

Is it Time to Sell?

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Knowing when and if to sell your insurance agency is a difficult decision. As an insurance agency owner, often times your agency is a big part of who you are. If you are like many of the agency owners that I work with, you are extremely passionate, and no one would every question how much you care about your customers, staff, and community. They are the people and often the reason that make thoughts of selling your business so incredibly challenging to face. Here are a few indicators which may help you decide if it's time to consider selling your agency.

Lack of Passion

Has it become no fun? Are you wishing you could work less, enjoy life more? Are you starting to envision a different life? For many agency owners, a lack of passion that they once had for the work can be a sign that it may be time to move into the next phase of your life. A lack of passion can make work feel like work. The industry is moving fast and for some the rate of change can be overwhelming and make the industry no longer feel like home. It can make even the best of us feel like we can't keep up. Is that feeling impacting your client relationships? Have you lost your sense of urgency and excitement when it comes to connecting with

your clients regularly? Do you communicate with clients only when they need something? A lack of passion may also arise in the area of technology. Have you have lost your desire to learn and implement new technology? If any of these areas describe how you are feeling, it may be time to sell.

Book Declining

A lack of passion and energy will very likely result in a declining book of business. Despite the fact that the independent insurance industry averages a 90% retention rate, many agencies have books of business that are flat or declining. If you are losing more than you are gaining, it may be time to consider selling your business. As insurance agents, your client list incurs natural losses due to death and life changes, both expected and unexpected, every year. Ideally, your client list should grow annually despite these losses. Your declining book will not only affect your agency valuation but will also directly affect your income. Declining annual revenue is an indication that it may be time to sell. However, a declining book needs immediate attention. Develop a plan to reverse the decline or sell your business quickly to sell at the best agency valuation possible.

Serious Offers Coming In

Are you being approached with offers to purchase your agency? Even if you hadn't previously contemplated selling, a serious offer is worth examining. The Merger & Acquisition space is more active than it has ever been due to the low interest rates, the continued presence of private equity driving multiples to the highest levels that we have seen, and the number of agencies that are looking to grow by acquisition. A proper agency valuation is necessary to know if the offers you are receiving are worthwhile to consider. Knowing your agency's valuation is essential to the health of your agency if you decide to keep or sell your business. However, receiving solid offers from motivated buyers is a sign that it may be time to sell.

Talented Staff

Do you have a person or several people on your staff who are interested in becoming an agency owner? Creating a pathway to ownership for your talented staff will strengthen your agency, relieve some of the pressure that you are under, and may help you create the legacy that you envisioned. Starting an internal transition with the right information, time and expectations is critical to the success of that transition. It is never too early to start this process. In fact, waiting too long can result in losing the talent or

making this type of transition unattainable from a financial standpoint.

Selling any portion of your insurance agency is a significant decision and one you shouldn't face alone. It takes time, planning, preparation and thoughtful execution for a sale or any transition of ownership to go well. Taking the time to know all of your options is incredibly important. Finding someone to help you with your agency valuation is a crucial step in planning for any agency ownership transition. AgencyFocus, LLC is here to help you with your insurance agency valuation, planning, preparation, transition planning, or crafting a plan for business growth for you or the future owner of the agency.

About Carey Wallace

Carey Wallace is passionate about helping independent agents understand their value and make informed decisions by leveraging the data and insights that agents can uncover right inside their agency. By providing independent insurance agencies with the right insights, they are able to leverage that data, grow their businesses and thrive.

Having worked with independent insurance agencies for over 12 years, Carey's **focus** is to help YOU grow your business. Her **focus** is you - the independent agent.

Contact Carey at 614-657-2674 or visit her online at www.agency-focus.com