

SPECIALTY LINES: BOATS AND MORE
MARKETING: AN EVOLUTIONARY REGIONAL INSURER
TECHNOLOGY: MANAGING YOUR E-MAIL

Rough Notes[®]

PROPERTY & CASUALTY AGENTS

AGENCY MARKETING • INSURANCE MARKETS • NEW PRODUCTS

MARCH 2007



MARKETING AGENCY OF THE MONTH:
**EDUCATION, COMMUNITY
INVOLVEMENT ARE THIS
AGENCY'S FOUNDATION**

MARKETING AGENCY
OF THE MONTH

OMNIA VINCIT LABOR (WORK WINS)

*A focus on community and
education leads to success for
The Starke Agency*



*Bo and Trey (Bolling P. Starke Jr. and
Bolling P. Starke III) at the marker for
Starke University School, founded by
Professor John Metcalfe Starke.*

ALABAMA

STARKE UNIVERSITY SCHOOL 1888-1968

"Omnia vincit labor - Work Wins"

In 1882, eighteen prominent men founded a private school for boys. Among them was John Metcalfe Starke as its headmaster. In 1888, Starke opened his school. Rigidly high academic, military and disciplinary standards prevailed throughout the next eighty years. Boys who fell behind reported for Saturday classes. From 1897-1923 the school stood here on Dexter Avenue. Later located on Mountain Street and then on Mount Meigs Road. Professor Starke died in 1941. The school continued, closing in 1967-68. A governor, U.S. senator, judge, general, doctor, businessmen, academics, lawyers and financiers were among Starke School's many distinguished graduates.

ALABAMA HISTORICAL ASSOCIATION 2001



By Dennis H. Pillsbury

The Starke family has a work ethic that has spanned generations and of which it is justifiably proud. And that ethic is exemplified in the motto of The Starke Agency, Inc., Montgomery, Alabama—*Omnia Vincit Labor*. It also appears on the tombstone of the first Starke to come to Alabama—Professor John Metcalfe Starke, who founded The Starke University School and

became known as The Great Educator in the region.

His high standards for work, education and ethical behavior were passed on to his son, Bolling P. Starke Sr., who brought those standards to The Starke Agency when he and his brother founded it in 1929 as an insurance and real estate operation. At the time, the agency primarily focused on serving the personal lines needs of the community.

Bolling's high ethical standards were put to the test when the United States entered World War II. Due to a physical disability and age,

he was not eligible for military service, but he felt a need to serve his country. He made call after call to contacts he had in military and political circles and kept hearing that he was too old. However, he was not about to take "no" for an answer and persisted. He wound up serving with the Red Cross in the European Theater. When he returned, he and his brother agreed to disagree and split up the agency into its two constituent parts, with Bo taking over the insurance business and his brother, the real estate business.

Reprinted from the March 2007 issue of **Rough Notes** magazine



Trey and Lawrence Elliott, Vice President and Marketing Manager (seated) flank producers (from left): Jake McMillan, Craig Vinson, Charles Harris and Kyle Drumwright.

Today, the insurance agency is headed up by the third generation, with Bolling P. Starke III (Trey) serving as president and majority stockholder. He took over the agency from his father in 1996. His father had been president since 1963 and remains chairman of the board.

Little has changed and a lot has changed. The agency still stands firmly on the bedrock of hard work and service to the community. But it no longer just focuses on personal lines. And it no longer has the majority of its business with one company. (Eighty-two percent of the agency's business was with one company when Trey took over.) Commercial lines, including bonding, make up the largest percentage of its business. The agency also writes life and health business as a "cross-selling and retention tool," Trey points out. The result is that The Starke Agency now boasts \$3.7 million in revenue and 26 employees. It has enjoyed steady growth averaging better than 7% a year.

Goodwill is the lynchpin

"Everything we do emerges from the goodwill we have in our

community," Charlie Harris, an owner, observes. "And we work hard to maintain that goodwill. When other agencies were abandoning the personal lines market because it was too difficult to make a profit, we stayed with it and it has paid off. We had always focused on package policies, which represent the most efficient and effective way to market personal lines. We've continued with that approach, marketing primarily to the upscale market. Our combination of excellent service, strong company representation and goodwill in the marketplace has allowed us to retain our current personal lines clients and reach new clients.

"We have a personal lines team with no division by alphabet where everyone on the team can access every client's information and help that client, whether they have a coverage question or need to change coverage or get an auto ID card. As we develop new ways to service and sell to this market, this team approach lets us bring in new people that have the skill set necessary to complement the people who are already here. For example, we have added people with claims expertise so

we can be better advocates for our clients with our companies," Charlie says, adding: "It's been very effective. We want our people to be in touch with those people about their insurance needs on a regular basis. They need to be seeing more than an annual bill from us. Our focus is to make that group of accounts larger and larger."

Turning to commercial lines, Trey says, "It's all about production. We have five commercial lines-focused producers and hire a new producer about every two years or so. The new producer is given an established book of business and builds on that book. That system has worked well for us," he comments.

"Our strongest niche is construction, followed by professional service organizations, of which there are many, thanks to the fact that we are located in the state capital. Naturally, the commercial lines department works closely with the bonding department for the construction accounts. And again, it is our expertise that has helped us stay ahead of the competition. We have a seasoned CSR in the bonding department with more than 25 years of bonding experience who works with



The personal lines team includes CSRs (seated from left): Angela Penn and Marsha Nelson, CISR; and Liz Talbot, CISR (standing on left) and Producer Shelley A. Woodard, CAIB, CIC.

one of the youngest bond producers in the state. It really gives us a leg up when our producer Kyle Drumwright appears before a contractor with energy and youthful enthusiasm, accompanied by a strong knowledge of the business. He came to us after getting his MBA and then went on to become an AFSB (Associate in Fidelity & Surety Bonding), the

professional designation offered by the National Association of Surety Bond Producers. There are very few problems Kyle can't take on by himself, but he also has backup when something comes up that is beyond his control."

Commercial lines producer Craig Vinson works closely with Kyle in developing a team approach to

commercial accounts. "They make an excellent team, with each one's strengths complementing the other," Trey adds.

It also doesn't hurt that the region is enjoying an "economic renaissance. We've basically been a tortoise economy," Trey observes. "No booms or busts. But now we have a number of auto manufacturers moving into Alabama, including Hyundai, Mercedes and Honda. And Kia is getting ready to move to Columbus, Georgia."

Because the Alabama health insurance market is dominated by Blue Cross, which writes on a direct basis, The Starke Agency doesn't try to compete in this arena. "We write life and disability products for our property/casualty clients. We have one producer who focuses on this area and helps cross-sell to our current clients."

Community involvement

The goodwill that is the hallmark of The Starke Agency doesn't just emerge from the service provided to its clients, although that certainly helps. Another key factor is community involvement. Everyone in the agency is encouraged to get involved. In fact, it's an integral part of the compensation package for producers. Under Trey's leadership, the agency has begun a perpetuation plan that involves a stock bonus plan

The commercial lines service team is a big part of the reason the agency boasts such a high retention rate.





Community involvement is the key to the goodwill the agency enjoys in the community, and management is willing to let it all hang out. At a party a few years ago, the management became the employees' targets at a pie-throwing contest to raise money for the United Way.

for producers. Producers who meet minimum income and new production goals are eligible to purchase stock in the agency, and the agency gives them an equal number of shares as a bonus. However, it is not just production goals that must be met. "Each producer also has to be involved in at least two community organizations and must have attained or be pursuing a professional designation in order to qualify for the plan," Trey points out.

And the agency leads by example. People in the agency are personally involved in the Montgomery Area United Way, the Tuckabatchee Council of the Boy Scouts of America, the American Red Cross and Leadership Montgomery. Several agency personnel have served in leadership positions on various community and insurance trade organizations. These include the local CPCU chapter, the local board of the Alabama Independent Agents Association, Kiwanis Club, Alabama State Fair, School Boards, PTAs and the Montgomery Area Chamber of Commerce.

Leadership Montgomery is a group that encourages diversity and understanding. The organization consists of 10 white males, 10 white females, 10 African-American males and 10 African-American females, all leaders in the community. "It

has really helped me become more aware of what we needed to do as a corporation to be more sensitive to the issues that affect the African-American community," says Trey. Because of his involvement in the group, The Starke Agency was one of the first to include Martin Luther King Jr. Day as one of its official holidays.

The need for involvement and education also is emphasized for other employees. "All our employees have annual reviews at which the individual establishes three measurable goals and one educational goal. The money paid to this individual will be tied to those goals and based on how challenging the goals are. We also make our CSRs aware of exactly how much income they handle, and pay accordingly. Their ability to properly service more income is one of the keys to increasing their pay," Trey says. "In this way, the foundation on which our agency is built is constantly getting stronger. Every year, each employee raises the bar for himself or herself."

Open books

He continues, "We want our employees to understand the impact of their efforts, and we do this by sharing our financials with everyone. Once a month, we go over

the financial statement with all of the employees. We show our profit and how important retention and stability are to maintaining our profitability. We're also not shy about showing our successes and failures. If we lost an account, we'll show them what it means and also show what the gains mean to our bottom line. This approach also seems to help us maintain high morale within the agency as employees see that their efforts really do pay off in terms of better compensation when they meet their prescribed goals and also see how their efforts have helped the agency grow. It also helps to explain why we have almost no turnover."

This openness also extends to problems between individuals or between departments. "We have a centralized marketing department and the marketing manager shepherds the business through the pipeline. He talks to producers and holds weekly sales meetings to see that the pipeline is full and that producers are following up. It's part of my job to make certain that there is a balance between marketing and production and that they are on the same page," Trey says.

"You can't let either department take control of the agency. If there are any problems, they are discussed and solved at that meeting," he continues. "Whenever someone comes to me with a problem involving an inability to meet certain goals or achieve certain results, they invariably try to blame somebody. That's human nature. But I don't allow them to just vent. I tell them they need to bring it up in the meeting and reach a solution. And then it's over. We work hard to maximize the discussion on solutions and minimize any hurt feelings."

Trey continues, "There are always going to be differences, but everyone here understands that we are a team that is heading in the same direction. We have occasional differences on how to get where we're going, but those are matters for discussion, not animosity."

The Starke Agency has been recognized as one of the top 10 performers by Marsh Berry since it began working with that organization two years ago. It is also listed as one of the 30 leading independent insurance agencies in the country in the Best Practices Study of the IIABA and Reagan & Associates.

Rough Notes is proud to recognize The Starke Agency as our Marketing Agency of the Month. ■