

# FIESTA



## AUTO INSURANCE

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# Goals

JUNE 2009

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## WHERE'S THE RECESSION?

There is no sign of a recession hurting sales of Fiesta Auto Insurance offices across the country. June was an excellent month with more than a few new records set. As a company we increased our applications sold by 22% over the month of May, 2009. Our Corpus Christi office set a new single premium record with a \$47,000 annual workers comp policy being written. In addition to the workers compensation policy they had an additional \$30,000+ in commercial premium written in June. Salinas, California set an all new record for most new policies written in one month at 232! Equally exciting is a new franchise location on Lake June in Dallas Texas recently opened their doors on May 21<sup>st</sup>. In just the month of June this store sold 136 new policies. Outstanding effort made by many exceptional franchise owners across the country.

If your location is struggling stand back and take a good hard look at your stores operations. How is your signage? A recent change at a Los Angeles store doubled sales the first week! Does your personnel have the right attitude. A change in management at another location created almost a 100% increase in sales the first week. Are you maintaining good hours? All of the high volume locations are open from 9-7 Monday

through Friday and 10-4 on Saturday. Most of these high volume stores are also open on Sundays. Their attitude is they want to offer the best customer service and be available on their customers terms not their own. This focus on customer service and consistent hours pays off in the long run. If you close for lunch or to make a bank deposit or to get the kids, you lose. Customers will not complain they just go away.

Corpus Christi and a few other locations are really taking advantage of the great commercial and homeowners appointments provided to each franchise. Please remember to cross sale every customer. Ask them about their employer, their friends, their family and you have a new lead. Ask them if they own a boat, motor home, ATV's and of course their home. If not a home owner make sure you suggest a renter's policy. Can they really afford to lose everything in their apartment if the neighbor burns down the building? For \$300-\$400 a year they can have very good renter's coverage and be protected. It's a fact the more policies written with an individual family the better the retention. Increased retention equals greater commission revenue. Speaking of commission revenue we have a franchisee who earned over

By John Rost, President

\$24,600 in commissions received in the month of June! I bet this franchise owner is feeling good.

### New to Fiesta Auto Insurance

Eddie Hernandez  
Brentwood, New York.

Oscar Neri with a second location opening this month in Dinuba, California and a third location opening this winter in Parlier, California.

Flor Rico and Angelica Rico with her second location after taking over the Compton, California location.

Carl Roberts  
Fort Worth, Texas.

Mike Dowell  
Fort Worth, Texas.

Watson and Nicole Norris  
Dallas, Texas.

Ron Dunn and Ray Morris  
Dallas, Texas.

Deepack Chelise  
Dallas, Texas

Amyr Sharif and Sean Mobh with TEN new locations 3 currently open 7 opening soon in the Dallas, Texas area.

Eric Ashikian converting a location in Los Angeles and another location in Northridge, California.

Congratulations at last count we have 64 franchise locations open or soon to open.



### Looking For A New Location?

Let us know how we can help.

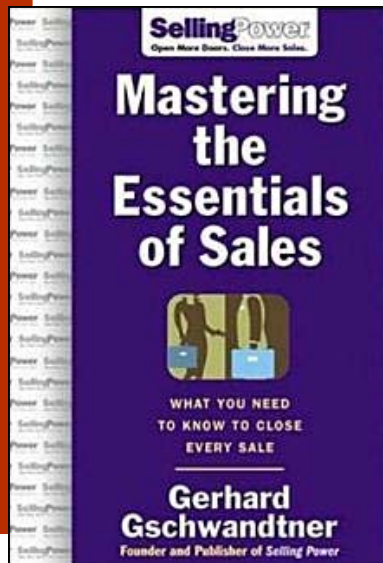
*“Real integrity is doing the right thing, knowing that nobody's going to know whether you did it or not.”*  
- Oprah Winfrey

### BOOK OF THE MONTH

## Mastering the Essentials of Sales

By  
Gerhard Gschwandtner

What You Need  
To Know To Close  
Every Sale



# RETENTION: A KEY TO AGENCY SUCCESS?

by Gary Pash, Market Analyst  
and 28-Year Industry Veteran

Client retention is a key element of your agency's success. Why? First, it is a strong gauge of the client satisfaction of your agency service. (If your client is not happy with the service they are getting, they certainly won't be a long term client of your agency.) Second, retention has a direct effect on your agency profitability.

A survey was done by a National Insurance organization last year, and found that the average retention in a standard agency was 83%. How does your agency stack up against that? Do you check your Agency Management system for a Retention Report?

If your retention is low, it demonstrates agency deficiencies. Such as, deficiencies in Customer Service. If your Customer Service is below average, your clients will surely leave you, as today, more than ever, there are more options for them to buy

insurance. Obviously, if this is the case, you need to take a serious look at improvements in Customer Service, either by retraining personnel, or perhaps making some personnel changes. Another reason for lower than average retention is your market selection. Are you losing renewals? Are you losing clients mid-term? Perhaps your clients found a better priced product for their needs elsewhere? By constantly evaluating your markets, you will make sure you always have competitively priced markets and increase your retention.

Cross selling multiple lines also has proven to have a direct relation to increased retention. By running a report in your agency management system, you will see how many clients have multiple policies with you. And if you look even closer, you will see that the clients that have only 1 policy with you, have a lower retention rate and higher cancellation rate than clients that have more than 1 policy with you.

Retention has a direct relation to agency income. Why? Lets say your agency has the average 83% retention ratio. What that actually means is 17% of your clients have left your agency during the last year. Additionally, that means the first 17% of new business you generate next year is only going towards replacing the lost clients from last year. What's worse, is that for every \$1,000 you spend to generate business, \$170 of that is going towards replacing the business you lost through lack of retention of clients you already spent \$170 to get in the first place! So, you are actually spending \$340 out of every \$1,000 you spend to gener-



ate new business on merely replacing the business you lost. And then, you are probably repeating the same mistake over and over again.

Wouldn't it be easier, more cost effective and profitable to retain the clients you already have? I have preached this in every company I have ever worked for.

To do that, first, set a new retention goal. If you could improve your retention by 5%, how would that impact your bottom line? Next, set about a plan to improve retention. It may be by analyzing and improving your Customer Service; maybe by adjusting your carrier mix to be more competitive. Sometimes, it's just a matter of reaching out and touching your clients more often. We are human, and we all love attention. Call your clients on their birthday, on their children's birthdays. Demonstrate your interest in them. They'll really notice the difference in your agency compared to others. Many times however, it is a combination of all of the above. But, if you take action, by at least doing some of the above, my experience shows you will see an improvement in your retention and bottom line.

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