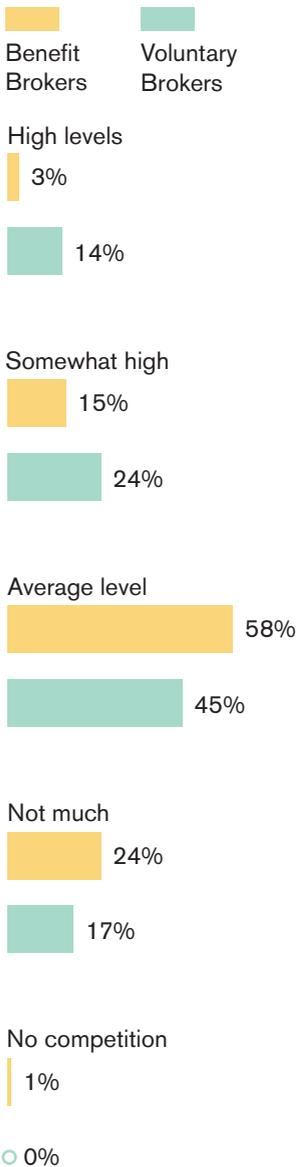


## PLOT POINTS

By Gil Lowerre and  
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# Get better or get left behind

### LEVEL OF COMPETITION EXPERIENCED TODAY



IN A RECENT *Eastbridge/BenefitsPRO* survey, brokers were asked about their perception of current sales competition. The responses, reproduced in the chart to the left, show that between 20 percent and 40 percent of brokers sense that competition is higher than average. We believe that is just the tip of the iceberg.

Other than an upheaval in business fundamentals, the level of competition for salespeople usually revolves around three variables: the number of other people trying to capture a given sales opportunity; the activity level of those people (the number of opportunities they can manage at a time); and how well-equipped they are to win.

In the voluntary/worksite arena, the flood of new brokers entering the field over the last 10 years has greatly increased the number of overall competitors and, in theory, the number who can focus on any given case. But over the last four or five years, we have also seen voluntary productivity among these newer entrants (especially traditional employee benefit brokers) begin to soar. That movement towards handling a larger number of cases and opportunities each year has magnified the perception of increased competition. On the third variable, the increased productivity of these newer players has allowed them to gain more experience and move up the learning curve more quickly. They are rapidly learning the intricacies of the business, the



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quality of the various players, the short-cuts and the pitfalls. If you are a long-time voluntary broker, you are seeing greater numbers of competitors, each handling more cases, and each doing it better than before. Given that, it is not surprising that almost 40 percent of voluntary brokers say that competition is higher than average.

But if you are a newer entrant, such as a traditional group broker who is new to voluntary, you do not have that basis of comparison. You may not be able to appreciate the trend towards higher activity and greater expertise. You have been part of a large-scale migration that has shaken every aspect of the voluntary business. But the migration is now coming to an end. Roughly 95 percent of all employee benefit brokers now offer voluntary. The number of new entrants is dwindling.

Whichever camp you are in, it is only logical to expect the activity and quality variables to keep moving skyward. Given the drop-off of new entrants, if sales are increasing (which they are), then the average broker must be gaining more experience and at a faster rate. And if that's true, the average broker must be learning new skills and refining old ones. Therefore, it is unavoidable that we will all face more competition from more highly-skilled competitors. And that means, if you stand still, your share of the pie will shrink. Get better, get busier, or get left behind. You and your business need to strive to improve. Starting today.