

ASTONISH RESULTS' MAY e-MARKETING AGENCY OF THE MONTH

Photograph provided by Encharter

**NEW ENGLAND
AGENCY TIES
MARKETING TO
MISSION—
ELECTRONICALLY**

Ken Petersen, CPCU, AIM, is CEO of
Encharter Insurance, L.L.C.

Encharter Insurance, a New England-based agency with offices in Amherst, Reading and Lexington, Massachusetts, and one in Watertown, Connecticut, has built a two-fold mission around protection and growth. Protecting insureds, of course, is expected of an insurance agency. But the growth element of Encharter's mission statement doesn't refer to agency growth. Instead, it says the agency will help "clients grow their assets, both business and personal."

The agency has good economic reasons for this focus on customer success. It all ties in to Encharter's goal of organic growth among existing offices and expanding the agency footprint through acquisition. "We're looking to double our size in the next few years," explains Ken Petersen, CPCU, AIM, agency principal.

Big fish, small pond

But last year, the agency recognized a looming threat that will intensify as competition continues to heat up in the Commonwealth. "The direct writers, who do a lot of consumer marketing, haven't really come into Massachusetts," Petersen explains. "When they do, they're going to make a real splash. They have a lot of money to spend." Encharter—even with several locations—would find it difficult to respond in kind.

"There's no way we can compete if we're trying to control the whole state of Massachusetts," Petersen notes. "But where we can have an advantage is in our local towns. We can make Encharter's name big in Lexington, Reading, Amherst or Watertown and have people in these communities hear it more than they hear the direct writers', but we can't control all of Massachusetts.

So he and his team set about capitalizing on an inherent independent agency system strength: "Localness," he calls it, "dealing with someone who you know in a local community." The agency's acquisition strategy supports this. Acquired firms



Members of the Encharter team appear outside Blair, Cutting & Smith in Amherst, Massachusetts, a division of Encharter Insurance.

are smaller, community-based operations with growth potential. Encharter plans further expansion—in Massachusetts, south of Boston and in the Worcester area; in greater Hartford or the Farmington Valley of Connecticut; and into New Hampshire. And it wants to grow organically.

The same, but different

To build on its local strength, Encharter implemented an electronic marketing program, with the help of Astonish Results, a digital marketing, training and support organization focused on helping insurance agencies grow. "We wanted to create an organic sales engine to drive growth and we knew we needed to build our presence with people in our local communities," Petersen recalls. "One of the things that jumps off the page when you talk about that is the Internet and Internet marketing."

E-marketing would be the cornerstone of the agency's sustainable, competitive advantage. "Expense-wise, it's an investment of time," Petersen notes, "but most of these tools—Facebook, Twitter, Animoto videos, blogging—are very low-cost ways of branding yourself, getting your name out and driving new business." Best of all, he adds, e-marketing is a good strategic fit.

"We're doing what independent agents have always been good at, which is being in their local communities, having a local presence, driving local sales and building ongoing relationships," he explains. "We're just tapping the power of the Internet to do it."

Finding, keeping partners

A key focus—and competitive difference—is Encharter's Partners program. "We go out and talk to businesses about the value of working together, but we also talk about helping them grow by advertising them on our Web site," Petersen explains. "And it's free."

His offer is simple, and unique: someone from the agency will go out and take pictures of the Partner firm and create what's called an Animoto video—a combination slide show/video that can include a soundtrack and text—for posting to the agency Web site. The production highlights the Partner and the value it delivers to the community. "Basically, we advertise them to our 15,000 or so personal lines customers," Petersen says. Often, the Encharter site also features special offers or coupons from Partner firms.

Agency employees are also encouraged to write peer reviews of Partner firms on Web sites such as



Eric Voegtle (left), Vice President/Sales Manager, and David Siekman, Operations Manager.

Yahoo! and Google. “We’re trying to do the right thing in our communities by helping our local businesses,” Petersen explains. “If we happen to like a particular restaurant or if we get good service at another business, we offer an honest review.” This helps the Partner firms, as well as residents looking for opinions of certain establishments.

The efforts help bolster retention, too. “When you’re able to help clients grow their business, you pretty much lock them in,” Petersen says. “It’s not as easy for someone else to come along and sway them with a cheaper BOP.” The strategy seems to be working. Data show that, in less than a year, the agency has experienced a point or so lift in client retention.

Sales up

In addition to providing value to local business, the ads benefit the agency’s personal lines customers and prospects. “People from the community can come to our Encharter.com Web site and find local businesses they may already

patronize, or ones they’re not familiar with, and take advantage of a special offer or 2-for-1 coupon, for instance,” he adds.

To boost visibility, the agency features Partners in its e-mail newsletter.

Encharter continues to employ traditional tools and tactics to generate business. “We still use regular press ads, as well as direct mail,” Petersen explains. “The difference is everything now works to drive people to our Web site, to our Partners and into our offices. It all ties back into our vision and mission—to be a local community sales organization.”

Web site traffic is up and more people are seeing the agency’s various product offerings. From there, they can sign up online to get a quote. “When quote requests come in, they go right into our system and are assigned to an agent,” Petersen says. That generates a call from an agent—generally within five or 10 minutes. By combining the ease of the Internet with personal counsel, the agency is able to deliver the service it believes

clients want and need from a local firm, Petersen adds.

The approach is paying off for the agency. In just a matter of months, Encharter has realized a 35% increase in the number of deals closed each month. Petersen is targeting a similar—or greater—jump by year end. “That would be a huge lift for us in terms of sales,” he notes.

The value of values

What makes the e-marketing initiative sustainable is its tie to Encharter’s values. “One of our values is innovation,” Petersen notes. “I don’t know of anybody else in our local area that is doing what we’re doing.” For instance, the agency is hosting seminars in Amherst and Reading to help customers understand how to use social media to drive more business.

The agency also operates an intern program, where University of Massachusetts students come in to help with social networking and other tasks. “It’s sort of a bullpen for bringing people in who understand



Bill Dowd is President of Encharter Insurance.

the Internet and marketing,” Petersen explains. “We’ve had a couple of people come back as paid interns.” He describes these individuals as great marketing students, who know how to use the Internet and embrace it. “It’s been neat to learn from them and see their energy,” he adds. It also showcases to students the entrepreneurial nature of the business—another agency value.

Because of its low cost of entry, e-marketing aligns with Encharter’s “profit” value, as well. “With e-mail marketing, I have a 10% open rate and I know everybody who reads my e-mails,” he explains. “I can immediately make calls, and instead of them being cold calls, they’re to people who have seen my brand. And my cost for that warm lead is minimal.”

The electronic focus also delivers ease of doing business. “It’s about giving people access where they want it,” Petersen says. “We have our physical locations in the community, so people can come in and go over their insurance. Or they can access us online or over the phone.” Citing statistics that show a large percentage of insurance shoppers start online—whether or not that’s where they ultimately buy, Petersen says, “How can you afford to ignore a large percentage of your customer base? You really can’t. Still, you have to be out there in the community for the rest of the buyers.”

A side benefit of Encharter’s e-marketing initiatives and its work with Astonish Results is improved telephone response by employees. “We’ve done a lot of work recently on telephone skills—how to better create a personal interaction over the phone quickly,” he notes.

Integrity and community involvement come through in nearly all of what the agency does, Petersen notes. One specific program that drives business and gives back is the Encharter “Go Green” initiative. “If a client signs up online and agrees to accept documents electronically, or green, we’ll make a donation to Nature’s Classroom,” Petersen says. “That’s a tie-in between using the Internet, going green and giving back to the community.”

Keeping it fresh

Ken Petersen is having fun in the world of electronic marketing. “That’s the biggest

Encharter Insurance Vision / Mission / Values / Principles

Our Vision: To be the premier insurance sales organization in New England.

Our Mission: To protect the people in our community from the financial impact of lawsuits, fires, car accidents and other unexpected incidents, and to help our clients grow their assets, both business and personal.

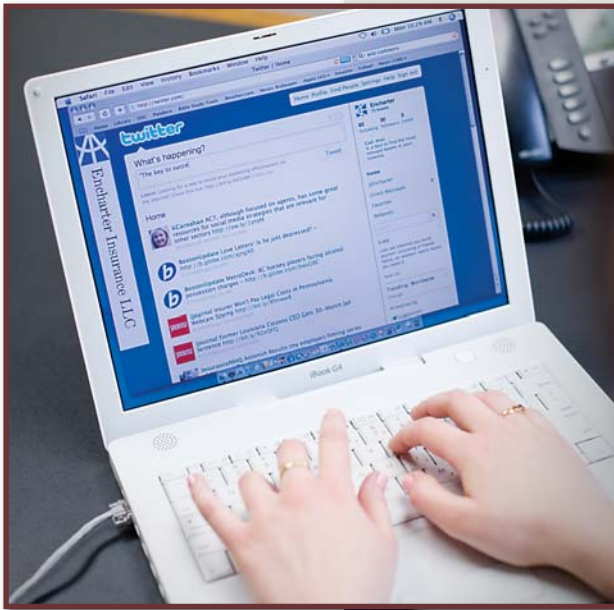
We Value:

- Integrity
- Innovation
- Being Entrepreneurial
- A Focus on Profit
- Ease of Doing Business

Our Guiding Principles:

- We understand that buying insurance is confusing and difficult. Therefore, we focus on ease of doing business, to save you time and effort.
- We understand what it is like to run a business and a household. Therefore, our focus is to give you peace of mind and help you grow your assets, both business and personal.
- We work to make sure you have the protection you need, without overpaying. You can always rely on being treated with integrity.
- We believe in innovation and will work to find new and creative ways to serve you better.
- We believe in being local and will strive to improve the community where we live and work.
- We run a financially prudent business for the benefit of our clients, our employees and our community. You can rely on us to be there for you, both today and tomorrow.

Our Slogan: “It’s all about protecting you!”



Intern Director and Administrative Assistant Heidi Warner updates Encharter's Facebook and Twitter accounts.

hidden benefit," he explains. "I've been doing this for a while, and doing the same thing day in and day out can get stale if you're not careful." He enjoys being able to surprise potential Partners with the free advertising offer. And he enjoys changing public perceptions that insurance is somewhat stodgy business.

He also enjoys watching staff who were not particularly savvy when it comes to technology starting to embrace the new tools. "I'd probably have to throw myself in that category," he explains. "When we embarked on this strategy, it was eye opening to see how far other businesses have gotten with this and the results they've seen. It's something you can't afford to ignore."

"I'm particularly proud of our people," he adds. "We've asked them to go through a lot of change and change is not easy. We've asked people to step out of their comfort zone and they've really responded. We've seen some terrific lift, and that's exciting."

His parting advice to others—and himself: "It's all about execution. We still have a long way to go. Although we've done some great things, we need to continue to be out there in the community, locking people down. Competitive advantages don't last forever. So we need to keep at it." ■



See it now

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<http://www.encharter.com>

Astonish Results
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