



# The Agency Performance Playbook

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**How Agency Leaders Can Eliminate Distribution Drag and Improve Margin, Efficiency, and Growth.**

# Introduction

Growth is getting harder and more expensive for independent agencies.

Insurers are facing more complex and less predictable risks while customer expectations continue to rise, increasing pressure on operations and profitability. At the same time, many agencies have invested in technology without seeing meaningful improvements in efficiency or performance.

The result is a growing disconnect between technology spend and business outcomes.

In most cases, the issue is not lack of tools. It's distribution drag: friction across submissions, quoting, servicing, compliance, compensation, and operations that slows down how work gets done.

This playbook shows where that drag comes from and how to eliminate it. The goal is to increase distribution velocity: faster quoting, smoother workflows, clearer visibility, and more efficient growth.



# Executive summary

Most agencies that experience major friction points are doing so because their systems and workflows are not aligned.

## Key insights:



### **Technology must be tied to outcomes.**

Systems should directly support revenue growth, cost reduction, or operational scalability. Anything else adds complexity without value and introduces drag.



### **Disconnected systems slow distribution.**

Duplicate data entry, inconsistent reporting, and fragmented workflows reduce productivity and limit decision-making.



### **Standardization enables scale.**

Consistent processes reduce risk, improve service delivery, and create a more predictable operating model.



### **Reducing drag improves margin.**

When workflows are efficient, agencies reduce servicing costs, increase capacity, and improve revenue quality.



### **Your foundation determines your speed.**

Core systems such as an agency management system (AMS), client relationship management (CRM), and rating tools should function as a connected backbone that enables work to move efficiently.



### **Data visibility is a competitive advantage.**

Agencies that consistently track and use performance data across sales, services, operations, and leadership can make faster decisions, improve productivity, and drive stronger financial outcomes.



### **AI and innovation amplify performance.**

Agencies that apply AI and data-driven automation across quoting, servicing, and operations reduce manual work, accelerate execution, and unlock new capacity.

**For agency leaders, the focus shouldn't be on just adopting more technology but on making better, more disciplined decisions about technology that drives performance.**



## THE REAL ISSUE:

# Distribution drag

Profitability challenges in agencies rarely show up at once. Instead, they build gradually through small inefficiencies across sales, service, and operations. What looks like a growth issue is often an execution issue.

Producers spend time managing instead of selling. Service teams handle increasing workloads without process consistency. Leadership doesn't have clear visibility into what is actually driving performance. Over time, these gaps compound into higher costs and slower growth.

Often, the response is adding more tools or systems. In most cases, this adds another layer of complexity without addressing the underlying problem.

The difference between average and high-performing agencies is not the amount of technology they use. It's how well their systems connect and support core workflows while reducing friction to support work moving through the business.



## 6 steps to improved agency performance

## STEP 1

# Define the outcome before the investment.

If you are evaluating multiple tools, it's crucial to have clarity on what needs to be improved, and that clarity comes when identifying your primary constraint.

If producers are not hitting growth targets...

The issue is productivity.

If service teams are overwhelmed or backlogs are growing...

The issue is servicing efficiency.

If revenue is increasing but margin is tightening...

The issue is cost structure.

If growth has stalled despite strong retention...

The issue is pipeline visibility.

Once your primary constraint is clear, **define a single outcome for the next 6-12 months**, tied directly to how the business makes money or controls costs. Then anchor that outcome to one or two measurable indicators such as revenue per producer, quote time turnaround, or retention rate.

**Every technology decision should be evaluated against that outcome.** If a system does not clearly improve the metric you are targeting, it's not a major priority at the moment.

## STEP 2

# Strengthen your operational foundation.

Now that you have a clear outcome you're focusing on, the next question is whether your current systems can support it as part of your operational foundation.

But, how do you know if your technology is being used effectively as part of your operational foundation?

If data is being entered in multiple places, reports do not align, or producers and service teams rely on workarounds outside of core systems, then you likely have a foundation issue. In this environment, adding new technology increases complexity without improving performance.

The focus should be on strengthening the core operational backbone, including your AMS, your CRM, and your rating tools. These systems must work together to provide a consistent, reliable view of the business.

Start by establishing a single system of record for client and policy data. From there, ensure that pipeline activity, renewals, and servicing workflows are consistently tracked within your core systems rather than managed offline.

Standardization is critical. Quoting, renewals, and servicing processes should follow defined workflows so that performance is not dependent on individual habits. The priority here is to identify the single largest source of friction and address that first. For some agencies, that is slow quoting. For others, it might be a lack of pipeline visibility or overloaded service teams.

When the foundation is working as it should, the impact is immediate. Producers spend more time selling; service teams handle greater volume without added headcount; and leadership gains a clear view into performance.



## STEP 3

# Eliminate hidden inefficiencies in your tech stack.

Technology sprawl builds gradually. Tools are added, but workflows don't change. This happens again and again and, over time, systems start to overlap, causing teams to regress to manual work.

**McKinsey estimates that nearly 50%** of manual activities in insurance could be eliminated through automation and AI, highlighting how much inefficiency still exists in current workflows.

This can show up operationally by account managers re-keying policy or client data across systems; finance and operations pulling different numbers for the same metric; and teams defaulting to email and spreadsheets instead of core systems because it seems easier to manage. This fragmentation is a clear indicator that inefficiencies are lurking within your tech stack.

By simplifying and connecting systems, there will be a critical impact and improvement on driving productivity and performance. The best systems to focus on first are the ones that touch revenue workflows (quoting, pipeline, renewals) and systems that duplicate core data (client, policy, financials).

Here's how you can ensure you are operating at maximum efficiency within your technology line up:



**Audit** all current systems and their purposes.



**Identify** overlap or redundancy.



**Prioritize** integrations across core solutions.



**Remove** tools that do not contribute to measurable outcomes.

As you audit your tech stack, remember that operational complexity often comes from disconnected systems, not business growth.

## STEP 4

# Use data to drive financial performance.

Data should function as a control system for the business. Organizations that leverage analytics are better positioned to improve productivity and business outcomes.

Despite the volume of data available, **only 15% of insurers** believe they are fully capturing its value.

When you tighten the connection between data and decisions,

producer performance should inform coaching, compensation, and pipeline expectations; retention trends should trigger account reviews and client outreach strategies; and servicing workload should influence staffing and process changes.

**By making these changes, leadership moves from reacting to results to actively managing performance.**

If you're finding yourself stuck in common pitfalls, then here's how you address them:

If this is happening	What it means	How to fix it
Data is inconsistent across systems.	No single source of truth.	Strengthen integrations across core systems and align each KPI to a single source of truth.
Teams report different versions of the same metric.	Metric definitions are unclear.	Standardize how metrics are defined and calculated.
Reports are reviewed but not acted on.	Data is not tied to decision-making.	Link metrics to specific actions (hiring, coaching, pipeline targets, etc.).
Reporting is backward-looking only.	No forward visibility.	Implement real-time or near real-time reporting for pipeline, quoting, and servicing activity.
Leadership lacks confidence in the data.	Low adoption or poor data quality.	Enforce system usage and clean core data inputs.

## STEP 5

# Standardized to scale.

Inconsistent processes can introduce both cost and risk. Without standardized workflows, servicing quality varies across teams; compliance exposure increases; training and onboarding slows down; and operational efficiency declines.

This creates the most risk when it comes to renewal handling, policy documentation and compliance, and client communication and service expectations. These are critical workflows that should be executed the same way every time, no matter who performs them.



The keys to achieving greater consistency, lower risk, and more predictable performance are:



**Design** intuitive workflows that are easy to follow, use, and learn.



**Document** workflows for servicing, renewals, and documentation.



**Consistent** use of core systems across teams.



**Clear** accountability for process adherence.

Consistency is the key to making standardizations work. Standardization fails when processes are over-engineered, not enforced, or constantly bypassed.

## STEP 6

# Increase efficiency with AI and innovation.

AI and data-driven automation are changing how agencies handle quoting, servicing, and operational workflows. This opportunity is not just an incremental improvement, but also removes entire layers of manual effort and delay.

**Deloitte** highlights that insurers are investing in advanced technologies, like AI and other data capabilities, to break down silos, improve access to information, and enable more efficient operations.

Across both large and small agencies, the same patterns emerge: Technology investments are not tied to outcomes; disconnected systems create operational drag; limited visibility into performance drivers; and inconsistent processes across teams. These issues can compound over time to directly impact profitability.

When technology is aligned to operations and outcomes, agencies can reduce servicing costs, increase producer outputs, improve retention, increase client lifetime value, and expand capacity without proportional cost increase.

**To avoid stalling by trying to update everything at once, the goal should be to focus on impact, not perfection. A more effective approach looks like:**

### PHASE 1

#### Stabilize

Address major inefficiencies in core systems to improve visibility into operations and performance.

### PHASE 2

#### Connect

Integrate systems to eliminate duplicate workflows and data entry.

### PHASE 3

#### Optimize

Introduce performance tracking and analytics to improve producer and operational productivity.

### PHASE 4

#### Scale

Expand capabilities based on business needs while continuously evaluating ROI on technology investments.



## How Vertafore supports agency performance

Improving profitability requires more than adding tools. It requires **aligning systems** to how your agency operates and grows. With **Vertafore**, you can leverage our technology to establish a strong operational foundation across core systems. You'll find it's easy to connect workflows to reduce manual effort and improve efficiency as well as increase visibility into performance and revenue drivers.

Backed by insights from thousands of agencies, Vertafore can guide your team in making technology decisions that drive measurable outcomes while also optimizing and scaling operations.



999 18<sup>th</sup> St | Denver, CO, 80202 | 800.444.4813 | [Vertafore.com](https://Vertafore.com)

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