

The Barclay Agency's John Latimer, "Jr.," shares cheers, jeers of the industry

by Lisa Lannon

PIANJ recently talked shop with John A. Latimer Esq., vice president of the Barclay Agency in Riverton. Latimer shared his view on impending changes in the industry, and how his agency is responding.

Q. Please give the background/history of your agency.

A. The Walter S. Barclay Agency in Riverton was founded in 1945 by Walter Barclay. John S. Latimer ("Dad") joined the agency in 1964 and became president a year later upon the untimely death of Walter Barclay. I joined the agency in 1991 as vice president and general counsel after practicing law for a number of years. Our name changed to The Barclay Group with the recent additions of the Durgin Agency (Palmyra), the Stevenson Agency (Beverly), the Thomas Agency (Cherry Hill), the Falcone Agency (Deptford) and the Walker/Insurance Outlet/Elmer Coles Agencies (Turnersville). Last year we completed our largest project and became the management company for the J.S. Braddock Agency (Medford) that we reorganized and then simultaneously added the business of the Accent Agency (Mount Holly). In addition to running Barclay, I'm now president at Braddock, and my brother Bruce is resident vice president along with longtime employee Kathy Scales.

Q. What have you done to define your agency?

A. While we write some accounts in Pennsylvania, Delaware and Maryland, and in most parts of New Jersey, we have focused most of our effort in the last decade on general insurance services for the state's Delaware Valley (Burlington, Camden, Gloucester, Salem, Ocean and Mercer counties) businesses, residents, municipalities and schools. We strive to have an expert in house for every line of coverage from personal auto to EPLI, but, our specialty is in the public entity and emergency services sector. Our total premium volume has grown from \$2 million to more than \$22 million.

Q. What is your agency mission?

A. Our mission statement is, "We will do

whatever it takes, whenever required, to build on our word, to do what we say when we say we will do it, and add value to each transaction we handle, always putting ourselves in the place of the party with whom we are dealing." In short, we will "exceed everyone's expectations." This is what we ask of our staff and those with whom we have business relationships; this is what we deliver to our clients. Our mission statement, I feel, reflects the impending 24/7 service nature of our business in this new age of complete customer service. At Barclay, we talk about our mission statement all the time and everyone believes in it.

Q. What is your greatest professional success? Your agency's?

A. To be successful, a senior member or manager must spend at least half of his or her time sharing, teaching others and providing people with all the available tools necessary to succeed and to stay on top of all the issues in this ever-changing industry and marketplace. I was trained this way, and have tried to do the same with my staff. When I started, we had three licensed people, counting Dad and me. In addition to a number of experienced insurance people, I brought 11 new people into the business with no insurance background, trained them and got them licensed. Now, most all our staff is licensed and next month, our receptionist starts her licensing course. The way I see it, people who've never been in the insurance business before bring fresh perspectives and can do a great job servicing clients' needs. We were recently voted "Best Insurance Agency in Burlington County" by the Burlington County Times' readers.

Q. How are you keeping up with the changing industry?

A. We've been continuously racing to keep up with technology and the industry for the last seven or eight years. We read everything we can get our hands on. We've been testing, repairing, upgrading, programming and tweaking numerous different technology platforms and software. We've loaded every piece of new software that comes down the pike and connected to every carrier that mentions they have a computer either interactively, via upload, download, Internet, modem or by paper cup and string if that's what someone said was hot that day.

In six years, we've re-cabled the building three times, had five different file servers and replaced countless operating systems. I think I can say that currently,

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we have the latest, greatest and fastest computer system. For the past eight years we've used Applied Systems and a lot of other stand-alone rating and research products. The frustrating part, for me, is knowing we're using very few of these to their full potential. It's become increasingly hard to properly train people and have them use the programs regularly.

I want to slow down in 2001 and hone in on the basic tools that we really need to write and keep quality insurance business without getting buried in a hundred colorful distractions. Our focus will be to teach each other how to use all the various systems and programs fully, so we can sell insurance more efficiently and professionally.

Q. As you are making technological advances, are you entering any niche markets?

A. Because of the changing industry, niche markets scare me. I've spent a lot of time making sure we are selling diversified products and services to a diversified client base. Last year, we joined a PEO primarily to quickly educate ourselves and stress the significance of this movement to our people, so that we could test it in house prior to offering it to clients.

Q. How are you incorporating the Web into your business and client relations?

A. We have a free and open Web policy with high-speed access on every-one's desktop and encourage everyone to use it responsibly to get any information at all.

We use the Web to research companies, clients, news, laws, products, etc. and to download software, manuals and forms. We now also use the Web for all of our computer communications. Most of our people access our system from home via cable modem over the Web, which saves us thousands of dollars a month. Recently we completed multi-station, interactive, live classroom training over the Web that was sur-

prisingly successful. It saved us money we would have spent on air fare, hotels and travel expenses.

We have used the Web to market and communicate with clients and companies, however, we have stopped just short of offering online, interactive, comparative personal lines quoting to our clients. This is pending, given further evidence that quality accounts can be generated in a higher and better volume than our normal, personal contact approach.

Through PIA's publications and the Resource Center, and then my activities on PIA committees, the Board and as an officer, I've gained a great comfort level with the business, met wonderful people, made excellent business and professional contacts and truly learned and have come to love the business. That development continues everyday.

Q. At this time, are you pursuing any initiatives with respect to banks?

A. We are looking to joint venture with a small bank, and have been receiving referrals from a couple of small banks and certain employees in larger banks, but have no plans whatsoever to merge with or sell to a bank. It was the impending competition from banks in 1991 that has driven us in an almost militant fashion to stay on top of our game. It hasn't been necessarily fun, but we owe much of our success to that self-imposed competition.

Q. What other goals have you set for yourself and your agency?

A. Our general goal is to survive and thrive as independent professional insurance agents for at least 30 more years

(60, if my kids take an interest). To accomplish this goal, our initiatives are to do the following on a yearly basis:

1. write \$1 million of new personal lines premium;
2. write \$1 million of new commercial lines premium;
3. get together with other agents with about \$1 million of premium; and
4. add one new carrier. With normal efforts, such objectives have been attainable in the past. We represented two main companies and 40 percent of our business was in the public entity sector eight years ago. Now

we represent more than 20 companies and have no significant amount of business in any one area. Doing this math, however, reflects the danger we face retaining customers. This year, another major focus will be on retention, as the larger you get, the more business flows freely out the back door.

Q. What is the greatest challenge in the industry, in your opinion?

A. A lot of people don't seem to care about and

value true protection as much anymore because they believe someone, some law or some governmental agency will bail them out. We've seen it with FEMA after the floods, individuals and corporations after bankruptcy and recently with health insurance in New Jersey after the demise and bailout of a number of carriers. We can work through most industry changes, regulatory and political cycles, but it will be difficult to work at all if people continue to place less and less value on the protections we sell.

Q. What skills do you feel have shaped your success in the industry?

A. The ability and willingness to break down all the old internal/external hierarchical structure, barriers, formalities and facades has helped our success. Everyone at Barclay is considered equal,

and every licensed person is entitled to 50 percent commission new/renewal/personal/commercial on business they develop. In fact, one of our agencies is entirely employee-owned.

I have no problem violating industry norms or theories that don't make sense to me and am always willing to implement staff suggestions. By way of example, our personal lines CSRs handle about 800 accounts each (I think that's less than half the recommended number), but that leaves time for what we are supposed to do—sell insurance. With current market complexities, a lot of time must be spent to sell a policy correctly. I am willing to invest that time. Recently, it took four people three hours to sell one personal auto policy and get it right. I was the salesman, I had a new person with us to learn, an automobile CSR to rate and our personal lines manager to help figure out the correct tiers with all of the companies.

You'll note why I don't make any more money than I did 10 years ago, but that's fine, in light of our primary goal to be in business 30-60 more years. I think it's important to be available to clients, constituents, colleagues and employees 24/7. Those most successful in our organization have the same philosophy. While I don't actually impose this concept on everyone, most of our people have voluntarily asked for beepers, cell phones and home computers connected to the office to make themselves readily available. We pay for all these services, employees' time out of the office when working, training or handling a problem and half of home computer costs they purchase and connect to the office.

Finally, my legal background was key to getting into the business quickly. I believe most insurance producers, underwriters and company representatives practice more law and give more legal advice on a daily basis than I ever did as a lawyer.

Q. Do you have any role models in the industry?

A. Yes, my 81-year-old father, who still works in the agency eight hours a

day, five days a week. He has simple rules: 1. don't lie, cheat or steal; 2. have fun; 3. like, trust and be nice to everyone you meet unless facts prove otherwise; 4. take every call you can (especially if it's long distance), 5. call people back ASAP; and 6. get answers to people's questions when you say you are going to.

These basics are something I think my generation (and fortunately most of the large direct type competitors) have lost, which is why we don't let anyone retire from The Barclay Group without a fight. In fact, we have at least seven agency principals over 60 with us now part time who all have the same basic philosophy and love for the business. This, of course, presents some technological and efficiency hurdles, but I believe we have done very well at keeping everyone informed and in the game. When second-guessed by a "wiser" generation, you become very careful. I believe that has contributed to the fact that Barclay has not had an E&O claim in the entire 55-year history of the agency.

Q. How has your involvement with PIA contributed to your success?

A. When I got into the business, I distrusted the entire industry. I was uncomfortable with the laws and regulations governing the industry and the magnitude of the insurable risk and responsibility our agency was assuming on a daily basis. Through PIA's publications and the Resource Center, and then my activities on PIA committees, the Board and as an officer, I've gained a great comfort level with the business, met wonderful people, made excellent business and professional contacts and truly learned and have come to love the business. That development continues everyday.

Additionally, PIA's research and legal team available with the Advantage membership has recently saved this agency thousands of dollars by researching and resolving coverage questions, reviewing agency contracts and training our staff. I almost feel guilty that I now use the PIA resources all the time when I know that many other members are not

taking full advantage of what PIA offers.

Q. Do you have any words of advice for new or fellow agents?

A. Get involved! Don't lower standards or just try to get by, and don't sit back and watch the system change without keeping up with what's going on. Involvement in PIA is a great way to start to get hold of the beast and to stay ahead of the curve with education, technology and training.

Q. Where do you see independent agents heading in the future?

A. I think we will continue to see fewer companies, fewer general independent agencies and cooler computer systems. I foresee better online personal and commercial policy issuance and proposal systems. To a great extent, I think much will depend on the stability of the personal auto and commercial markets and commission rates, (which hopefully will drop no lower) and regulation and legislation on a state-by-state basis.

This business is tough, because it's hard to improve the product much more at an agreeable price without spelling bankruptcy or conservatorship. I ignore forecasts of the demise of the Independent Agency System because I remember my father saying "Son, as much as I like it, I don't think you want to get into this business as it probably won't be around for much more than another five years." He said this in the 1960s, when I was 7 years old.

Thirty years later I took a chance and got into the business, and he is 81 and still running the place.

My greatest wish is that everyone would just agree that the local independent agent adds value to a truly complex, risky and important part of our social and economic framework and is here to stay. ■

Is your agency unique in some way? Do you have a success story to share? If so, contact Becky Ellsworth at (800) 424-4244 or e-mail beckyellsworth@piaonline.org.