

The Proven Principles of Strong Selection & Retention

Would you like to remove the gnawing sense of anxiety that you have about hitting your recruiting goals this year? Would you like a proven model that gets results? It has been said that principles are simply condensed truths. Separating fact from fiction in the game of selecting the right people for your team is critical to maximizing retention, which will inevitably help you build your organization. These principles—or truths—can lead the way to ultimate success.

The first principle is A.M. = P.M., which stands for Active Manager = Prospecting Machine. To select successful people, you must have a prospecting machine that brings you an appropriate number of candidates throughout the year. A prospecting machine brings forth that part of you as a manager that executes systems to attract the right number of people into your organization's selection process on a weekly basis. Your system should yield at least five first interviews per week per sales unit.

The following seven steps outline the basic but critical elements of a strong prospecting program.

Step 1. Conduct a gap analysis. Identify the current state of your agency's recruiting plan. Be specific. How many hires are you currently putting on board each year? Identify how many, based on average production, you need to hire each year to grow the agency each year. Create the vision of what you want your recruiting to look like in your agency. Answer this question: As an agency, what is the desired outcome of our recruiting efforts? How many net hires do we want each year? What is our current retention rate and what should our model be to achieve 25 percent or greater four-year retention?

Step 2. Envision your ideal recruit. Where do they come from? What's their educational background? What's their community involvement? What kind of life experience do they have? These are good

By Machen P. MacDonald



about the author

Machen P. MacDonald is the national director of career development with The MCNY Group, an AXA Financial company. He started his career with MCNY in 1989 as an agent earning company and industry production awards his first two years in the business. From 1990-1995, he was a sales manager in MCNY's San Francisco office running a successful subunit. In 1996, Machen went back into personal production, partnering with two of his top producers to market retirement-planning seminars with great success. In 1998, his extraordinary talent for training and getting results was recognized by MCNY's home office, and he was selected to work as the national director of training, where he worked closely with the field and field management in designing and implementing training and recruiting accountability programs. He now spends his time creating business plans that get results and coaching top producers. Machen is a certified professional executive coach; he holds both the Certified Professional Coaching Coach (CPCC) and Certified Comprehensive Sales Coach (CCSC) designations. He can be reached at (530) 273-8000 or machen@mcny.com.

questions, and you must go even deeper. Try these: What are their values and in what order? What do they really want for themselves and their family? What gets them out of bed every morning? What makes them really come alive? My guess is that if you look at the top producers in your agency, they are pretty close to a mirror image of you as far as the last four questions. Let's face it! That's why you really connect with them. Do you really want to be spending time with people who you don't form a deep connection with vs. the people whom you do? Think about this: What would your agency or unit look like if it was filled with top producers you really connected with? What would be possible for you?

Step 3. Determine your recruiting goal. This may actually be handed down to you from above (how convenient). In either event, the formula is simple. Think O.J. No, not that O.J. Think Olympic Judge. Here's what I mean: Throw out the high and the low production of your current producers, then divide the remaining production by the total number of agents currently in your unit, including the two whose production you are not including. So now that you have the production total, you need to determine by how much you want to grow the agency in the next year and divide that number by the average production number you just came up with—this is how many producers you need to hire on January 1. Now how many managers get their annual recruiting done by the first day of the year? That's right! Not many. So you need to divide that production figure by 12 to get your monthly production per hire factor. Hires in January give you a factor of 11, February yields a factor of 10, March is 9 and so on, down to 0 in December.

Try to complete your hiring by October. This way, in the fourth quarter, you can shift your focus to getting all your producers productive by year-end without taking your foot off of the accelerator of recruiting because you will want to hit the ground running again in January. Here is an example: Let's

say that your goal is to increase from a \$252,000 unit of seven producers to a \$470,000 unit, and you have determined your average monthly production unit is \$1,892 after throwing out the high and the low producers' production. To hit the \$470,000 mark, you will need to hire 18 hires by October if you hire two per month. Or you could hire just six producers in January. But again, how realistic is that? *This all works if your agency has bullet-proof retention, resulting from a strong and proper selection process, which is the ultimate goal and the ultimate focus here.*

Step 4. Select your ideal sources and implement your strategy. Determine what recruiting methodologies you will implement and the anticipated results from each. We all know that warm sources are much better than cold sources. However, there are always the exceptions. So don't eliminate cold sources altogether. You will need to discover what the right blend is for you. Indicate from the list below how many recruits you wish to harvest from each source.

Personal Observations	_____
Agent/Staff Referrals	_____
Centers of Influence	_____
Career/Job Fairs	_____
College Campus	_____
Head Hunter	_____
Internet	_____
Advertising	_____
Direct Mail	_____
Specific Company Programs	_____
Other	_____
Total Target Hires	_____

Step 5. Calculate the number of prospects needed to yield a hire from each of the sources listed above in Step 4. You may need only 15 personal observations to get seven of them in the door for a first interview and eventually hire one, whereas you may need to get 60 people responding from a newspaper ad to get 13 in for a first interview and eventually get one hire.

This is why keeping track of recruiting activity is

so important. From year to year you can see what sources are yielding what hires. If you don't have records you can start with the averages provided by GAMA International and LIMRA and then track against those to ultimately determine your own.

Step 6. Create Your Recruiting Action Plan (RAP). Separate the warm sources from the cold sources. Be sure to identify who in your agency is going to do what. Much of the cold-source activity can be done with the help of support staff within the firm. They can pull the resumes from Internet sites. They can call and schedule the first interview with candidates found online and through classified advertising. Stay high-touch with any of the warm sources from the beginning.

Each recruiting unit should develop a recruiting calendar. Start with a clean calendar and begin to insert the various recruiting activities among your other activities. For example, you should list the day(s) of the week in which you will place advertisements, conduct center of influence appointments, pull Internet job postings and visit local colleges. Again, decide who is responsible for which aspects of recruiting. Who is responsible for getting all the job fair dates for the year and signing up the agency for those? Remember that a lack of planning on your part does not constitute an emergency on anybody else's part.

Go over the calendar in each management meeting and constantly update it.

Use the calendar to schedule recruiting activity, much like a FP schedules phone time and prospecting activities.

Step 7. Implement, track, review and follow a recruiting calendar. Take these proactive steps to ensure that you are following your recruiting calendar every week: Produce a **Management Production Report**. Track the progress of each of your candidates through a process and system. Many companies have fine software programs or Web-based programs to track. Use it! Don't waste time reinventing it.

Conduct Management Team Meetings. During each weekly management team meeting, be sure to review your recruiting progress. Review your recruiting calendar and plan your upcoming activities. Recalibrate as needed.

Identify Your Resources. Learn what recruiting and selection resources are available to you. Determine what you should use and how specifically to implement these resources into your recruiting and selection activity. Do not be afraid to ask for help on this.

If you follow the seven steps of A.M. = P. M., you will have the flow of names you need to call and will be able to schedule enough first interviews to move the right number of candidates through your system to eventually hit your recruiting goal.

Do you know what your ratios are? You should have total clarity about the following ratio:

Prospective Advisor Candidates (PACs):
First Interviews (FIs): Hires

Here is a good base-line average: 53 PACs to 24 FI to 1 Hire. This takes into account a blend of both cold and warm recruiting sources. What's your ratio? Always work toward tightening your ratios.

Finally, plug in your ratios. Assuming you are 53:24:1 like the example above, and you need 18 hires for the year per the example in Step 4, you will need 954 names from your various recruiting sources to yield 432 first interviews to get your 18 hires. So how many names of candidates do you need to consider every day? Keep in mind that you may be taking off a few weeks per year. If you have only 39 real work weeks from January to October (remember we want to hit our recruiting goals by October each year) and you take a week or two off, you really have only about 37 weeks to get 954 names. That means you need a system that is getting you 25 names each week. Does your current system get you the five new names every day that you need to hit your goal?

Just think, if you would have built your RAP at the first of the year and had been executing against it, you would be done with your recruiting in only a few more months. How would you feel right now if you had hit your recruiting objective? Take the time to check your current plan get real with yourself. Are you on track? Do it now! And remember—it's never too soon to start planning for next year!

The overall key in this whole game is agency growth through retention. You can't retain producers if you aren't recruiting them and it's pretty darn hard to recruit if you aren't retaining them. The only person responsible for a "bad hire" is you! And the reality is that there is no such thing as a "bad hire."

Now is the time to be selective! If you follow these A.M. = P. M. principles and implement them into your practice, you will see a stronger flow of recruits sooner rather than later.

The closer it gets to year-end, the better looking some candidates become, and it's not because of consuming too much egg nog during the holiday season. It's because most managers don't have enough

candidate flow and are willing to hire just about anybody to satisfy certain company recruiting objectives. This is where integrity comes in. We spoke about creating enough, so now let's focus on being selective.

If you have been in the recruiting game for any length of time, you are familiar with "Kenny" and "Willy." It's one thing to recognize if your candidate can do the job (Kenny); but how can you tell if he or she will do the job (Willy)?

No matter how many managers I work with throughout the industry, they all think they are the industry's gift to having an excellent intuition or gut on selecting strong producers. For the most part, these are the same managers and recruiters who are defending their poor retention numbers based on the fact that the ones they lost were just "bad hires" and not their fault. Personal responsibility can be elusive in this regard. Just remember that when you point your finger at someone else, there are three pointing right back at you.

So what is the process to assure solid selection, thus leading to productive recruits and strong retention? It's the second principle of A.M. = P.M., which is to *be selective!* It is crucial to establish a sequence of interviews that do what must be done. First, deselect the people who really are not cut out for a commission-based career. This will be in the form of a screening interview. It should take no more than 15 minutes. It is your chance to see if you want to continue the interview process with this candidate. If the candidate makes this cut, then administer a profile to see if he or she not only can do the job, but most importantly, will they do the job? An excellent tool for this is the POP IV or the Kolbe Index. There are several effective tools in the industry. It is imperative to learn and understand the results you get from these career profiles to better equip you for the subsequent interviews and to ultimately coach and manage agents once they are hired.

The second step is the career presentation. This is when you can showcase your agency and company and answer the three burning questions every candidate has: (1) How will I be trained? (2) How will I sell? and (3) How will I be compensated? Your presentation must include the answers to these three questions. If the candidate doesn't ask them, he or she is certainly thinking them, so have a solid presentation around those three. The end of this meeting is your opportunity to send the candidate off with some action items such as completing a Project 100 or several market surveys. You want to find out if they can follow directions and follow through. Many candidates won't come back. That's good! It's better to

find out sooner rather than later—it saves you a lot of time that you can spend with the right candidates.

The third step is your selection interview. This may actually take a couple of meetings to complete. This is where you go over the assignments from the previous meeting and take time to drill deeper in the questioning process. Your goal here is to determine whether or not the candidate has the core competencies needed to be successful in the career. Your company should already have these identified. If not you can find general industry standards provided by GAMA International, SMG or LIMRA.

Finally, you need a way to determine if the candidate will feel at home in your agency and if your agency will feel proud of this new recruit. If the answer to either of those is "no," then it may be only a matter of time before you part ways. A panel interview made up of two or more agents, a member of the staff and perhaps another manager is a great way to get an accurate read on a candidate. You can even use the panel interview to conduct the selection interview mentioned above by dividing up the questions among the panel.

If the candidate makes it through these interviews, then discussions about licensing and marketing plans are in order. Place the candidate in a pre-contract or test period so that you can see if the candidate will do the daily action items that are necessary to build a business. If they don't do it here, don't kid yourself—they are not going to do it once you offer a contract to them. Cut them if they don't measure up in the pre-contract period.

In summary, start your recruiting process by deselecting mediocre candidates. Have a tool that will help determine if the candidate is cut out for a sales career based on commission (will they do the job?). Have a meeting that answers their questions. Have another meeting that allows you to drill down and find out if they have the core competencies necessary for success in your company and next evaluate if they are a fit for the culture in your agency. Finally, offer a career contract to them only if they can demonstrate success by performing the activities that are necessary for success in this business. Will they make the dials? Will they get the appointments? Will they open the cases? Will they close the cases? Can they obtain referrals? Will they show up on time to training and agency meetings? By following this selection procedure built on fundamental principles, you will see your agency retention begin to rise rapidly. After following these steps, if you don't see dramatic positive results, we'll give you your old agency back at no charge. 🍷