

# KPI



# What is a KPI?

Key  
Performance  
Indicator



## KPI Criteria

- Actionable
- Measurable
- Timely
- Tied to overall strategy



# Why Have Them?

- **Knowledge** is power
- Be **purposeful** and **strategic** with decisions
- **Improve** your performance
- **Enhance** the value of the agency
- **Focus** your energy
- **Plan** for the future

# Key Metrics



What AgencyFocus CFO Clients Focus On

**01 Growth**

**01 Profit**

**01 EBITDA**

**01 Revenue per Employee**

**01 Spread**



# Fractional CFO Dashboard

## Agency Performance KPI Dashboard

### Revenue

YTD Commission & Fee Income
<b>\$326,601</b> Actual (\$)
<b>\$303,811</b> Plan (\$)

YTD Commission & Fee Growth
<b>17.2%</b> Actual (%)
<b>9.0%</b> Plan (%)

Revenue Retention
<b>137.2%</b> Actual (%)
<b>90%</b> Plan (%)

New Business Production
<b>\$72,890</b> Actual (\$)
<b>\$24,797</b> Plan (\$)

### Profitability / Productivity

Operating Profit (Excl Contingents)
<b>6.2%</b> Actual (%)
<b>22.1%</b> Plan (%)

EBITDA
<b>16.9%</b> Actual (%)
<b>37.9%</b> Plan (%)

TIM Revenue per Employee
<b>\$89,182</b> Actual (\$)
<b>\$170,674</b> Plan (\$)

TIM Spread per Employee
<b>\$41,341</b> Actual (\$)
<b>\$100,625</b> Plan (\$)



# Retention

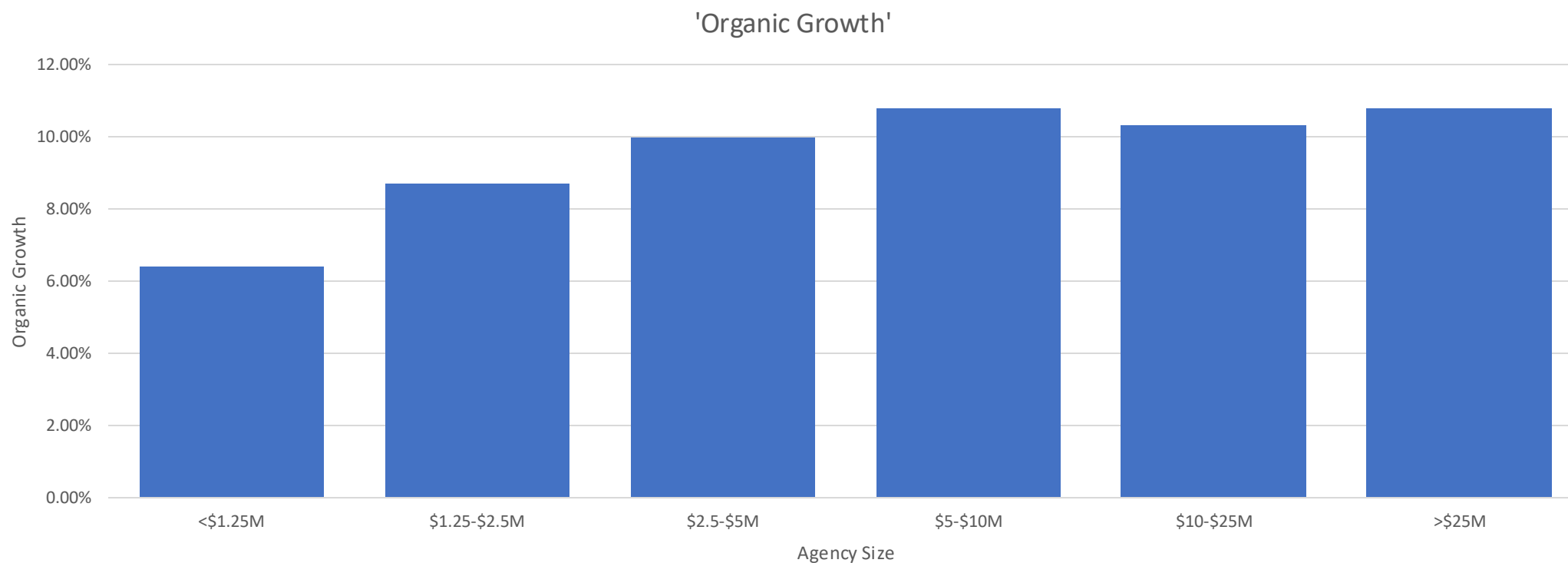
Ways to consider:

- Revenue
- Policies in Force
- Premium Volume



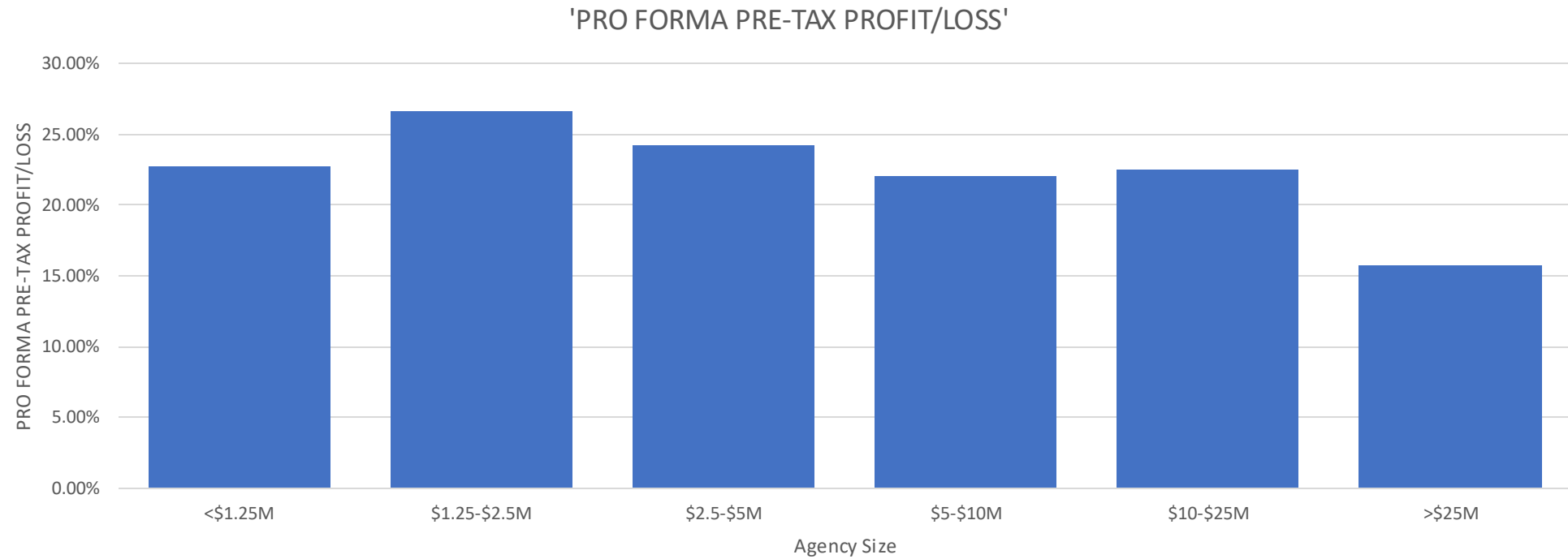
# Growth Rates

## Reagan Best Practices



# Profitability Rates

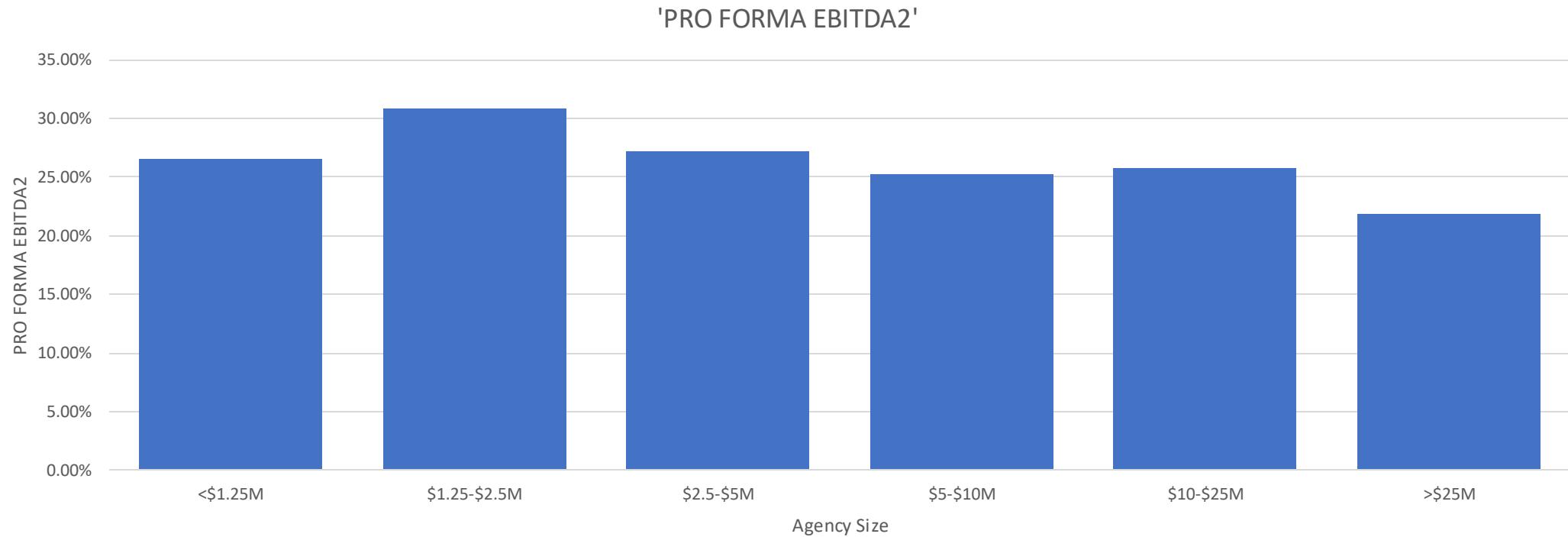
## Reagan Best Practices





# EBITDA

## Reagan Best Practices



# Revenue Per Employee

## \$175k - \$210k



# Factors Impacting Revenue Per Employee

- Use of Technology
- Utilization of VAs
- Customer Tiering
- Automation
- Agency Policies & Standard Practices



# Today's Breakout Structure

Groups of 3, we're mixing agencies up! A facilitator captain will be joining you.

Discuss for **15 minutes**: You'll have a list of questions to discuss, please don't feel like you need to make it through all of them!

When we come back, each person should share 1 key takeaway/finding in the zoom chat.

## BREAKOUT DISCUSSION

# Financial KPI Breakout Discussion

1. What financial KPIs do you currently track, and how do they inform your business decisions?
2. Is there any one KPI that drives action on your leadership team more than others?
3. Are there any financial KPIs mentioned today that you chose to stop tracking?
4. Are you using any software or dashboards to track KPIs in real-time? How automated is your process?



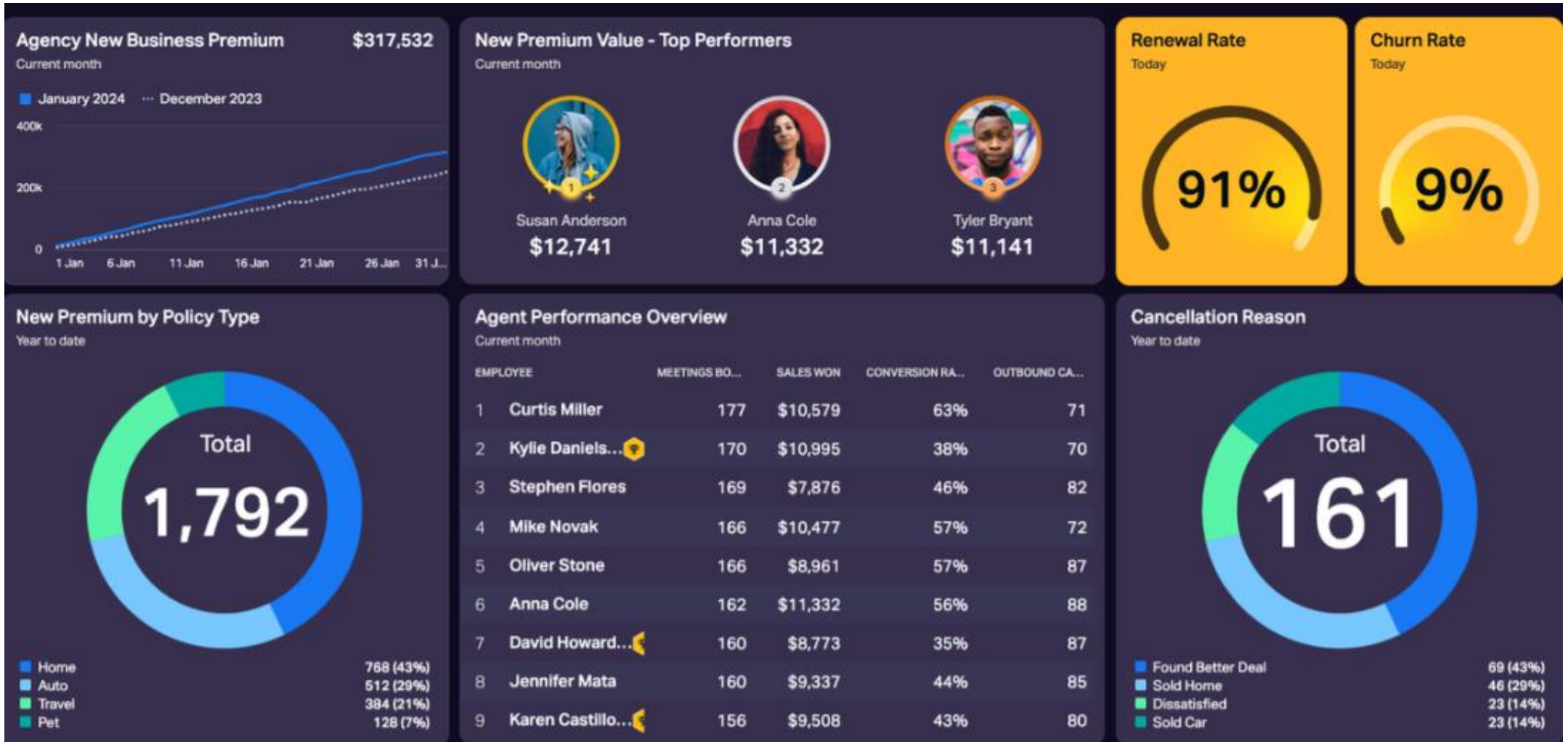


# KPI By Agency Role



# KPIs by Producer

LEADING INDICATOR	LAGGING INDICATOR
<ul style="list-style-type: none"><li>• Number of Calls</li><li>• Number of Appointments</li><li>• Number of Proposals Sent</li><li>• Conversion Ratio</li><li>• Close Ratio</li></ul>	<ul style="list-style-type: none"><li>• New Business Revenue</li><li>• Retention</li><li>• # of Centers of Influence</li></ul>



# Producer Avg Book Serviced

Reagan Best Practices

	Revenue Ranges:	<\$1.25M	1.25-\$2.5M	\$2.5-\$5M	\$5-\$10M	\$10-\$25M	>\$25M
CL	Average Book Serviced	\$257,281	\$181,662	\$538,267	\$575,260	\$773,998	\$1,359,074
	Top 25% Average Book Serviced	\$643,596	\$336,770	\$1,048,949	\$988,207	\$1,385,521	\$2,505,095
PL	Average Book Serviced	\$211,046	\$231,815	\$213,824	\$294,946	\$285,201	\$415,954
	Top 25% Average Book Serviced	\$484,175	\$336,922	\$398,850	\$584,296	\$522,492	\$832,231
LH	Average Book Serviced	*	\$312,333	\$261,218	\$482,569	\$737,383	\$1,230,294
	Top 25% Average Book Serviced	*	\$372,753	\$486,298	\$938,377	\$1,602,377	\$2,285,787



AGENCY FOCUS

# Producer New Business Standards

## Reagan Best Practices

Revenue Ranges:	<\$1.25M	\$1.25-\$2.5M	\$2.5-\$5M	\$5-\$10M	\$10-\$25M	>\$25M
<b>COMMERCIAL P&amp;C:</b>						
Average New Commissions	\$33,315	\$31,228	\$75,066	\$86,235	\$105,005	\$146,050
Avg. Comp. as % of Book	30.1%	39.7%	29.7%	34.0%	32.1%	30.6%
Top 25% Avg New Commissions	\$69,436	\$61,138	\$149,454	\$166,625	\$193,764	\$280,177
<b>PERSONAL P&amp;C:</b>						
Average New Commissions	\$25,446	\$43,506	\$34,552	\$58,407	\$51,371	\$91,603
Top 25% Avg New Commissions	\$53,438	\$74,277	\$66,921	\$120,511	\$106,974	\$192,966
<b>LIFE/HEALTH/FINANCIAL:</b>						
Average New Commissions	*	\$120,318	\$86,218	\$74,315	\$97,996	\$158,364
Top 25% Avg New Commissions	*	\$261,000	\$152,874	\$147,955	\$204,978	\$382,584
<b>MULTI-LINE:</b>						
Average New Commissions	\$34,351	\$62,390	\$54,769	\$56,530	\$82,340	\$82,574
Top 25% Avg New Commissions	\$75,695	\$145,678	\$125,208	\$105,865	\$206,711	\$200,339



## BREAKOUT DISCUSSION

# Producer KPI Breakout Discussion

1. Were there any KPIs that you track for producers that was not mentioned today?
2. What KPIs have you found most effective for motivating and measuring the success of your producers?
3. Do you publish the KPIs for the team to create competition, or do you only provide the metrics individually?
4. What are some ways you have encouraged team members to excel in meeting the KPIs?
5. How have you adjusted producer efficiency metric expectations – for those of you that utilize Vas?
6. Do you track conversion ratio by lead type? What is your strongest lead source?



# KPIs Client Service Representative (CSR)

LEADING INDICATOR	LAGGING INDICATOR
<ul style="list-style-type: none"><li>• Starting # of opportunities for cross-sell</li><li>• Starting Avg Policies Per Customer</li><li>• Starting # of monoline policies</li><li>• Number of referrals to producers</li><li>• Number of completed customer calls</li><li>• Duration of Calls</li></ul>	<ul style="list-style-type: none"><li>• New Business</li><li>• Retention Rate</li><li>• Churn Rate</li><li>• Number of cancellations</li><li>• Average NPS Score</li><li>• Google Reviews</li><li>• Ending Avg Policies Per Customer</li><li>• Ending # of monoline policies</li><li>• Ending # of opportunities for cross-sell</li></ul>





# Average Book Size – CSR/AE/ AM

Growth & Performance Standards

Average Book - Commission \$							
CSRs/AEs/Ams - Book Serviced - GPS, 11th Edition							
Top Quartile							
CSR	CL	\$110,311	\$357,507	\$278,037	\$360,453	\$560,101	\$333,282
CSR	PL	\$183,538	\$210,141	\$238,006	\$201,627	\$379,048	\$242,472
CSR	All Lines	\$230,450	\$277,679	\$260,209	\$277,286	\$669,958	\$343,117
Average							
CSR	CL	\$100,254	\$260,119	\$247,530	\$356,217	\$338,393	\$301,059
CSR	PL	\$143,302	\$190,749	\$210,678	\$184,156	\$246,877	\$223,723
CSR	LHF	\$234,360	\$435,490	\$206,112	\$231,336	\$490,571	\$348,210
CSR	All Lines	\$276,739	\$133,512	\$230,638	\$225,416	\$249,089	\$329,812

## BREAKOUT DISCUSSION

# Service KPI Breakout Discussion

1. What other customer scoring systems are you using beyond NPS?
2. Are you tracking response time, if so what are you using?
3. How do you measure and motivate your service team to provide high-quality support while maintaining efficiency?
4. How do you ensure that all employees (producers and service staff) are aware of and motivated by their KPIs?
5. What tools do you use for tracking sales, service, and financial performance? What's working well, and what could be improved?



# Other Metrics

- Cost Per Customer
- Revenue Split
- Concentration by Producer
- Concentration by Niche
- Carrier Concentration
- Number of Calls, Appointments, Proposals
- Close Ratio
- Cost Per Customer



**AGENCY FOCUS**

# Top 5 KPI Mistakes

- ✗ Not **Specific** or **Measurable**
- ✗ Only selected metrics **you cannot influence**
- ✗ **Measuring Everything**
- ✗ No team **buy-in**
- ✗ Not tied to **priorities**





**What gets measured gets managed.**

- Peter Drucker



# Q&A & Reflection

- What's one thing you're taking back to your agency from today?
- Which KPI conversation made you think differently about how you lead?



Want to chat with us further?