BUILDING A HIGH-PERFORMANCE BUSINESS

Optimizing Your Systems for Finding, Building and Keeping the Right People
<table>
<thead>
<tr>
<th>CONTENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreword</td>
</tr>
<tr>
<td>About this Report</td>
</tr>
<tr>
<td>Key Messages for Leaders</td>
</tr>
<tr>
<td>The 10 Best Practices That Define High Performance</td>
</tr>
<tr>
<td>What is a High-Performance Business?</td>
</tr>
<tr>
<td>Finding the Right People: Maximizing Your Recruiting and Selection Results</td>
</tr>
<tr>
<td>Building a High-Impact Recruiting Culture</td>
</tr>
<tr>
<td>Building the Right People: Creating Fast-Start Success for New Advisors</td>
</tr>
<tr>
<td>Building a High-Expectations Culture</td>
</tr>
<tr>
<td>Keeping the Right People: Achieving Exceptional Retention</td>
</tr>
<tr>
<td>Building a High-Trust Culture</td>
</tr>
<tr>
<td>Learning at the Speed of Change</td>
</tr>
<tr>
<td>Building a High-Impact Learning Culture</td>
</tr>
<tr>
<td>Your High-Performance System in Action</td>
</tr>
<tr>
<td>A Final Note on Best Practices</td>
</tr>
<tr>
<td>Related Resources</td>
</tr>
<tr>
<td>About this Research</td>
</tr>
<tr>
<td>About the Performance Profile Series</td>
</tr>
<tr>
<td>Acknowledgments</td>
</tr>
<tr>
<td>End Notes</td>
</tr>
</tbody>
</table>
FOREWORD

In 2004, the GAMA Foundation published Building the Right People, the first study in its Systems for Success series. Keeping the Right People (2005) and Finding the Right People (2006) soon followed. These three studies of best practices to recruit, select, develop and retain advisors quickly became essential components of field leader training and development across the industry.

Much has changed in the past decade — the growth of social media, more companies employing direct-to-consumer business models, the arrival of robo-advisors and driverless cars, regulatory changes and new work expectations of millennials as they surpass baby boomers in the workforce, to name just a few. The many changes both within and outside our industry have prompted us to take another look at the best practices identified in these original studies.

This report introduces the findings from the research and highlights key areas of focus for field leaders. Additional resources available in the Building a High-Performance Business collection take a deeper dive into each of the focus areas. There is also a companion online assessment for you to assess your high-performance business so you can create a custom action plan that focuses on the specific areas you want to address.

This is the first in the Foundation’s new Performance Profiles series. Visit www.gamafoundation.org to find out more about the series. We are very excited about this new approach to delivering research, and welcome your feedback to help us provide the information and resources you need to succeed today and move confidently into the future.

Debra L. Grommons, CEO
The GAMA Foundation for Education and Research
ABOUT THIS REPORT

Are there timeless principles from the original Finding, Building and Keeping the Right People studies that still hold true today? How have they been (or should they be) adapted to address the many technological and socio-economic changes that have taken place since they were originally published more than a decade ago? Why are some field leaders more successful than others in implementing these best practices?

This report provides the findings from our research and offers insights into the answers to those questions. For a more in-depth look at topics covered in this report, and for tools you can use to apply the findings, visit www.gamafoundation.org.
KEY MESSAGES FOR LEADERS

1. A high-performance culture doesn’t happen by accident. Be proactive in establishing, monitoring and managing your culture.

2. Use the 10 best practices to influence the behaviors, attitudes and actions of people in your organization to create a climate where people:
   - Feel a strong sense of loyalty and commitment to the firm.
   - Are all actively contributing to the firm’s success.
   - Are focused on activities that generate the best results.
   - Are committed to achieving results.

3. Culture shapes how strategy is executed. To build your high-performance business, use the 10 best practices to create a:
   - High-impact recruiting culture.
   - High-expectations culture.
   - High-trust culture.
   - High-impact learning culture.

4. Best practices are tools, not rules. Learn from best practices and adapt them to fit your firm’s specific business strategy, culture and demographics.
THE 10 BEST PRACTICES THAT DEFINE PERFORMANCE:

High-Impact Recruiting Culture

1. Cultivate a strong recruiting mindset within the agency or firm.
2. Focus on warm-source recruiting activities.
3. Apply a rigorous, systematic and consistent approach to the recruiting and selection process.

High-Expectations Culture

4. Set high expectations and hold new agents and advisors accountable for meeting them.
5. Strengthen new agent and advisor connections to the profession and to the firm.

High-Trust Culture

6. Act with integrity.
7. Acknowledge the contributions and expertise of top performers.

High-Impact Learning Culture

8. Seek out and become early adopters of new ideas and best practices.
9. Emphasize the positive aspects of risk taking.
10. Overcome barriers to execution.
WHAT IS A HIGH-PERFORMANCE BUSINESS?

Almost every industry has established business metrics for monitoring, measuring and comparing performance over time and across organizations — typically these are measures of productivity and financial strength. These output-oriented, lagging indicators measure outcomes, but not the activities that influence them. Yet, strong execution of those influencing activities — the leading indicators — is the key to high performance. And, while there seem to be as many business models for achieving high-performance as there are business performance experts, there is a common theme across all of them: culture.

Culture — the beliefs, behaviors, actions and attitudes of the people in your organization — shapes how strategy is executed and what outcomes are achieved. Culture is the leading indicator of high performance.

This research identifies how you can build your business by focusing on 10 best practices that reinforce the actions, attitudes and behaviors shown to create a high-performance culture in financial services and insurance agencies and firms.

“Greatness is not a function of circumstance. Greatness, it turns out, is largely a matter of conscious choice and discipline.”

- Jim Collins
A NEW LOOK AT OLD CLASSICS

It has been more than a decade since the publication of Finding the Right People, Building the Right People and Keeping the Right People. These iconic studies from the GAMA Foundation identified the best practices used by top-performing agencies and firms for recruiting, selecting, launching and retaining top performers. And, while many leaders are still applying those findings with great success today, others have been frustrated by their attempts.

One of the biggest challenges for many field leaders has been applying, in a systematic way, the more than 200 best practices that were identified in the original studies. In this research, we take a fresh look at those best practices to see which have contributed the most to agency and firm-building success. We’ve also identified the barriers that have frustrated some leaders, along with the behaviors of leaders who have implemented them successfully.

The result is a simpler, more flexible model focused on the culture and best practices that drive high performance.

“Simple can be harder than complex: You have to work hard to get your thinking clean to make it simple. But it’s worth it in the end, because once you get there, you can move mountains.”

- Steve Jobs
BUILDING A
HIGH-PERFORMANCE BUSINESS

FROM:

FINDING THE RIGHT PEOPLE
BUILDING THE RIGHT PEOPLE
KEEPING THE RIGHT PEOPLE

TO:

BUILDING A HIGH-IMPACT RECRUITING CULTURE
BUILDING A HIGH-EXPECTATIONS CULTURE
BUILDING A HIGH-TRUST CULTURE

New:
Building a High-Impact Learning Culture
HOW IS THIS NEW STUDY DIFFERENT?

Some of the best practices in this new study may be familiar to you, and you may be tempted to skip over them. We urge you not to do so, and instead look at them from a new perspective. There is an important distinction between this study and the original Finding, Building and Keeping research. The original studies emphasized tactics, for example: top performers use more job-sampling activities and selection tests than low performers and top performers are more likely to track the results of their recruiting sources than low performers.

In this new research, the emphasis is on people and their motivation and ability to execute those tactics. While leaders certainly shared specific tactics they consider to be best practices, this study looks at how they use those best practices to influence people’s actions and attitudes.
Top-performing leaders use best practices as tools to create an organizational climate where people:

- Feel a strong sense of loyalty and commitment to the firm.
- Are focused on activities that generate the best outcomes.
- Actively contribute to the firm’s success.
- Are committed to achieving results.

The result of this climate of loyalty, contribution, focus and achievement is a culture that embraces:

1. High-impact recruiting.
2. High expectations.
3. High trust.

These four cultural elements are the leading indicators of a high-performance business. In this report, we look at each of these leading indicators and the 10 best practices that influence them.

This study focuses on people, not tactics. People, through their behaviors, attitudes and actions, drive high performance.
BUILDING A HIGH-PERFORMANCE BUSINESS

HIGH-PERFORMANCE OF focus, contribution, loyalty and achievement influences leading indicators.

10 BEST PRACTICES create a high-performance climate.

4 LEADING INDICATORS predict high performance.

1. High-Impact Recruiting Culture
2. High-Expectations Culture
3. High-Trust Culture
4. High-Impact Learning Culture

ORGANIZATIONAL CLIMATE of focus, contribution, loyalty and achievement influences leading indicators.
“The life insurance and related financial services industry is facing a gathering storm. Low numbers of new agents being recruited into the business, combined with a dismal four-year retention rate, have contributed to a significant loss of face-to-face distribution presence and capacity. According to LIMRA statistics, the industry’s four-year retention rate across all agency-building sectors is 13 percent.”

This quote is from the GAMA Foundation’s 2006 Finding the Right People research. Current reports from LIMRA set the industry’s 2016 four-year retention rate at 15 percent for traditional life firms.2 (The four-year retention rate for multiline agencies was 57 percent in 2006 and 40 percent in 2016.³) Retention continues to be a struggle in agencies and firms, and effective strategies for recruiting and selecting high-quality candidates — those most likely to succeed in financial services — continues to be the No. 1 request from field leaders.

We asked leaders in this study to identify the best practices most important to high performance in recruiting and selection, and leaders across the industry, regardless of geographic location, firm size or product mix all agreed on three essential best practices for creating a high-impact recruiting culture:

**Best Practices For Building A High-Impact Recruiting Culture**

1. Cultivate a strong recruiting mindset within the agency or firm.
2. Focus on warm-source recruiting activities.
3. Apply rigorous, systematic and consistent approach to the recruiting and selection process.

**How These Best Practices Influence High-Performance Attitudes and Actions**

<table>
<thead>
<tr>
<th>Loyalty</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Team members feel they are contributing to, and are a part of, the success of the firm.</td>
<td>Team members are actively engaged in finding candidates and helping the firm grow.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Focus</th>
<th>Achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Team members are focused on recruiting and selection activities that find the strongest candidates.</td>
<td>Team members feel personal accountability for successful recruiting and selection efforts. They are committed to the processes that bring in the strongest candidates.</td>
</tr>
</tbody>
</table>
Top agencies and firms build high-impact recruiting cultures by engaging the entire team in the recruiting and selection process, focusing their efforts on the activities that provide the strongest results, screening rigorously and consistently following each step in the process.

**BUILDING A HIGH-IMPACT RECRUITING CULTURE**

**Cultivate a Strong Recruiting Mindset**

In a strong recruiting culture, everyone on the team is committed to growing the firm and believes that recruiting is his or her personal responsibility. Top firms expand their referral incentive programs to include both advisors and staff. Everyone on the team knows the firm’s recruiting goals and ideal candidate profile, and leaders regularly update the team on progress at firm meetings and in firm communications. Leaders in firms with a strong recruiting culture consider nominators and centers of influence as part of their recruiting team. They make sure nominators and centers of influence have a clear understanding of the type of candidate that will be most successful in their agency or firm, and communicate with them regularly.

**Recruiting is embedded into the culture at top firms, and everyone contributes to the process.**
Focus on Warm-Source Recruiting Activities

In the 2006 study, top-performing leaders emphasized the value of warm-source recruiting. Today, that practice is even more widespread. Many leaders are focusing most, if not all, of their effort on warm-source recruiting. In fact, 20 percent of the extremely important recruiting activities identified by leaders in our research are warm-source activities. Advisor and agent referrals are still at the top of the list, with centers of influence and nominators a close second, and personal observation a somewhat distant third. Top firms have formal systems in place to generate and track referrals and to follow-up with nominators to let them know the status of their referrals.

“We’ve built an entire program around warm-source prospecting. We’ve even elevated the definition of a referral. We’re looking more toward recommendations. In other words, somebody who would recommend us to a friend or a family member, not just hand a name over.”

- Kurt Jonson, CLU ChFC CFP
  Pacific Capital Resource Group

Culture in Action

Top-performing leaders treat nominators and centers of influence the way they do their star clients. Strategies they use to cultivate relationships include:

- **Holding appreciation events for nominators and centers of influence.** These can be high-ticket, formal celebrations or informal get-togethers.
- **Regularly scheduling working lunches with centers of influence and nominators where they review their ideal candidate profile and use checklists to prompt nominators and centers of influence to think about who they might refer.**
- **Keeping nominators and centers of influence informed of the status of their referrals, ensuring them that the agency or firm is following up on referrals, and that referrals are treated well regardless of whether or not they are hired.**
- **Providing feedback on referrals to help nominators and centers of influence better understand the type of candidate most likely to succeed.**
- **Including nominators and centers of influence in newsletter distribution and other communications about the agency or firm and profiling new advisors gained from a referral in the newsletter.**
Apply a Rigorous, Systematic and Consistent Approach to the Recruiting and Selection Process

Consistency is critical throughout the recruiting and selection process. Top-performing leaders develop formal processes and procedures for recruiting and selection, and ensure that everyone on the team follows them. They screen candidates in multiple ways throughout the process, using interviews, workbooks, job-sampling and other activities to assess candidates’ fit with the profession and willingness to do the job. Top-performing leaders view their recruiting and selection process as an integrated system, not a series of independent steps. Each step has a specific purpose, and leaders know that skipping or adjusting any step can negatively impact end results.

The popularity and widespread use of social media has caused many leaders to expand their definition of warm-source recruiting. LinkedIn, Facebook, Twitter, Instagram — these social media tools and others are how many people stay connected today. Leaders use these tools to build relationships with targeted groups and to expand their network of nominators and centers of influence. They use Facebook and LinkedIn to create brand awareness and to give recruits and nominators a glimpse into their firm’s culture. And they take the time to learn about recruits from their online presence allowing for more powerful in-person interactions. Some leaders are also using social media connections to help new advisors identify natural markets and to obtain referrals. Remember that social media is about building relationships and sharing information with your connections. Use it strategically to expand your network of nominators and centers of influence and to turn cold sources into warm ones.
There are no significant differences in recruiting and selection best practices between multiline agencies and traditional life firms at a high level. The three best practices for building a high-impact recruiting culture are important for both groups. At a more granular level, leaders in multiline agencies appear to use a greater variety of recruiting methods, such as internet sites, HR sites and job fairs. And, they place a greater importance on job-sampling activities early in the selection process.

### Recruiting and Selection Activities Comparison

<table>
<thead>
<tr>
<th>Activity</th>
<th>Multiline</th>
<th>Traditional Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use relevant internet sites</td>
<td>4.9</td>
<td>4.0</td>
</tr>
<tr>
<td>Screen out undesirable candidates</td>
<td>4.8</td>
<td>3.5</td>
</tr>
<tr>
<td>Use a range of HR/career sites</td>
<td>4.7</td>
<td>3.7</td>
</tr>
<tr>
<td>Use more job-sampling activities</td>
<td>4.6</td>
<td>4.1</td>
</tr>
<tr>
<td>Focus on prospecting not sales</td>
<td>4.5</td>
<td>2.8</td>
</tr>
<tr>
<td>Attend job fairs</td>
<td>4.5</td>
<td>4.0</td>
</tr>
<tr>
<td>Use job-sampling early in the process</td>
<td>4.3</td>
<td>3.5</td>
</tr>
<tr>
<td>Have candidates complete workbooks</td>
<td>4.2</td>
<td>2.2</td>
</tr>
</tbody>
</table>
BUILDING THE RIGHT PEOPLE: CREATING FAST-START SUCCESS FOR NEW ADVISORS

While they emphasized that all stages are important, leaders identified launching and developing new advisors as the most critical of the three advisor life-cycle stages (recruiting and selecting candidates, launching and developing new advisors, and retaining top performers). Our data confirms their beliefs: 100 percent of those who rated the importance of launching and developing new advisors as low also reported four-year retention rates below industry standards. Eighty-four percent of those who rated importance as high, reported retention rates higher than industry averages.

These top-performing leaders identified two best practices as the most important for successfully launching new agents and advisors and creating a high-expectations culture.

**Best Practices for Building a High-Expectations Culture**

1. Set high expectations and hold new agents and advisors accountable for meeting them.
2. Strengthen new agent and advisor connections to the profession and to the firm.

---

100 percent of leaders who place a low importance on launching and developing new advisors also reported four-year retention rates below industry standards.

**How These Best Practices Influence High-Performance Attitudes and Actions**

- **Loyalty**
  - New agents/advisors feel personally and professionally supported by leaders and team members.
  - New agents/advisors are proud to be part of the firm and are passionate about the difference they make in their clients’ lives.

- **Contribution**
  - Early successes help new agents/advisors feel they are valued members of the firm and are contributing to its success.
  - Early successes build confidence and reinforce new agents’/advisors’ desire to succeed.

- **Focus**
  - New agents/advisors are focused on activities that generate revenue and help them to establish a successful practice.

- **Achievement**
  - High expectations push new agents/advisors to high levels of achievement.
Leaders in a high-expectations culture balance pushing new advisors to high levels of achievement with building strong relationships and connections. High expectations without strong relationships and connections won’t create the level of commitment required to sustain high performance. Strong relationships and connections without high expectations won’t produce high-level results.

Leaders in a recent GAMA International survey say new advisors should spend 75 percent of their time on revenue-producing activities.⁴

Culture in Action
The top three requirements leaders set to keep new advisors focused on revenue-generating activities and to establish a high-expectations culture are:

1. The required number of appointments to hold each week.
2. The required number of new appointments to schedule each week.
3. The required number of referrals to request each week.

To keep new agents and advisors focused, and to strengthen their commitment to achieving results, high-performing leaders help them to see how these activities lead to achieving their personal and professional goals.⁵
Millennials are drawn to professions where there is a strong sense of purpose, camaraderie and inclusion, and want to play a significant role in achieving agency and firm goals. They also recognize the importance of being held accountable for their performance. In the 2016 Deloitte Millennial Survey, accountability for performance had no impact on millennial job satisfaction or loyalty. In fact, millennials prefer environments where expectations are clear. Millennials do prefer more frequent feedback than their baby boomer and Gen X counterparts. Leaders should plan to meet frequently and communicate often (virtually, digitally or in person) with millennial agents and advisors.

Set High Expectations and Hold New Advisors Accountable for Meeting Them

Leaders maintain that holding new advisors accountable for high activity standards is what makes the difference between success and failure. Top-performing leaders set standards higher than industry norms and company requirements, and they communicate those expectations early and often. While leaders provide training and support to new advisors, they are rigid in their expectations. They meet regularly with new advisors to ensure that activity requirements are being met and intervene quickly when needed. Many use peer accountability groups to reinforce their high-expectations culture.
Top-performing leaders are purposeful in building relationships between new advisors and the leadership team. They meet regularly — often daily — with new advisors, especially in the early stages of their career, and use these personal interactions to demonstrate their confidence in the new advisor’s success. Leaders in these high-performance firms also create opportunities for new advisors to connect with experienced advisors, for example by using experienced advisors as facilitators in training programs, hosting social events and other informal activities. And, top leaders connect new advisors to the profession through stories about the culture and history of the firm and the clients they help through their work. Leaders identified using stories that reinforce the difference agents and advisors make in their clients’ lives as one of the most impactful activities for connecting new advisors to the passion and purpose of the profession. These relationships and connections establish a support system for new agents and advisors, create a sense of belonging and camaraderie, and build pride in the profession and the firm.

“I have one-on-one pep sessions with new advisors every week. If they want to talk about cases, we can, but I’m really a cheerleader.”

- Shawn Will Principal

**Strengthen New Agent and Advisor Connections to the Profession and to the Firm**
There were no significant differences between multiline and traditional life agencies and firms regarding best practices for launching new agents and advisors. At a more tactical level, multiline leaders assigned greater importance to a number of new-agent support activities than leaders in life firms — perhaps due to the wider range of offerings and the greater need for product expertise.
How These Best Practices Influence High-Performance Attitudes and Actions

Loyalty
Top advisors feel supported and respected as valued members of the firm. Top advisors believe they play an important role in the firm’s success.

Contribution
Top advisors provide input into the long-term success and direction of the firm.

Focus
Top advisors can focus on building their business without distractions when leaders provide business and personal support.

Achievement
Top advisors have a shared vision of success with firm leaders and are committed to achieving firm goals.

KEEPING THE RIGHT PEOPLE: ACHIEVING EXCEPTIONAL RETENTION

Just as setting high expectations can be the difference between success and failure for new advisors, trust is the factor that can mean the difference between keeping and losing experienced advisors. Two best practices emerged as the most critical for creating a high-trust culture and retaining top advisors:

Best Practices For Building A High-Trust Culture

1. Act with integrity.
2. Acknowledge the contributions and expertise of top performers.

“It takes 20 years to build a reputation and five minutes to ruin it.”

- Warren Buffett
Top advisors must trust leaders enough to discuss these complex, and sometimes highly personal, issues. Leaders foster a high-trust culture by consistently acting with integrity and demonstrating through their words and actions that they value the contributions of top producers.

As advisors’ businesses grow in complexity, so do the issues they face.

BUILDING A HIGH-TRUST CULTURE

Act With Integrity

When leaders are acting with integrity, their actions are consistent with their values. Advisors know they can rely on leaders to follow through on their commitments, and believe that leaders will act in advisors’ best interest. Leaders demonstrate integrity in many ways. The following are especially important to top performers:

- **Keep your word.** In a high-trust culture, leaders follow-through on their promises, even in difficult situations. The amount of trust and loyalty that is built is worth the investment.

- **Keep personal issues in confidence.** The relationship between leaders and top advisors can be intensely personal. And, like everyone, advisors sometimes struggle with personal issues. Providing confidential support to advisors facing personal challenges creates a lasting bond of loyalty.

- **Responding to advisors’ concerns.** In a high-trust culture, leaders listen and respond to advisors’ concerns. They pay attention to interpersonal interactions and work to uncover unspoken concerns and underlying issues.
Acknowledge the Contributions and Expertise of Top Performers

In addition to personal and public recognition of achievements, leaders acknowledge the contributions of top performers by:

- **Providing business support.** Top-performing leaders provide top performers with the advanced services they need to support high sales performance.

- **Treating top advisors like business partners.** Top-performing leaders provide opportunities for experienced advisors to give input into the growth and direction of the firm.

---

Culture in Action

Watch for these warning signs that may indicate top performers are struggling with personal or professional issues:

- Decrease in social interactions.
- Gradual withdrawal from firm activities.
- Similar coverage for different clients (appears to be just “going through the motions”).

In each case, the suggested action is the same: Address it quickly through coaching or a conversation, with the goal of redirecting advisors’ attention back to their personal “Why” and re-igniting their passion for the profession. 7
There were no significant differences in the best practices used by multiline and traditional life firms to support top performers. At a more granular level, multiline leaders emphasized business support activities and recognition events more than leaders in traditional life firms. However, leaders in life firms placed stronger emphasis on serving as top performers’ personal troubleshooter than their multiline counterparts.

### SUPPORTING TOP PERFORMERS ACTIVITIES COMPARISON

<table>
<thead>
<tr>
<th>Activity</th>
<th>Multiline</th>
<th>Traditional Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design contests for top performers</td>
<td>5.0</td>
<td>4.1</td>
</tr>
<tr>
<td>Provide in-house marketing support</td>
<td>4.3</td>
<td>3.9</td>
</tr>
<tr>
<td>Serve as personal troubleshooter for top performers</td>
<td>4.8</td>
<td>4.0</td>
</tr>
<tr>
<td>Provide financial support for marketing</td>
<td>4.4</td>
<td>3.9</td>
</tr>
<tr>
<td>Build relationships between top performers and underwriters</td>
<td>5.0</td>
<td>3.4</td>
</tr>
<tr>
<td>Hold large-scale recognition events for top performers</td>
<td>2.3</td>
<td>2.6</td>
</tr>
</tbody>
</table>
In today’s environment, clients and candidates expect businesses to have a social media presence and to offer a streamlined online experience, making technical support for top performers more critical than ever. Leaders provide top performers with this support in a variety of ways, including:

- Providing advanced client relationship management (CRM) systems that offer clients a seamless, automated application process.
- Managing the creation of professional LinkedIn profiles for top performers (arranging for a professional photo shoot and copywriter, for example).
- Hiring a ghostwriter to post articles on social media.
- Providing access to a video studio for top performers to shoot videos to post on social media or send to clients.
- Hiring an intern to create a ‘paperless’ office (i.e., scanning client files into PaperClip).
- Hiring a part-time employee to search their LinkedIn connections for potential referrals (2nd connections).

Culture in Action
Providing advanced marketing support is one way leaders acknowledge and reward the contributions of top performers. Marketing support might include:

- Working with advisors to explore market options, identify new markets to pursue and develop a marketing plan.
- Creating to producer groups and giving them access to outside, professional resources to grow their practice.
- Providing press releases, ads and other marketing materials.
- Sending newsletters and other communications to clients on behalf of advisors.
- Getting them speaking engagements at local and regional organizations and national conferences.
- Providing support in writing and publishing books.
- Hosting client appreciation events.
- Coordinating educational seminars.
- Sponsoring community events.
Leaders in the study who are highly successful in executing best practices have several characteristics in common. They don’t just adapt to change, they embrace it. They are less likely to settle for incremental change and more likely to seek out ways to transform their business. These leaders are not mimicking the best practices of others, they adapt them to fit their vision and strategy. They create new processes, and are often the people other leaders look to when they are seeking best practices. These leaders operate in a continual state of learning, creating and adapting, and looking down the road to identify the next change coming.

A high-impact learning culture is one that encourages this ongoing cycle of learning, change and growth. We identified three best practices leaders use to create a high-impact learning culture.

**Best Practices For Building a High-Impact Learning Culture**

1. Seek out and become early adopters of new ideas and best practices.
2. Emphasize the positive aspects of risk taking.
3. Overcome barriers to execution.

“The illiterate of the 21st century will not be those who cannot read and write, but those who cannot learn, unlearn, and relearn.”

- Alvin Toffler
How These Best Practices Influence High-Performance Attitudes and Actions

Loyalty
Execution barriers have a direct impact on loyalty and retention. Removing these barriers increases both loyalty and retention.

Team members are energized by new ideas and transformed business processes.

Focus
Team members are focused on best practices that strengthen and continually improve the business and on new ideas that move the business forward.

Contribution
All team members contribute new ideas and participate in the change process, and everyone works toward eliminating barriers.

Team members are continually expanding their knowledge and skills, and, consequently, their contribution to the firm.

Achievement
Removing barriers supports team members in achieving their goals.

Team members are committed to the success of best practices and new ideas.

Why is a High-Impact Learning Culture Important?
High-impact learning organizations significantly outperform their peers in several areas:

- They are 32 percent more likely to be first to market.
- They have 37 percent greater employee productivity.
- They have a 34 percent better response to customer needs.
- They have a 26 percent greater ability to deliver quality products.
- They are 58 percent more likely to have skills to meet future demand.
- They are 17 percent more likely to be market share leaders.
In a high-impact learning culture, continual learning, experimentation, adaptability and a willingness to take risks are key. Top-performing leaders don’t wait passively for change to happen to them; they actively seek out new ideas and best practices, learn from them, and adapt them to fit their unique business environments.

Of the four cultures that are leading indicators of high performance, the high-trust and high-impact learning cultures are the two that have the most direct influence on individual attitudes and behaviors. In a high-impact learning culture, people must be willing to openly discuss issues, admit mistakes, challenge each other’s ideas and be unafraid to try and fail. That can only happen successfully in an environment of high trust.

“What makes you a good entrepreneur is that you’re optimistic and resilient. You’re willing to take a punch and fail and try again.”

- Kelly G. Kidwell, CLU ChFC CFP LUTCF Pacific Advisors, Inc.
Seek Out and Become Early Adopters of New Ideas And Best Practices

A majority of leaders in our study were either early adopters (among the first to adopt) or early majority (adopt early, but only after a few others have already done so). These leaders were almost four times more likely to have implemented a new best practice within the past three months than their slower-to-adopt peers.

Early adoption of best practices has a positive impact on performance, perhaps because early adopters are less risk averse and more likely to try, and learn from, new ideas quickly. Early and early majority adopters outperformed others in loyalty, retention, successful execution of best practices and in the strength of their best-practice culture. They also showed significantly superior performance in overcoming barriers to execution. These leaders are almost 10 times more likely to think strategically about best practices than other leaders, and seven times more likely to overcome resistance to change.
When asked specifically about business building and implementing best practices, top-performing leaders in the study indicated that they evaluate both the likelihood of success and the risk of failure, but they place greater emphasis on success and reward than they do on failure and loss. These leaders consistently emphasized resilience, positivity and optimism as important leadership qualities in our industry.

Financial services leaders and leaders in other industries both make their decisions based on reward and success about equally. However, leaders in financial services are significantly less risk averse, placing less emphasis on potential failure and loss than those in other industries.

Emphasizing the positive aspects of risk taking is not permission to forge blindly ahead. Risk taking is not the same as gambling on a hunch. Experimentation, challenging each other’s thinking, being honest about reality and learning from failure are hallmarks of a high-impact learning culture. In this way, leaders are able to take risks through thoughtfully planned actions, not a roll of the dice.

“Teams are less susceptible to risk than solo advisors. They aren’t as affected by the ups and downs in the market because they may not be tied to one product line, market or demographic. Teams have scale, capacity and processes allowing them to better execute on new strategies. They are quicker to adapt to changes, such as technology, because they might, for example, have a millennial who is very comfortable with technology running the CRM for their team.”

- Heather Scher
MassMutual
Culture in Action

Not comfortable with risk? Here are seven ways to help you become more risk tolerant:10

1. Start small. Think of it as an experiment. If it doesn’t work, you can always go back to the old way.

2. Imagine the worst case scenario. You will usually realize the downside possibilities aren’t the end of the world. At the very least, you’ll have a plan.

3. Develop multiple options. Don’t bet the farm on one possibility of success. Knowing there are multiple options to get to success will make risk less scary.

4. Have the courage not to know. You can adjust your path along the way.

5. Don’t confuse risk taking with gambling. Taking a risk isn’t permission to act on a hunch without thinking through the consequences.

6. Take your eyes off the prize. Focusing on the final outcome can feel daunting. Break the change into small steps.

7. Be comfortable with good enough. You have to move forward with imperfect information. If you wait until you have all of the information, you never will.

“The biggest challenge any organization faces is change. Any time change comes into the picture, you’re rebuilding the culture, often from scratch. And change happens often.”

- Bellaria Jimenez
MassMutual Tri State
Many leaders who had difficulty implementing best practices from the original studies indicated that they faced multiple barriers to execution, including competing priorities, information overload, negative and passive-aggressive behaviors, advisor turnover and changes in leadership. While no single barrier was identified by a majority of leaders, two major themes did emerge:

1. Operational barriers, such as competing priorities, time constraints and information overload, make it difficult to implement best practices while managing the daily operations of the firm.
2. Cultural barriers, including changes in leadership, advisor turnover and negative behaviors, often derail implementation of best practices.

Not surprisingly, managing the daily whirlwind of running a business keeps many leaders from following through on new ideas — even those they believe are likely to improve results. Changes in leadership and advisor turnover are especially disruptive when the person leaving is one of the champions of the new idea or initiative. On the flip side, people strongly opposed to an idea (or to change in general) can quickly sabotage change efforts. These barriers have a significant impact, not only on the successful execution of best practices, but also on the firm’s overall retention.
High-performing leaders spend 28 percent more time engaging the organization in ongoing dialogue about cultural enablers and barriers to execution.11
Culture in Action

Fostering a high-impact learning culture will address many of the cultural barriers identified by leaders. And, while changes in leadership and agent/advisor turnover cannot always be avoided, discussing the changes openly to the extent possible (individually and in group meetings), and sharing a path forward, will help to get people back on track. Change is never easy, and even in a high-impact learning culture, you will still experience resistance to change. Here is one formula, called the 3E Principles, you can use to help people embrace change:12

1. **Engagement.** Include team members in decisions that are going to affect them. Give them time to discuss and accept the decision rather than forcing it on them.

2. **Explanation.** Explain to people why the change is needed, including the consequences of not changing. Help them to feel a sense of urgency in creating change.

3. **Expectation clarity.** People want to know the rules of the game. What is changing? How will they be measured or held accountable? The more transparent you can be, the more people will feel they have a fair shot at success.

These three principles engage people in a way that makes them feel included, that their opinions matter and that they are trusted — basic ingredients of a high-trust, high-impact learning culture.
How Barriers Affect Loyalty and Retention

Many studies have shown that loyalty is an important measure for understanding retention. In our research, strong loyalty ratings predicted 59 percent of advisor retention. In fact, while we did find the expected differences in retention rates between traditional life and multiline firms, we found no such difference in loyalty ratings, underscoring the importance of loyalty as a measure of retention regardless of the agency or firm type.13

An unsupportive firm culture and other behavioral or cultural issues can affect loyalty negatively and, consequently, affect retention as well. Sabotage or aggressive behavior and an unsupportive firm culture have a significant negative effect on loyalty, while resistance to change and lack of strategic thinking have a significant negative effect on retention.

Turnover, negativity and disruptive behaviors can be especially destructive on sales teams where advisors depend upon each other to achieve a shared goal. When we asked high-performing teams what advice they would give to new teams, spending more time working on communication and collaboration were among their top recommendations.14 In a collaborative environment people are willing to challenge each other, willing to learn and willing to change — all characteristics of a high-impact learning culture. You can increase collaboration in your teams by:

- Creating a safe environment where people can exchange ideas and discuss and learn from mistakes.
- Welcoming disagreement as an opportunity to test new ideas.
- Establishing a team charter that identifies team values and acceptable behaviors.
- Including time in meetings for team members to recognize each other’s accomplishments.
- Discussing issues openly within the team.
Top-performing leaders emphasized repeatedly that all four of the high-performance cultural indicators (high-impact recruiting culture, high-expectations culture, high-trust culture and high-impact learning culture), along with their corresponding best practices, are essential to achieve high performance. Leaders who try out one or two best practices are much less likely to experience significant results than those who view them as an integrated system of interdependent processes.

This whole-system approach to best practices is a much more strategic approach to growth than simply applying new tactics. It is an approach that fosters innovation rather than incremental change.

The 10 best practices work together to create an organizational climate of loyalty, focus, contribution and commitment to achieve. These attitudes and behaviors create the four cultural indicators of high performance.

**THE FOUR CULTURAL INDICATORS LEAD TO HIGH PERFORMANCE BY:**

**LEADING INDICATOR**
- **HIGH-IMPACT RECRUITING**
- **HIGH EXPECTATIONS**
- **HIGH TRUST**
- **HIGH-IMPACT LEARNING**

**SUPPORTS HIGH PERFORMANCE BY:**
- Growing the agency or firm by finding and selecting the candidates most likely to succeed and to stay, and by focusing the entire organization on growth.
- Growing the agency or firm by achieving results higher than industry and company norms.
- Creating a collaborative environment where issues are discussed and resolved openly and negative behaviors do not cause long-term distractions or damage.
- Ensuring a sustainable future by continually seeking out opportunities to learn, grow and adapt to a changing business environment.
ESSENTIALS OF A HIGH-PERFORMANCE SYSTEM

HIGH-IMPACT RECRUITING CULTURE
• Cultivate a strong recruiting mindset within the agency or firm.
• Focus on warm-source recruiting activities.
• Apply a rigorous, systematic and consistent approach to the recruiting and selection process.

HIGH-EXPECTATIONS CULTURE
• Set high expectations and hold new agents and advisors accountable for meeting them.
• Strengthen new agent and advisor connections to the profession and to the firm.

HIGH-TRUST CULTURE
• Act with integrity.
• Acknowledge the contributions and expertise of top performers.

HIGH-IMPACT LEARNING CULTURE
• Seek out and become early adopters of new ideas and best practices.
• Emphasize the positive aspects of risk taking.
Every firm has a unique combination of people, processes and culture. A one-size-fits-all best practice doesn’t account for your unique business profile and specific situation. Leaders in high-performance agencies and firms use best practices as learning tools rather than fixed rules. They adapt generic best practices (yes, even the ones included in this research) to fit their specific business profile and situation.

Is there, then, such a thing as a best practice? Here is our definition:

A practice that is truly a “best” practice is the one that works well for you. Among the many possible options, it is the one that best fits your culture and situation and best serves your agency or firm by maximizing retention and productivity.
Best practices are tools
not rules.

“I love best practices because fundamentally your success will be directly proportional to the fact that you’re learning new things and best practices are about people who do things incredibly well ... best practices are fabulous as a learning tool. They are useless to the point of being counterproductive when they become something that you mimic.”¹⁵

- Tom Peters
“The concept of best practices is so ambiguous. Leaders have to be flexible and have strong communication and leadership skills to be able to adapt best practices to different generations and different situations.”

- Matt Taylor, M.S.M.
Farm Bureau Insurance of Michigan

What Makes a Practice “Best?”

Many people within and outside of our industry prefer not to use the term “best practice” because it implies there is one solution that fits all situations. Some leaders in our research now use “leading practice” or “essential practice” instead. Because it is still a recognized and accepted term, we chose to continue to use the term “best practice” in this study.

Regardless of the language used, leaders agreed that to be considered “best” for their agencies and firms, a practice must:

- Improve key outcomes.
- Be consistent with the agency or firm culture.
- Outperform alternative practices.
- Be relevant and contemporary.
- Be easily executed and measured.

Field leaders do not believe it is essential for a best practice to be acceptable to all advisors, applicable across multiple offices or approved by any professional group.
“I think you have to look at the individual, the needs of the firm and of the people. A best practice for me may not be a best practice for someone in a different location or a different firm.”

- James H. Shoemaker, CLU ChFC CFP CFS
  Shoemaker Financial
Use the online *Building a High-Performance Business* assessment to assess the strength of your high-performance culture in four areas:

1. High-impact recruiting culture.
2. High-expectations culture.
3. High-trust culture.

For a more in-depth look at the topics discussed in this study, watch for additional resources to be released in 2018, including:

- How teaming, the millennial workforce and the popularity of social media has changed how leaders recruit, select, launch and support agents and advisors.
- Strategies for overcoming barriers, becoming an early-adoption firm and creating a culture that embraces change.
- Case studies in building a high-performance business.

**COMING IN OCTOBER 2018**

the Field Leadership Series (FLS) workshop on *Building a High-Performance Business*.

Visit www.gamafoundation.org for more information.
ABOUT THIS RESEARCH

The findings in this study are based on research conducted in 2017 by Monalco Research for the GAMA Foundation for Education and Research.

The research progressively built on a series of components:

- An initial and extensive literature search.
- Interviews with 12 respected industry leaders.
- A survey of GAMA members with 387 respondents.
- A national survey of financial services field leaders outside of GAMA with 190 respondents.
- A survey of leaders in parallel industries, including independent business owners, retail services, real estate and educational services, with 194 respondents.
- Focus groups with a total of 27 field leaders participating from traditional life, investments and multiline.

The intent of this research was to gather and analyze data — both qualitative and quantitative — about the current use of industry best practices.
The Performance Profile series is a new approach to delivering research that includes assessments and tools to help you customize results for your specific needs. The research findings will still provide the “what” and the “why” about critical topics in field leadership. With this new series, we are increasing our focus on building tools that get you to “how.”

As much as possible, we want those tools to be customizable to your firm’s unique demographics and culture. To do that, we are introducing our new online assessment tools with this publication. And as we continue to collect industry data, we will provide benchmarking data so you can also compare your agency or firm to the rest of the industry.

We’re changing our delivery method with this new series as well. Instead of lengthy guidebooks, we will publish research findings on discrete topics, in multiple formats — text, video, podcasts and webinars, for example — throughout the year. You can pick and choose the topics that interest you the most, and decide how much or how little you want to learn about a subject.

The Building High-Performance resources are the first in a series of studies where we will explore leadership and management issues based on GAMA’s new Leadership in Excellence model for building your business, building others and building yourself. Future series will include research in leading and building transformational and visionary leadership firms. Visit www.gamaweb.com for more information on the new leadership model.

We are grateful to the many contributors who make our work possible, and we hope that you will continue to support the GAMA Foundation through your generous donations. To learn more about the GAMA Foundation or the Performance Profile series, or to make a donation, please visit us at www.gamafoundation.org.
ACKNOWLEDGEMENTS

We extend special thanks to the GAMA Foundation Major Research and FLS Committee, the GAMA Foundation Board of Trustees, and the many financial services leaders who contributed their time and expertise to this study.

GAMA Foundation Major Research and FLS Committee
David T. Saviage, M.B.A., ChFC FIC, Chair
Samantha Clark, CLF CLTC
Mary Kay Quist, M.S.M., CLU ChFC CASL CPCU

GAMA Foundation Board of Trustees
Athan P. Vorilas, CLU CLTC CMFC, Chair
Mark M. Rooney, CLU ChFC CFP, Immediate Past Chair
Edward G. Deutschlander, CLU CLF, Vice Chair
Paul E. Vignone, J.D., LL.M., CLU ChFC, Treasurer
Mark A. Bonnett, CLF FIC LUTCF, GAMA International President
Ryan H. Beck, CFP ChFC CLU
John F. Bucsek, CFP
James L. Cook, Jr., ChFC CFS
William J. Cuff, CLU ChFC
Heather Davis, J.D., CLU ChFC AEP CAP
Bruce W. Davison, CFP
Matthew M. Dauksza, CLU CFP

Joseph A. Szlapka, ChFC CLF CLU FICF
Debora A. White, CLU LUTCF
Greg Winsper, CLU

Howard J. Elias
Jeffrey S. Golan, CLU ChFC CLF
Michelle R. Hubert, CLF LUTCF
John E. Natoli, CLU ChFC CFP CLF CMF
James A. Petersen, M.S.F.S., M.S.M., CLU ChFC CFP CLF AEP CASL RICP
David T. Saviage, M.B.A., ChFC FIC
Brad P. Seitzinger, CLU ChFC CLTC
Samuel L. Terrazzino, CFP LUTCF
Frederick L. Walker, M.A.
Debra L. Grommons, M.S.A., Chief Executive Officer
Production Team

Researcher: William McGill, Ph.D., Monalco Research
Editor: Jennifer McNally, Communication Counts, LLC
Graphic Designer: Ashley Thorpe

Research Participants

Close to 1,000 financial services leaders contributed to our research. The following leaders participated in interviews and focus groups.

Daralee S. Barbera, ChFC CFP CLF CMFC
Michael D. Becker, ChFC LUTCF
Davin J. Bell
Thomas Biljan
Mark A. Bonnett
James L. Cook, Jr., ChFC CFS
Susan M. Cooper, CLU ChFC CFP CDFA
William J. Cuff, CLU ChFC
Eric D. Guth, CLF FSS LUTCF
John R. Hoffman, CLF
Bellaria Jimenez, ChFC CFP
Kelly G. Kidwell, CLU ChFC CFP LUTCF
Robert J. Keorkunian, CLF FIC FICF LUTCF
Adam L. Koester
James J. Meehan III, M.S.M.

Thomas W. Paul
Gene A. Patterson, LLIF LUTCF
Mick J. Pecoraro, CLF LUTCF
Milene Plisko
Mark M. Rooney, CLU ChFC CFP
Cynthia L. Ryder, CLU
Charleger Santiago
Eric Scott
Brad P. Seitzinger, CLU ChFC CLTC
James H. Shoemaker, CLU ChFC CFP CFS
Matthew Taylor, M.S.M.
Samuel L. Terrazzino, CFP LUTCF
Michael Washburn, CLF FSS LUTCF
Michael R. White, CLU ChFC CLTC
The following leaders participated in research for the GAMA Foundation eBook series, parts of which have been included in this report.

Bellaria Jimenez
Kurt D. Jonson, CLU ChFC CFP
James H. Shoemaker, CLU ChFC CFP CFS
Matthew Taylor, M.S.M.
Shawn Will
END NOTES

2 Agent Production and Retention Study (Windsor, CT: LIMRA, 2017).
3 Compensation, Production and Retention of Multi-Line Exclusive Agents (Windsor, CT: LIMRA, 2017).
4 Focusing New Advisors on Revenue-Producing Activities (Falls Church, VA: The GAMA Foundation for Education and Research, 2016).
5 Ibid.
6 Creating a Culture of Passion and Purpose (Falls Church, VA: The GAMA Foundation for Education and Research, 2017).
7 Ibid.
8 Though often attributed to Alvin Toffler, this well-known quote is actually an adaptation of a statement made by Herbert Gerjuoy in the book Future Shock in an interview with Toffler.
13 According to LIMRA research, the 2016 average four-year retention rate was 15 percent for life firms and 40 percent for multiline firms. Median four-year retention rates for participants in our research were 35 percent and 58 percent respectively.
14 The Power of Teams. (Falls Church, VA: The GAMA Foundation for Education and Research, 2017).
THE FOLLOWING TERMS AND CONDITIONS GOVERN ANY USE BY AN END USER OF “BUILDING A HIGH-PERFORMANCE BUSINESS: OPTIMIZING RESULTS FOR FINDING, BUILDING AND KEEPING THE RIGHT PEOPLE” IN THE FORM PROVIDED BY THE GAMA FOUNDATION FOR EDUCATION AND RESEARCH (“GAMA FOUNDATION”).

GAMA Foundation provides only a limited, revocable, non-exclusive, and nontransferable license to use Building a High-Performance Business for individual and noncommercial purposes. Without the prior written permission of GAMA Foundation, Building a High-Performance Business may not be republished or further distributed, including posting on the Internet, private or public web sites, or in any other digital or printed format, and GAMA Foundation provides no right to create a derivative work, edit, or modify Building a High-Performance Business. GAMA Foundation does not transfer ownership of Building a High-Performance Business and no other rights are being granted in or to Building a High-Performance Business.

Copyright © 2018 by The GAMA Foundation for Education and Research. All rights reserved.

For permission requests, contact:
The GAMA Foundation for Education and Research
Attn: Debra L. Grommons
3112 Fairview Park Drive
Falls Church, VA 22042
support@gamafoundation.org
The GAMA Foundation for Education and Research is a 501(c)(3) nonprofit organization dedicated to conducting and promoting research and education to enhance the profitability and productivity of field leaders in the financial services and insurance industry.

Since its creation in 1990, the GAMA Foundation has funded major studies on key leadership topics, including future trends for firms and advisors, attracting high-quality prospects, recruiting, selecting and launching new advisors, retaining top performers, mentoring and coaching practices, effective local marketing, building successful sales teams, developing high-performing leadership teams, and launching new frontline (sales) managers.

This research is made possible through the dedicated support of the GAMA Foundation's contributors. To contribute in support of our work, please visit us at www.gamafoundation.org or contact us at support@gamafoundation.org.