



Just Greek It

The word "AXiA" translates from Greek to mean "value, capable, merit, worth and worthiness," says Michael Long, who researched the concept. The core of the concept is "value creation" for employees, clients and vendors, he says.

"We need to create value for employees—we can't create value for clients or business partners until we have it for ourselves," he says. "An 'axia' is a very trusted and valued individual."

—P.V.

Some 80% of the firm's personal lines are generated by a commercial or group sale. The other 20% is a result of referrals. "We're not looking for walk-in business. Significant growth will not come from selling one house here, two cars there."

"We go in and maximize every account we have. We need to write every insurance dollar in that account—from the employees' personal auto and home coverage to pet health coverage to workers' comp and employee benefits to p-c coverages. It will be harder for that customer to leave us if we insure Fifi, the pet dog, the business, the health and everything else. We use the employer-sponsored program to get in the door." Without up-front premium payments, and a painless EFT payment of \$25 per week for personal lines coverages, everyone seems happy, Long says.

More Choices

The car insurance environment in Massachusetts is ripe for the independent agent approach, says Long. With legislation that took effect April 1,

2008, the state's group personal lines market opened up. Auto rates had previously been set by the state. Choices now abound, he says. "We offer more than one carrier. Employees aren't complaining to their bosses—'Geez, the company you brought in isn't competitive.'"

AXiA uses software that manages work-site sales of personal lines coverages, allowing an agency to offer multiple carriers and multiple payroll-deduction options in a centralized process. By controlling payroll deduction, Long says, coverage or payroll adjustments don't drag out and frustrate employees or employers. "We have control over payroll deduction now—our hands are no longer tied. We were at the mercy of the carrier before."

Pay as You Go

The software also helps with a "pay as you go" workers' comp program, says Long. Six carriers participate with AXiA and a local payroll service company to allocate premiums on a 26 or 52-payment

cycle throughout the year. The client reports payroll to the service and the premium is charged in small amounts—no large up-front payments are needed. The service eases the cost for small and mid-sized companies just starting out or those with a heavy volume of payroll during the year—such as landscapers or painters.

The workers' comp payroll service should add 60 to 80 new commercial clients to AXiA in 2009, predicts Long.

Stage Hands

AXiA created a front-stage/back-stage approach to workflow. All processing, rating and follow up is handled by back-stage personnel. This enables front-stage personnel—essentially the sales side—to have the time to cross-sell all coverages. Front-stage employees are required to make proactive client calls and all have individual sales goals.

"We talked about towers in here," says Long. "Most organizations I see have sepa-

What We Learned

Independent agency principal Michael Long admits a "very costly mistake" of hiring the wrong people. "As a new agency, we were more interested in insurance experience rather than in the best people."

The aim is to find "the right person for our environment," says Long. "We want bright individuals who are focused on a positive, professional environment—not just spending eight hours a day to get a paycheck. Looking at the personality—rather than the insurance experience they have—has made it more beneficial."

But also important, Long says, is developing "fast-track" education for all new employees—whether or not they have insurance experience.

The crash learning process, which AXiA aims to reduce to fewer than 90 days, is part homegrown, part purchased education (e.g. CISR designations) and part carrier-provided. It includes sending employees to:

- Key insurer partners to work with claims or underwriting for a day or two.
- CISR classes or other insurance training provided by education organizations.
- Sales calls.
- Employee benefit fairs.
- E&O prevention classes.
- Online software training.

The fast track is worth it, Long says, noting the agency was wasting time by trying to do all the training internally. "We decided that for the first few months someone comes here, if they contribute zero revenue to AXiA but are spending time getting trained, it's still cheaper."

—P.V.

rate sales, personal lines and commercial lines service branches—they make it seem like oil and water; they don't mix. But it has to be about marketing."

Long says he "broke down" the personal and commercial lines departments. "We made one service unit with specialists. When a phone call comes into the receptionist, in nine of 10 cases people are looking for something simple—a certificate, endorsement, billing question—something that doesn't require a full CIC or CPCU person to handle. We made sure all systems internally were the same, so if a customer calls and wants a binder or cert, anyone who picks up the phone can get that done if the primary contact is busy."

"We have to work with people's strengths," says Long. "Some are extraordinarily good at going into the management system and rating things. Our front-stage account managers are extraordinarily good at dealing with customers—rounding accounts, up-selling, getting referrals, all those things. So we want to give them as much time as possible to do that—and push all the other stuff to the back stage. They will then be free and trained to provide face-to-face or phone time with those customers and know them and their employees better."

The back stage is responsible for written and e-mail communication to customers. Customers are notified of every change that is done electronically, and with that communication, AXiA mentions other products such as wedding/event coverage or pet health coverage. Front-stage employees see the communications but are not responsible for them.

AXiA offers a VIP program to commercial clients' managers and officers. This includes personal annual reviews, accident kits for cars and special policy delivery. A partner financial services firm provides needs analyses for retirement planning, for example, while AXiA provides the insurance needs analyses.

Changing Work Hours

Two years ago, AXiA shifted to a four-day workweek—a home run for busy employees eager for a day off in the

AXiA Insurance Services, Inc.

Springfield, Mass. (pop. 200,000) and three other locations

FOUNDED: 2001

GROSS REVENUES: 2007, \$1.54 million; 2008, \$1.72 million; 2009, \$2.45 million (est.)

INSURANCE EMPLOYEES: 21

REVENUE PER EMPLOYEE: \$81,900

BUSINESS MIX: Personal property-casualty, 57%; commercial p-c, 40%; financial services, 3%

CARRIERS: Arbella, Chubb, CNA, Encompass, Hartford, National Grange, OneBeacon, Peerless, Travelers

CLIENT COUNT: Personal, 3,400; commercial, 450

RETENTION RATE: 94%

TECHNOLOGY: Applied Systems

TAM, Agency Revenue Tools

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middle or end of the week. Two shifts cover 7:30 a.m. to 6 p.m., and the firm will add additional hours until 8:30 p.m. with new flex-time part-timers, such as stay-at-home moms. Phone technology and scanning offers seamless call transfers and information access wherever the employees are located.

The longer hours help the customer, says Long, "We are in the service business. When are we going to learn that we have to give people at least virtual 24-hour service? Give them Internet access at least. When someone gets home and looks at their mail, they're looking at it 6:30 at night—not four in the afternoon. I want them coming to us, not GEICO or Progressive." ☐

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Advertising Options

Many people loathe driving vans, but AXA's employees are fighting over the company car.

The agency donates staff time and money to nonprofits and has a minivan adorned with the firm's logo used for helping out the charitable organizations.

Employees also take turns driving the van every two weeks, complete with free gas.

The side effect of advertising is powerful, says Alana Lupien, who runs marketing for the agency. Employees take the van home at night to one of 25 nearby different towns. Based on community feedback, she says, "It seems we have more than one van."

If staffers happen to have mechanical breakdowns with their own cars, they can swap to get the van for that week, says Lupien. "I can't believe how many people's cars are breaking down since we got this van."

The "X" in the name acts as an insignia and branding tool, says Lupien. AXiA runs TV ads, including quick station-ID spots, for basic name recognition. The computer-generated ads play off the "X" in the name and discuss "creating value" and "managing expectations."

"Our advertisements aren't saying 'call us for a quote'—we don't have GEICO's money," says Michael Long, CEO. "It's clearly name recognition, so when I go to XYZ Company, they say, 'I know you guys; I saw your ads.'"

AXiA also runs promotions for the local Springfield minor league hockey team. And the firm recently swung a deal with the local Red Cross chapter to offer discounted personal lines coverages to people who contribute money to the nonprofit organization.

As for their own cars, most employees are provided with a vanity plate—such as "AXIA 1."

—P.V.