

The Basics of Branding

Financing for insurance businesses



a complimentary whitepaper for insurance professionals

A guide to help insurance business owners capture what matters to customers

What makes branding so important and why should an insurance business owner care about it? There are two primary reasons:

Increased competition. A recent estimate suggests America's insurance industry has 1.1 million agents, brokers, and customer service employees.¹ In addition, the number of organizations entering the insurance marketplace has been growing. A strong brand can help you remain competitive.²

Negative perceptions. Then there's the nature of the insurance industry. While insurance is an important product that plays a vital role in protecting people's financial security, let's be honest – it's not a happy, upbeat product. Insurance exists to address some of the most difficult and negative aspects of life, from auto accidents, to natural disasters, to cybercrimes, to the biggest of them all: our mortality. In other words, you sell products that are purchased because they are needed rather than wanted. For that reason, having a strong brand can provide a more positive focus that will help marketing and sales efforts.

Particularly important

Often the mark of a good insurance business is strong retention and client referrals. But that can mean your business is wholly dependent upon relationships for growth. Prospecting and marketing activities are also critical for achieving meaningful growth and overcoming normal attrition. Therefore, creating and promoting a strong brand will help differentiate your business from others in the crowded, competitive marketplace.³

What is your brand?

You might think the best way to create an effective brand is to come up with an idea of how you want to be seen and declare that to be your "brand." That's a bad idea for several reasons. First, insurance business owners often lack an honest assessment of what they do well. You may believe your opinion, but you may be the only believer. Second, the brand must represent your entire insurance business, and what characterizes your team may be very different from what you offer. But most importantly, your brand needs to be seen through the eyes of your clients and prospects, not through your own viewpoint.

That's why a more effective approach begins by asking questions, and experts suggest you ask them from three distinct perspectives:

Yourself. Honestly examine your thoughts about your insurance business.

Your Employees. Some owners assume they know what their employees think about them and their business. That's a dangerous assumption. Your employees probably have a different view of your insurance business and how it serves customers, because in most companies, they're the ones who handle the day-to-day tasks. In addition, if you're going to create and use a brand moving forward, you want to be sure your employees buy into it and support it. The best way to do that is to involve them in the development process. (An important point: resist the human tendency to react and respond when they say something you don't want to hear. Employees' honesty is valuable in developing your brand – and if you deflect their comments, they'll stop being honest with you.)



Questions to ask about your brand

Yourself

- What do you believe makes your insurance business different from your competitors?
- Why do clients choose to buy from you instead of the other choices available to them?
- What don't clients and prospects know about you that you wish they did?
- What values are important to you as a business owner?
- Why did you choose to open your insurance business?
- What do you hope to accomplish?⁸

Your Employees

- What do you believe makes the insurance business different from your competitors?
- Why do clients choose to buy from us instead of the other choices available to them?
- What don't clients and prospects know about the insurance business that you wish they did?
- What values are important to you as an employee?

Your Clients

- Why do you do business with us?
- What problems do we solve for you?
- What do we do well?
- Where do we need to improve?
- What might make you switch to a competitor?

Your Clients. Identify a diverse mix of clients, including those who represent the majority of your book of business, and those who represent segments of your business you'd like to grow. A dozen or so should be sufficient. You can decide if you will talk to them one-on-one or in a group setting.

Here again, you need to listen, rather than speak, because you're likely to discover valuable information. Maybe your team's service isn't as good as you thought.⁷

As you go through the process, record all the answers you receive in written form, rather than trying to trust your memory. Once you've gathered all the input, organize it into categories of similar questions, and you should begin to see a picture of how your insurance business is viewed. If that viewpoint is positive, it should contain the foundation for your brand. If it's negative, you may want to focus more on the answers to questions about where your insurance business falls short to identify issues that are important and remedy them.

You may want to consider having a marketing agency or outside facilitator moderate and document the discussion without your presence to get the most honest feedback from employees as well as clients.

Create a statement

Now that you know how your insurance business is viewed, it's time to develop a statement summarizing your brand. It doesn't have to be long – anywhere from a sentence to a short paragraph is ideal. Keeping it brief will allow you to focus on what's most important, rather than branching off in multiple directions or trying to address every issue. We'll call this statement a brand summary, and it should be a written document that includes your vision, values, targeting, and the essence of what makes your insurance business unique.⁹

Example 1: An insurance business's brand summary might read:

Smith Product Specialists helps independent insurance agency owners achieve their goals by addressing their insurance product needs so they can focus on growing their business. We focus on providing proactive and responsive service, by strengthening their product selection with their clients.

Example 2: Another insurance business may take a different approach to their brand:

By aggregating the best products from various carriers, Anderson provides agencies with products that help young professionals and their families prepare for secure futures. We take a consultative approach by developing a deep understanding of the needs and concerns of their clients and creating a plan to enhance the growth of their businesses.

Both firms sell or distribute insurance products, but it's clear they have very different business objectives and serve their clients in different ways. Once you've defined your brand, you can infuse it into your client service activities, marketing, and prospecting.



What exactly is or isn't branding?

- While branding is a critical component of effective marketing and advertising, it's not the same thing as advertising.
- A brand is not a logo, a slogan, or characteristic. Telling the world "we have great service" is a meaningless promise that all your competitors make. Saying "we've served the community since 1950" means little to someone who wants to know what you'll do for them this afternoon.
- Branding is the impression or emotions that come to mind when you, your staff and others think of your business, see your logo or interact with one another.
- Branding is an image that makes you the first insurance business customers choose when they need to buy insurance.⁴
- Effective branding should incorporate what makes your insurance business unique and the products you offer distinctive.⁵
- Branding encapsulates your vision for how you'll serve clients, the values you and your team uphold, what makes you different from everyone else, and what types of clients you're best at serving.⁶

One thing that may help you distill your brand statement is to develop what are known as "buyer personas." These are fictional summaries of your desired customers, what they need, and what matters to them. You can name and write short descriptions of them, such as:

Example Persona

Renee operates an independent insurance agency that specializes in supporting women with small businesses. She's a busy mother of two children who also manages to volunteer for her favorite charitable organization. Finding new ways to meet the unique needs of her target market is important to her.

Having personas for your primary client groups will help you craft sales efforts and marketing messages. Instead of trying to reach everyone with a single message, you'll think about those personas and develop targeted approaches that are best suited for their specific personalities and needs.¹⁰

Finally, keep your brand summary simple, because simplicity is more believable, easier to understand, and much easier to remember. If you can describe your branding in one sentence, you've likely developed a powerful brand that will serve you well.¹¹

Strengthening your brand

Your brand cannot be something you create and forget about. It's something that must become central to your business and guide the actions of everyone on your team. If you and your employees genuinely believe your brand is authentic, your clients and prospects will believe so too.

It's important to transform your brand into an identity, which may include items such as a logo and voice. When developing a logo for your business, don't make the mistake of digging through the art files on your computer or the internet. If you don't have an internal marketing team, it's well worth the investment to bring in a professional graphic designer who can take your brand summary and turn it into something visual, tangible, and unique that will work with everything from your signage, to your business cards, to your email, to embroidered golf shirts. Logos created by amateurs, no matter how well-meaning they may be, nearly always look amateurish.¹²

Your insurance business's voice is how you'll communicate with the world when speaking or writing. Your voice will depend upon your branding and the types of clients you serve. If most of your clients are seasoned professionals, your voice should probably be more formal and businesslike. On the other hand, if you primarily work with young clients who are just getting started, the voice might be more casual.¹³

Your brand should be evident in all your marketing and communications efforts. Besides the channels most people think of – such as advertising and websites – there are many ways you can leverage your brand and build your reputation outlined in the sidebar on the next page.



Ways to strengthen your brand

Blogging. Writing a blog is an excellent way to advance your brand, because surveys show that 81 percent of Americans find the information in blogs to be trustworthy. Use your brand summary to provide the purpose of your blog, and write about topics that will be valuable. It's a matter of taking the knowledge you and your team already have and putting it in the form of blog posts. For topics, consider the questions you frequently hear from clients and prospects, and look at others in the industry to determine what topics are popular. If you don't have time to write the blogs, hire a professional writer to help you.¹⁵

Social Media. No matter what you think personally about social media, it has become an important channel for sharing information, and 71 percent of people are more likely to buy from a brand if they follow it on social media. If you're consumer-focused, concentrate your efforts on sites such as Facebook® and Instagram®. If your focus is on helping businesses, LinkedIn® may be a better choice.

Publicity. Becoming featured in industry publications can introduce you to prospects who might not otherwise know of you. Offer to write articles on current topics or send out press releases sharing new business developments, management hires and even company-wide participation in charitable causes.

Networking. If you think branding doesn't apply to networking, think again. To remain memorable when making connections, it is important to tie your networking efforts directly to your brand through sharing information about your business using your brand voice and handing out collateral and business cards with your branded logo, web address, and social media icons.

How much?

Avoid the temptation of thinking of your branding and marketing efforts purely as expenses. The most successful companies tend to view these areas as investments in the growth of their business. According to the Independent Insurance Agents & Brokers of America, best practices suggest an average branding/marketing investment of 1 to 3 percent of annual insurance business revenues.¹⁴

Critical: keep it consistent

Once you've defined a brand, make sure that everything your insurance business does – from its marketing materials, to customer interactions, to billing, to websites, to sales calls – remains consistent with your brand. That will strengthen the brand and reduce the potential for confusion.¹⁶

It's wise to create written brand guidelines that describe your brand and explain how it should be presented. These guidelines should include your company name (especially if people incorrectly refer to it by different names); your logo; the colors used on business cards, letterheads, and signage; any slogans or taglines; how your brand should be used in conjunction with those of the carriers you represent, if appropriate; and the "voice" of your company. If you used a graphic designer or marketing agency to help you develop your logo, they can likely create this type of guide for you.¹⁷

Finally, the most important element in creating a consistent brand is strong leadership. As the company's leader you are responsible for clearly communicating the brand and expectations to all employees. If available, work hand-in-hand with your marketing manager or team to monitor and ensure everyone uses the brand consistently. As such, it's important that owners also practice what they preach when it comes to branding. If everyone works to create the same impression, it won't be long before customers associate your insurance business with the brand you created.¹⁸

Financing to bring your brand to life

If you'd like to make an investment in branding but are concerned it will put a temporary drain on finances, consider how you might be able to add working capital. If you're like most insurance business owners, most of what you have is already invested in your business, so you may need to seek some outside funding.

A growing number of insurance business owners are turning to specialty lenders that are accustomed to working with the nature of the insurance industry. Such lenders understand how a businesses like yours operate, and are familiar with the nature of your income streams, so they can approach the underwriting with realistic expectations and an appreciation for inherent risks.

Working with Oak Street Funding

With a loan from Oak Street Funding, you can borrow against the future cash flows from your book of business. It's a solution other insurance business owners have used to finance strategies for growth and competitiveness.



Oak Street can customize a loan for your needs and situation, from \$25,000 to \$30 million, with a term of ten to 12 years. The goal is to help you finance growth with minimal out-of-pocket cost by leveraging the power of your business's cash flow. Learn more or request a free quote at www.oakstreetfunding.com or 1-866-OAK FUND.

The strategic opportunities available to insurance businesses are limitless. Access to affordable capital is the key to taking advantage of these opportunities, and Oak Street Funding has money to lend.

About Oak Street Funding

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Footnotes

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