

## So . . . When Do We Start?

If you're like most insurance company executives, this question has been in the back of your mind for quite a while now. The market cycle has turned hard. Prices are rising. Competition is still there but it's more reasonable than it's been for a long time. Combined ratios are finally getting back to where they should be. Results seem to indicate that everyone is doing a good job of correcting problems. Or maybe not? Has anything really changed?

Take your company as an example. Have you made any really fundamental improvements that will ensure your success when the market softens again and things get back to normal? You may not know exactly what you need to do but you probably know you need to do something. If you continue as you have in the past, you'll stay right where you are. And you probably have the sinking feeling that your competition isn't.

Not addressing what you know needs to be done is a little like not going to the dentist when you have a problem. The situation hardly ever gets better by itself. Remember, the only direction you go when you coast is downhill.

To make any large change in an organization you need to create four conditions:

First, everyone needs to understand the need to change. This doesn't happen by just announcing the need. You need to present the facts and outcomes and then demonstrate why this isn't acceptable. Your argument must be sound and accepted by all of your employees and partners. It must present your clear vision of where you need to go and what this new place will look like.

Next, you need to demonstrate that you cannot stay where you are. And that you must move now. Delaying the change effort is as bad as not doing it all. Without this acceptance of the immediate need for action, nothing will happen . . . ever.

Then you have to have a plan that will get you from where you are to where you need to be. Employees need to understand how the transition will work, the results that will be accomplished and how it will effect them. They have to have confidence that it will work and that the improvements and changes are worth the effort.

And lastly, everyone must have confidence in the people that will be leading the effort.

Of these four steps, the critical ones in most companies are the first two. Having the vision of what you want to have happen is essential but remember that nothing ever happens until you also understand that you have to do it now.

Years ago I was traveling through a small farming community in the Appalachian region of the US. I stopped to ask directions from a farmer who was sitting on his front porch. While we were talking I noticed that his pet hound dog was lying on the porch in the shade and he would moan every once in a while. When I asked why, the farmer explained that this was his dog's favorite place to sleep but there was nail in the porch floor that occasionally pinched him. I asked why the dog didn't move. The farmer explained that it probably didn't hurt enough.

The dog understood a very important point about change. Unless there's a strong and immediate need to change, you won't. It takes a lot of work to start something new. It takes a lot of effort to do anything really worthwhile. Everyone is always busy. But are they busy doing what needs to be done to ensure the company will survive and prosper or are they just busy? Deciding what to start and when to start it is what leadership and being an executive is all about. This is where you earn your paycheck.

Our management consulting firm assists insurance companies have a clear understanding of how they would operate and what they would look like under ideal conditions. And then we help them get there. If you'd like to know more about how this works, please call me or visit our websight at [McDonaldConsultingGroup.Com](http://McDonaldConsultingGroup.Com).