that are important in selling your agency are:

1. Understanding how to show your agency's cash flow.
2. Negotiating with a lender for top loan value.
3. Getting the company on board with the deal.

Whether your agency is \$1 million or \$8 million, the process is the same. How you present the details, however, is the key to a successful sale.

Agents, this is where we stand as agency owners. But you must determine which path will work best for you. **Ef**

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