

Strategies for Increasing the Value of Your Agency

[Carey Wallace](#)

Independent insurance agency owners are constantly working both in and on their business. It can be a difficult balance between the demands of client acquisition, retention, and operational efficiency.

Growing your agency's value means more than just increasing its revenue – it involves building a business that is sustainable, scalable, and differentiated in a competitive market. Whether you're planning for long-term growth or an eventual exit, focusing on key areas like niche development, expanding team capacity, efficiency through the use of technology, and account rounding can position your agency for lasting success. The following are some of the proven ways I've seen other agencies increase value.

Developing a Niche

One of the most effective ways to strengthen your agency is by developing a niche. Rather than trying to be all things to all people, focusing on a specific demographic or industry can help you create efficiency and stand out as an expert in that area. Specialization not only enhances your reputation as an expert in a particular area but also enables your team to streamline their process, and creates the ability for you to offer tailored solutions that meet the unique needs of your target clients.

I work with so many agencies that have developed expertise in unique segments of business. And I'm not just talking about writing "medical offices" or "restaurants" – I mean agents who know a specific section of a specific industry like the back of their hand. Over time, this expertise allows you to command higher premiums, face less competition, and build stronger client loyalty. Additionally, focusing on a niche market can lead to more referrals and word-of-mouth marketing, as clients appreciate working with someone who truly understands their unique business.

Specialization also creates efficiencies within your agency. By becoming highly familiar with one market, you streamline processes, reducing the time it takes to quote and bind policies, manage claims, and service accounts. It also helps you align carrier and wholesale broker partnerships. These efficiencies can be reinvested into growth efforts, strengthening your agency's long-term position.

Utilizing Virtual Assistants to Expand Team Capacity

Expanding your team's capacity without significantly increasing overhead is crucial for growth. One way to achieve this is by utilizing virtual assistants (VAs). Virtual assistants can handle various administrative and operational tasks, freeing up your licensed agents and producers to focus on sales and client relationships.

VAs can assist with tasks such as:

- Managing customer service inquiries
- Preparing information for policy renewals

- Organizing and updating client records
- Processing claims paperwork
- Managing email and calendar scheduling

By delegating these routine tasks, your licensed staff can dedicate more time to revenue-generating activities, such as prospecting new clients, cross-selling to current customers, and building relationships. Virtual assistants are often more affordable than full-time, in-house staff and can work on flexible schedules tailored to your agency's needs. The ability to quickly scale your team without the fixed costs of traditional employees provides a competitive edge, particularly for smaller agencies looking to grow.

I have seen more and more agencies utilizing these VA partnerships in the last two to three years. Don't "trust" VAs? It may just be that you haven't found the right VA partner – which is critical for this to succeed.

Investing in Technology to Increase Efficiency

More than ever, technology is a critical piece of agency success now. Have a great workflow and tech stack in place? Excellent! It may be increasing your agency's value.

Regardless of if you already have it or are building it now, independent agency owners who embrace technology can create more efficient workflows, improve customer experience, and ultimately increase profitability. Several types of technology can benefit your agency:

- **Agency Management Systems (AMS):** Do you have an AMS that you're (mostly) happy with and that your team is utilizing? If so, what else can be done to leverage it? If not, how can it be improved or does a change need to be made?
- **Customer Relationship Management (CRM) Tools:** A CRM system helps you keep track of your interactions with prospects and clients, ensuring follow-ups happen on time and that every opportunity for cross-selling or upselling is maximized. A well-implemented CRM can improve customer retention by ensuring personalized, timely service.
- **Automated Marketing Platforms:** Tools like email marketing platforms or social media schedulers allow you to maintain consistent communication with your audience. Regularly reaching out to clients with value-added content keeps your agency top of mind.
- **Self-Service Portals:** Offering clients the ability to access their policies, request changes, or make payments can significantly enhance customer satisfaction while reducing the time your team spends on servicing accounts.

Investing in the right technology can boost your agency's operational efficiency, reduce costs, and provide a better client experience, all contributing to long-term value.

Focusing on Account Rounding Within Your Existing Book of Business

One of the most effective yet often underutilized strategies for growing an independent insurance agency is account rounding. We all know the basics of account rounding, but are you implementing

it everywhere? Do you have a strategy on personal, commercial, benefits, and the points they intersect?

The benefits of account rounding are twofold:

- **Increased Revenue Per Client:** By offering multiple policies, you can increase the overall premium per client, growing your agency's top line without acquiring new customers.
- **Improved Client Retention:** Clients who have multiple policies with your agency are less likely to leave, as they would face more disruption in their coverage. Moreover, clients who view your agency as their one-stop shop for insurance are more likely to refer others to you.

We all know that focusing on your current book of business also tends to be more cost-effective than constantly acquiring new clients. Upselling and cross-selling to existing clients should be an ongoing effort, supported by regular policy reviews, tailored offers, and educational outreach on the benefits of expanded coverage.

Strengthening your agency and increasing its value is a multifaceted process that requires strategic focus.

By developing and growing a niche(s), leveraging VAs, investing in enhanced technology, and prioritizing an account rounding strategy, you position your agency for sustainable growth. These strategies not only improve operational efficiency and client retention but also enhance the long-term value of your agency, ensuring its success well into the future.

ABOUT THE AUTHOR

Over the past 16 years, Carey Wallace has worked with hundreds of independent insurance agencies helping them understand their agency's value and turn that knowledge into an actionable plan for their future. She prides herself on taking the time to understand the agency's unique situation and helping them build the future they envision for themselves. She is a Certified Exit Planning Advisor (CEPA) and provides a variety of business consulting services including valuation, perpetuation planning services, acquisition support, financial and compensation analysis, and fractional CFO services through the company she founded, Agency Focus, LLC. To learn more, please visit www.agency-focus.com