

Choosing an Agency Automation System

The decision to automate your agency or to change your existing automation equipment can throw your agency into an uproar. Your staff will have many questions and concerns, from what type of equipment you're getting to the reasons you chose the system. Hopefully, before you have to answer these questions, you'll have made an in-depth analysis of your agency's automation requirements and needs. Without such an analysis, it is doubtful that any system you purchase will adequately meet your current and future needs.

More than 70 agency management systems are currently available throughout the country. Agencies can buy anything from a simple one CSR-one producer management system to a complex multi-user system with more than 250 terminals. To find the best system for your office, you must learn about the various systems available. Attend seminars, read about existing software and talk to fellow agents and vendors about the options.

Start off by checking industry publications like The Anderson Agency Report. This publication focuses on operation and technology improvements in the insurance agency. In addition the author, Steve Anderson, provides a free e-mail course, Choosing the Best Agency Management System, that reviews five critical steps an agency must take to make sure they choose the best agency management system to run their agency.

One of the best methods of determining what a system will do is through user group meetings. These meetings give you an opportunity to discuss the various problems and remedies particular to an automation system. If you are not currently a member of a local user group for the automation system that is in your office, you should join and attend the meetings. You can get in touch with a user group in your area by contacting the sales representatives of the system you currently own or are considering buying. Some user groups charge membership dues—an expense that many automation vendors will include in the price of a system.

You should also quiz vendors about capabilities of any agency management system. Prepare in advance a list of questions pertinent to your agency. Also invite a cross section of your agency staff to sit in on these discussions to ask questions regarding procedural problems they face in their day-to-day routines. Too often agency principals make automation decisions entirely on a financial basis. While price must influence which system you choose, remember that the system should satisfy your agency's operational needs for the next three to five years. Many agencies have seen upfront savings eaten up due to high operational costs.

Consider the time efficiencies involved with a system that takes five minutes to input units and coverages versus a system that takes 15 minutes for the input of the same information. Look at the operational procedures a CSR would follow, as well as the various outputs that occur. If the correct data is not input, you'll get incomplete or useless information out. Management reports give us the data from which to run our agencies, and without useful reports a management system has little value.

Many people believe software should be the primary concern when buying an agency management system, and that hardware is purely the vehicle within which it runs. But the reality is that buyers should choose hardware that is technologically advanced, rather than let software dictate the system choice. This is particularly true now that electronic image processing is beginning to take the forefront in agency management systems. Agencies need a computer system that supports a graphics environment. Only a PC can adequately support graphics. Agencies buying systems that cannot handle graphics may face difficulties in the next three to five years.

Also consider the number of PCs, monitors and printers you currently have. Purchasing some systems may require you to replace all your hardware, while other systems may save you money by allowing your agency to continue using existing hardware.

Some agency principals who don't want to become computer experts may benefit from hiring a consultant to review their current operations and automation needs. You can use an independent consultant or a consultant employed by one of your carriers. Agents can find independent automation consultants through word of mouth or by checking the Internet.

Before hiring a consultant, carefully check his or her references. And to avoid surprises later, iron out details on the charges before signing a contract. Some consultants charge by the hour, while others charge a flat fee. Also clarify if the consultant's expenses such as telephone charges, copying fees, travel costs, meals, etc., are included in the quoted fee or will be billed separately to you. If you agree to pay for the consultant's expenses separately, ask for an itemized listing of expenses and copies of receipts.

Sometimes it seems difficult to justify the high cost of automation hardware, software and startup costs. But as we look back and see where we were 30 years ago without automation and compare how our agencies function today, it's evident that the benefits far outweigh the costs. The biggest decision to make today is not whether to automate but which system to buy. Your agency management system needs to be a management system tool for running your agency.

Reference Sources:

- [The Anderson Agency Report \(TAAR\)](#)
- [Choosing the Best Agency Management System](#)
- Domain Names: information on registering a "domain name" from [icann.com](#) and [Internic](#). ICANN also approved seven new domain levels.
 - **.aero** - companies dealing with air travel
 - **.biz** - businesses and corporations
 - **.coop** - business cooperatives and cooperative organizations
 - **.info** - information sites such as newspapers and libraries
 - **.museum** - museums, archival institutions and exhibitions
 - **.name** - individuals and personal web sites
 - **.pro** - professional services such as doctors, lawyers and CPAs