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DECEMBER 2016



AGENCY OF THE MONTH:

**CAROLINAS AGENCY
HONORS THE PAST,
LOOKS AHEAD**

**ALSO: NEW AND EMERGING
INSURANCE PRODUCTS FOR 2017**

AGENCY OF THE MONTH

HONORING THE PAST, LOOKING TO THE FUTURE

Carolinas agency continually finds new ways to deliver value to clients



The ECM executive team, from left, Tim Turner, CPCU, ARM; Jeff Haney, CPCU, ARM; Melissa Silver, CIC; Jae McGuirt, CPCU; Stephanie Friel, MBA; John Ketner, MBA, CPCU, CRM; Laurie Mobley, CIC; Sam Thompson, CPCU, CIC; and Jeff Little, CIC.

The ECM partners, from left, President Jeff Haney, CPCU, ARM; Jae McGuirt, CPCU; Jeff Little, CIC; John Ketner, MBA, CPCU, CRM; Sam Thompson, CPCU, CIC; and Tim Turner, CPCU, ARM.

Photography by Nick Judy



By Dennis H. Pillsbury

In the late 1980s three friendly competitors—Arnold Edwards, Bart Church, and Jim Muse—started meeting in the shade of an oak tree to share ideas about how to be successful in the agency business. Each of the three had an extensive background in sales, finance, and underwriting, and it wasn't long before these casual get-togethers started to take on the tone of partnership meetings. Before long Arnold, Bart, and Jim were making plans to create their own agency, built on a foundation of integrity, humility, confidence, relationships, and innovation.

Like most big dreams, theirs started out small. But just as an acorn sprouts roots and becomes a giant oak, so did their dream. On September 1, 1987, Edwards, Church & Muse was launched in Charlotte, North Carolina—starting with a trio of

optimistic and experienced insurance professionals and a small book of commercial business Arnold brought from Alexander & Alexander.

They started to grow the agency one producer and one employee at a time, concentrating on organic growth with the occasional purchase of retiring agents' books of business. Things were progressing well until tragedy struck just 94 days after the agency's founding, when Bart was killed in an auto accident. Staying true to their partnership, Arnold and Jim left Bart's name on the agency; no other action was even considered. And then they buckled down even more to grow the agency and realize their dream.

Over time the firm's roots deepened, and Arnold and Jim recognized the need to raise a new crop of agency caretakers. They wanted to build an agency where every producer had an opportunity to become an owner, and they never assumed perpetuation would rely solely on a family member being brought up into the business. In fact, none of the agency's current six owners—Jeff Haney, CPCU, ARM,

president; Sam Thompson, CPCU, CIC, treasurer; Tim Turner, CPCU, ARM, secretary; Jeff Little, CIC; John Ketner, CPCU, CIC; and Jae McGuirt, CPCU—are related.

Agency bylaws called for Arnold and Jim to sell their shares when they turned 65. Handing over your business is never easy, but Arnold and Jim have done so with great confidence in the current ownership group. Arnold officially retired this year, while Jim remains active in the agency.

The current partnership group believed the agency needed to press forward aggressively in pursuit of organic growth and proactively take on the challenges independent agencies face in today's tough economic environment. To signify their commitment to this vision and to the founding partners' values, the partnership decided to rebrand the agency as ECM Solutions.

The agency made its first major acquisition in 2013 as a way to bolster its employee benefits offerings. "The purchase of Ferguson Employee Benefits Agency in Greenville, South



ECM Solutions President and Partner Jeff Haney counsels new producer Matt Thompson, Vice President.

Carolina, provided us with intellectual capital and expertise to better serve our large accounts,” Jeff Haney explains. “Employee benefits increasingly showed up as a pain point for our large commercial accounts; we knew we needed to provide these clients proprietary and innovate solutions, like disease management, through our own staff nurses. It was a good offensive move that increased our reach in the Carolinas.”

With innovation as a core value, ECM has earned a reputation for providing effective alternative risk solutions. The company formed the first captive under North Carolina’s new statutes and also was an early adopter of group medical stop loss captives and preferred risk pools. To date ECM has helped more than 30 clients use some form of alternative risk transfer.

Hiring and mentorship

Because of ECM’s reputation in the marketplace, Jeff explains, “We have always had the luxury of having people who wanted to work at the agency calling us. That let us pick and choose among candidates, but we had

never defined and determined what characteristics candidates should have in order to fit in with our core values and meet production requirements.” Management spent time addressing that challenge and has had considerable success since doing so. In the last 18 to 20 months ECM has hired as producers a former attorney, a former accountant, a former claims adjuster, and several successful executives with marketing and sales backgrounds—all of whom are good fits.

A concern agency leaders had before hiring these individuals was how young individuals with little or no insurance experience could be successful in the agency arena. “Our conclusion was that this is the new reality for independent agencies,” Jeff notes. “Gone are the days of insurance training grounds in Hartford, Connecticut, where five of our six current partners earned their underwriting stripes with Aetna, now Travelers.

“We had to figure out how to train the next generation of producers,” he adds. “And we needed to look at all aspects of the agency from their

perspective, so we could make it a place that was attractive to them while still retaining our core values and allowing all generations to succeed and prosper.”

To help the new hires develop the needed expertise, each ECM partner is assigned to a new producer to provide mentorship and guidance. Having their own books of business to grow, the partners also realized that it was not realistic to expect each of them to always be available. In December 2015, ECM hired David Connolly of iQ Consulting to provide added bandwidth.

“We liked that David had a proven track record as a successful insurance agent and that he focuses on training the producers,” Jeff explains. “He spends one week a month in our office and is available the other weeks by phone.”

In the relatively short time since the agency hired the new producers and brought David in, “The results have been tremendous,” Jeff says. “You can walk around the office and sense the positive energy. People are having fun. Producers are confident. And the numbers speak volumes.”



ECM Solutions Partner John Ketner discusses risk identification with new producer Joe Hughes, Vice President.

Producers are out knocking on doors, making more personal visits to prospects and clients—something many other agencies have forsaken in a marketplace increasingly reliant on digital communication. “And we’re seeing more and more referrals from happy customers who are eager to see us grow,” Jeff adds. “We have full pipelines, we’ve increased sales, and we’ve written more business by BOR in the last few months than we had in the previous few years.”

While hiring smarter and developing a mentorship program were critical to the future success of ECM, joining the Assurex Global partnership also helped the agency, putting it in an even more favorable position to compete and succeed against the largest national brokers. As a member of Assurex Global, ECM is part of the world’s largest privately held commercial insurance, risk management and employee benefits group.

Each of the 100-plus partners worldwide has been thoroughly vetted to ensure the quality of each member. Whether it’s market expertise, an international coverage placement, or simply an agency business matter, Assurex Global has proved to be invaluable to ECM’s growth initiative.

For example, ECM tapped Assurex partners for their ideas on producer compensation. “We had

always used a draw against future production,” Jeff explains, “but we heard a lot of negatives about that—for both the agency and producers. So we ended up changing to an approach using salary plus commissions. Producers must meet quarterly goals to stay on track. After two years, the salary starts going down until they are commission-only by the fourth year.”

Jeff says these changes have resulted in a kind of reset, requiring a different philosophy and different kinds of producers. “But it’s all really coming together,” he notes. “For me, the best part has been watching the increase in production and the energy that permeates the entire agency.”

Giving back

Although ECM is a part of a global network, it prides itself on staying true to the local communities it serves. “The individuals and the businesses in our area know us, and they appreciate the good we do in our community,” Jeff says.

“What has truly been great,” he adds, “is that, partly because

“The results [of our new producer onboarding and training] have been tremendous. You can walk around the office and sense the positive energy. People are having fun. Producers are confident. And the numbers speak volumes.”

— Jeff Haney, CPCU, ARM

of the increased profitability that has come about through our recent changes, we have been able to establish the ECM Foundation to support local charities. We’ve always been involved in the community, providing our time and talent to local charities, and the foundation provides a mechanism to systematize our giving.

“We have continued to choose worthy causes in each of our two locations and hold fundraisers to support them. In Greenville, for example, we supported a 5K race, with the proceeds going to Pendleton Place, and in Charlotte we sponsored a poker tournament that, in its second year, had 90 players with proceeds going to The Relatives. Both charities work with children.”

Today ECM Solutions employs 75 people, including nurses who help clients with wellness initiatives.

Rough Notes is pleased to honor ECM Solutions as our Agency of the Month. Its willingness to grow and progress in the face of adversity and continually reflect on the agency’s future direction indicate that it will be here for many generations to come. ■

