MARKETING AGENCY OF THE MONTH:
SALES TEAMWORK AND A STRONGER INFRASTRUCTURE PAY OFF
When Michael M. Bill and his partner, Jim Ritter, founded their agency on June 1, 1964, they decided to follow the leader in another field. International Business Machines had become IBM that year. If initials were good enough for IBM, then it was good enough for Mike and Jim. So it was that MJ Insurance, Inc., was started in Anderson, Indiana. Two years later, they opened an office in Indianapolis, which eventually became the headquarters for the agency.

Today, Michael M. Bill continues to serve the agency as chairman and his son, Michael H. Bill, is chief executive officer and the controlling stockholder. There are 111 employees in Indianapolis and another 10 employees in the Scottsdale, Arizona, office. The Scottsdale office was opened in 2005 as part of a strategic plan to expand into the fast growing area of the southwestern United States.

“I grew up in Arizona with my mom,” Mike H. points out. “MJ was looking for a place to expand and this made sense for a variety of reasons. Among our areas of specialization were construction, transportation, energy, and mining operations. That dovetailed nicely with the Southwest. The area around Phoenix has been in a major growth mode, with construction representing one of the fastest growing businesses at the time.”

Working as a team, the employees are responsible for generating $22 million in revenue for the agency, with 65% coming from commercial property/casualty, 33% from benefits and 2% from personal lines.

“We are more niche focused than most agencies,” says Jon Loftin, president and chief operating officer. “We are learning from our current niches and developing expertise in smaller niches. The key has always been our ability to provide strong risk management services and we are replicating that effort in new niches that we develop.”

Eight years ago, Mike H. adds, “We developed a focus on Japanese owned manufacturing firms. One of our clients referred us to Hideyuki Kawashima, who was the president of a Japanese owned manufacturer. He was about to be transferred back to Japan. We were looking for someone to lead the niche and he was looking for an opportunity that would allow him to stay here. He worked with our service teams in property/casualty and benefits. Kawashima now heads our Japanese Business Team. The effort has been very successful.”

Another interesting niche is the Women’s Sorority Division, headed up by Cindy Stellhorn. “We are fortunate to represent 24 of the 26 national sororities,” Mike H. points out. The division focuses on risk management and insurance for the chapter houses.

Delivering the firm to the client
At the start of the century, it was clear that “MJ had reached the size where we had to invest in the infrastructure,” Jon says. Unfortunate timing. “It was right when the market was softening.”

“I was brought in to the firm in May 2004 from Indiana Insurance Co. Three years ago, we added a full-time director of sales, Kevin Ryan, to
Members of the executive team include (seated, left) Michael H. Bill, CEO; and Michael M. Bill, Chairman. Standing (from left) is Brian Friend, CPA, Vice President of Finance; Jon Loftin, President and COO; and Colin MacNab, Vice President.
coordinate recruitment, mentoring and training of producer associates,” Jon explains. “We also added Donna Bender as our director of operations.”

Mike H. continues: “We recognized that it wasn’t just our infrastructure that had to change. It was true of every one of our successful producers. We couldn’t expect each producer to be the lead person on each of their accounts. Producers produce; but they can’t be as effective if they also are involved in other aspects of account service. We needed to change the dynamic so that producers sold the firm, not themselves.

“We established a Chairman’s Council for Top Performers and looked at the best practices of each of our top producers. Invariably, it involved a focus on the needs of the clients—solving a key problem that may or may not involve an insurance solution. And it often involved other team members in the agency. That was how our top performers landed and, more importantly, kept an account. It always came back to a team effort.

“That was one of the top reasons we brought Jon into the firm,” Mike H. adds. “We wanted someone who could help us create a culture of teamwork. Jon and his team have done a wonderful job of that.”

Jon picks up: “The principal differentiators of our firm are the products and services we deliver. And that is an outgrowth of the people and culture we have developed. We rarely sell off-the-shelf products. We look at each client’s needs and develop a specific program that responds to those needs.
“That is why we have been successful and have managed to grow even in these tough economic times. (We were up 7% through the first eight months of this year.) In fact, our clients tell us that we are more important to them than ever,” Jon continues. "They need our help in managing their cost of risk. They look at us as partners who can help them get through these tough times.”

Mike H. points out: “Obviously benefits is a significant specialty for us. We got into benefits in the ’70s, but only transformed into a collaborative culture about five years ago. We focus on collectively approaching clients and prospects from both a property/casualty and benefits angle. We have weekly sales strategy meetings every Monday to decide who to approach and how. Benefits, because it is where so many employers feel the pain of higher costs, offers us a real opportunity to shine.

“We provide a full range of services, including helping a client’s HR department with determining benefit offerings, personnel issues, and so on,” Mike explains. “They often aren’t insurance issues, but that’s fine. It’s almost better, because it really shows the client that we really are their partners.”

A great place to work

Mike H. continues: “We have a great group of people who have made it possible for us to deliver on our promises to our clients. And we’re very cognizant of that fact. We have made deliberate efforts to focus on the needs of our employees so they can focus on the needs of our clients. “Those efforts clearly have paid off,” he continues. “We were recognized this year as one of the Best Places to Work in Indiana. And that recognition followed an evaluation of our workplace policies, practices and demographics, as well as a survey of our employees.”

Jon continues: “We are very focused on the work/life balance from the top down. Our Human Resources Director Nancy Rife emphasizes our guiding principle that it is more about life than it is about work. So our goal has to be to create an environment that is fun, where people get excited about coming in every day. That’s what gets us through these tough times—our culture and collaboration.”

“We are really focused on promoting and being stewards on corporate wellness,” Mike H. says. “We make it fun by recognizing people who participate. Employees have access to an exercise facility and MJ provides health risk assessment screenings. We also have healthy (pun intended) competitions.

“Recently, employees broke into teams and had a pedometer challenge to see which team could walk the most steps,” Mike continues. “Jon and I had a head-to-head competition. It was close, but I won. So Jon had to sing the Purdue University fight song in front of the entire staff—a humbling experience given that he is an Indiana University alum and there’s a friendly rivalry between the two schools.

“The culture is identical in Arizona,” Mike H. continues. “Every employee has been to the Indianapolis office and met all our people. There is a lot of interaction. I go there regularly. Lisa Heppler, our director of client services, has each new CSR come to Indianapolis for training. Kevin Ryan visits the Scottsdale office every 90 days.”

Staying independent

The agency began to focus on long-term perpetuation in 1994. “Dad and I started working on it then and, in 1996, began to execute an ownership change over 10 years,” Mike H. says. “Soon after that, we began to invite

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—Michael H. Bill
Chief Executive Officer
others to participate in ownership and today, I have nine other partners, all of whom are active in the firm. We expect that number to grow since we created a stock purchase plan in 2008 in order to bring in other owners. We are focused on retaining our agency as an independently owned business. That’s a challenge for us and for our industry."

MJ is an Assurex partner, allowing the agency to compete for business on an international basis. It also provides the agency with expertise that allows them to compete with the large brokers on an equal footing.

Mike H. explains: “We have partnered with Woodruff & Sawyer (an Assurex partner based in California) on complicated D&O coverages. It is great to be part of a group of agencies that all share the same philosophy as far as taking care of clients. We feel that this has been one of the key components in putting us ahead of our competitors.”

The future

Of course, staying independent only matters if you continue to be successful and MJ fully intends on continuing to charge ahead. The agency recently brought in Cheryl Good and Jeanne Farah, consultants from Performance Solutions and Excelleration Inc., to help create a strategic plan for the agency.

“We’ve been involved with them for about two years now,” Jon says, “and are ready to launch toward 2015. The process included asking our people to fill out interest questionnaires to gauge their willingness to participate in the design and development of our future plans. We were overwhelmed by the response. It helped us create a roadmap for our future, including identifying niches that would be of interest to our producers and employees and successful in both our marketing areas.”

Mike H. says: “Two of those areas were infrastructure and metals. We’ve set up Key Account Teams to focus on these niches and are convinced that we will be able to massively differentiate ourselves from our competition.”

We at Rough Notes applaud MJ Insurance for its commitment to its employees, its clients and its independence. We are pleased to recognize MJ Insurance as our Marketing Agency of the Month.”

Above: One of the niches that MJ serves is national sororities. MJ’s National Sorority Division includes (from left): Lisa Ripley, Account Executive; Heidi Lewis, Account Executive; Bev Stiles, Claims Consultant; Cindy Stellhorn, Vice President; Heather Cox, Claims Service Manager; and Ruth Knauer, Assistant Account Manager.

At right is Vice President Ed Mournighan, whose areas of expertise include construction, one of the agency’s specialties, as well as real estate. He also concentrates on surety bonding and risk management for contractors and real estate developers.