

A woman with long brown hair, wearing a teal long-sleeved shirt and a striped apron, is smiling and hanging a green sign that says "OPEN" on a chain. The background is a blurred interior of a shop or restaurant.

# WORKING WITH BUSINESS OWNERS

Helping Your Business is Our Business



## What if you could successfully approach small business owners about their needs? Their dream is to become more profitable and more stable. For small business owners, protecting their physical and financial assets is always top of mind.

This guide includes owner's buying behavior and their attitudes toward insurance and financial services purchases. Use this information to design an approach that addresses small business owners' concerns head-on.

Another great resource once you get into the sales process is Mutual of Omaha's Advanced Markets team. This team can help you with recommendations on business planning concepts such as buy-sell agreements, key employee insurance and executive compensation once you get into the sales phase with business owners.

### How Business Owners Want to Buy

When it comes to business purchases, owners like to do their own research and seek out referrals, whether they're shopping for insurance or something else. When they research, here are a few things they tend to value:

- **Service and Quality Over Price** - They want the best option they can afford rather than the cheapest
- **Personalization** - Owners see their businesses as unique and want programs tailored to their needs
- **Consideration of Their Time** - Time is money to the self-employed, who generally prefer appointments to walk-ins
- **Rapport with Their Agent** - Owners generally prefer to work with one agent but want access to specialists, who may offer new ideas or uncover gaps

### Personal, Professional Touch

Business owners want to know that they're doing what's best for their business. You can help them by being a resource that adds value to the products and services they need. That means being knowledgeable about the details of the products they're interested in and helping them tailor them to their needs. It also means being a professional who respects their time and uses it efficiently, while also making sure you get to know them and understand their business.





## Tips on Approaching Small Business Owners

Small business owners respond well to an approach that includes educational information and planning for their future success. They feel their business is unique. If you can teach them something, they will be more open to meeting with and listening to you.

### Do Your Research:

- Know the owner's name and what their business does
- Factfind about the business before contacting the owner
- Find industry-related issues they might be facing – present how you can help

### Provide Educational Value:

- Find an immediate need:
  - Bring something to make the business better – knowledge, education, updates on laws, etc.
  - Customize your advice around past needs, budget, future plans and the small business industry
- Use stories and testimonials about helping others in similar situations
- Mention that agents are also local business owners
- Suggest issues that could negatively affect their business
- Be prepared to leave something behind and schedule an appointment if the owner isn't available
- Multiple touches help get you remembered:
  - Direct mail, call, email, etc.
  - Brand yourself and get your name in front of owners

### Respect the Owner's Time:

- Recommend a strategy to get their attention: use the owner's name and simply ask for an introduction
- Owners are busy and may not be able to meet the first time around, but don't give up on setting the meeting
- Ask for 3 minutes of their time. Those 3 minutes earn you the next 15 another day
- Best businesses to walk and talk – manufacturing, construction, retail and medical

### Relate on a Personal Level:

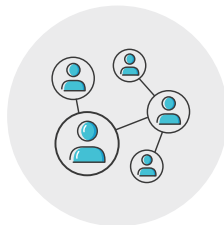
- "What keeps you up at night?"
- "What is your exit strategy?"
- Don't discount the gatekeeper
  - They can be your advocate. Explain to them what you can do for the owner and try to schedule an appointment
- Your questions don't have to be product related (i.e., interests, hobbies, family, etc.)
- Don't focus on you and what you can offer – focus on them and their needs during the first contact



## Networking

By going where business owners already are, you can create a competitive edge and distinguish yourself from other insurance professionals. This will ensure that you stay referable and relevant to your client and other potential clients.

- Attend networking events, associations and small business groups
- Use referrals through associations and professional networking groups
- Find businesses that are in their early years of operation (they may not have established partnerships yet, and are open to ideas and suggestions)
- Consult industry peers
- Read websites for specs and reviews
- Provide a cost-benefit analysis
- Educate owners by presenting seminars at association meetings, local business schools, etc.
- Be active and engaging on social media



## How to Sell to Business Owners

There is a significant gap in small business owners' understanding of insurance options and their benefits to businesses. They view their insurance provider as a partner who can consult them on their business needs, identify gaps in their current coverage and provide educational tools for solving business issues. They prefer the simplicity of a generalist over a specialist, with the caveat that they would expect the generalist to have access to specialists to include in conversations as needed.

### Owners' Preferred Method of Communication

Small business owners want to know that you "service their industry" and that their information will be safe, secure and not sold or shared with other companies.

### Important Things to Know When Approaching Small Businesses

- The owners name
- What the business does
- The business needs and the owner's needs
- The business market
- The business sales process
- What you can do for the owner of the business, specifically

**Businesses that are underinsured or without broad, proper and adequate coverage are taking needless risks that could lead to serious financial problems or even bankruptcy. In a crisis, a business that has no insurance or is underinsured can be destroyed.**

*- Investopedia*



## Do's and Don'ts

Targeting small business owners can be difficult, but if you follow the essential do's and don'ts of selling to them, you will be more successful at getting in front of the decision makers when you need to. The goal is to help the research process and make it easier for the business owners to focus on the critical aspects of protecting what they have worked hard to build.

### Do's:

- Build trust and dependability through a personal connection
- Connect with the owners on common values and interests
- Tailor solutions to owner's needs and constraints
- Show respect for the owner's time - if 5 or 10 minutes, DO NOT go over
- Present references to other small business examples to accentuate product/service relevance
- Exhibit professional persistence
- Be upfront about benefits and total costs
- Give a timely quote or explanation of the quote
- Present options to save the owners time and make their businesses appear more professional

- If you say you will call back, call back. Follow-up now and 3-5 times a year
- Keep the conversation about them
- Listen more instead of presenting and leaving
- Provide good service and find them the best option
- Point out what is relevant or go over the information with the owner. If you don't think it's important to go over with them, they won't either

### Don'ts:

- Expect a meeting without an appointment
- Make a generic pitch
- Show up without doing your research about the company needs
- Just hand marketing materials to the owner to read over
- Neglect to follow-up after initial interaction
- Disrespect the owner's time by starting over at every touch point
- Make a pitch centered on the product rather than owner's needs
- Start high and lower the price after several interactions
- Contact owners only during renewal time - build a relationship with them

## **Pain Points for Small Business Owners**

As their business matures, owners' pain points tend to shift away from cash flow management and revenue to talent acquisition and keeping the customer base consistent. They cited talent acquisition, employee performance, customer satisfaction, cash flow and risk management as some of their biggest pain points. Additionally, most owners do not have a succession or emergency plan in place.

### **Buy/Sell Arrangement:**

- Day-to-day concerns often trump strategic planning for the future
- Owners consider themselves to still be growing
- Most owners don't think about impending or possible changes
- Many owners felt they were unprepared and wanted to call an agent right away to get guidance and a plan in place
- Consider solutions such as business valuation, buy-sell reviews and life insurance to help fund the buy-sell agreement

### **Cash Flow:**

- Reducing and controlling costs
- Budget cuts with government
- Having enough money to pay employees' insurance
- Concerns regarding the cost and quality of labor

- Consider solutions such as supplemental insurance for employees that's paid by the employees
- Business overhead expense coverage in case something happens to the owner
- Cash accumulation life insurance

### **Mitigating Risk/Safety:**

- If something happened to the owner, the business could quickly become a liability
- Being liable or sued if something happens
- Understanding the benefit of protecting family (life insurance for themselves)
- Unknown health care factors
- Consider solutions such as disability income insurance
- Business overhead expense coverage
- Key employee insurance

### **Employees:**

- Issues surrounding employee hiring, training, safety and retention
- Growth - if we grow and hire more people, what happens if business doesn't continue to be successful? Is it better to stay where you're at now?
- Employee motivation
- Management team - personality conflicts
- Costs for employees
- Consider solutions such as executive bonus, retirement plans, deferred compensation, key employee insurance, employee paid supplemental insurance

**Lack of business valuation knowledge and financial knowledge about one's own business is one of the top two issues facing small business owners and leaders.**

*- Small Business Association*

## Prove Your Value

To succeed in penetrating the small business market, it's important to think and act like a business owner. Understanding the concerns and questions that owners have will help you come up with a more personalized and relevant angle to approach them.

### Questions to Ask Small Business Owners:

- If you were injured or sick and couldn't work, who would run your business?
- Are you prepared if something should happen to you or a key employee?
- Are your families and employees protected if something happened to you?
- If you lose a key employee, what financial impact would it have on your business?
- Are you concerned about retaining key employees?
- How can we help each other out? Create a win-win situation

### Steps to Building Relationships with Business Owners

- 1. Make the Connection** – The first step to a successful relationship with a business owner is making that first connection. Here are a few strategies you can use:
  - Attend their industry events
  - Invite an owner to lunch or coffee
  - Attend charity events or volunteer
  - Join local business associations and industry events
- 2. Provide Value** – Once your foot is in the door, it's vital that you demonstrate to the owner that you can help them maximize their business potential.
  - Use stories and/or testimonials about helping businesses in similar situations
  - Use product examples that help owners see the need for their own business
  - Identify an issue with their current business practice and show how you can help
  - Avoid telling them you can save them money – they are likely more interested in quality, personalized service

**3. Follow Up** – Multiple touches with clients will help keep you top of mind and remind them of the value that you've shown you can add.

- Direct mail, phone calls, emails
- Engage with them via social media
- Brand yourself and keep your name out there and in front of owners

### Insurance Triggers

New purchases are primarily triggered by a change in internal needs, rather than external influence. While there was no single trigger for an insurance purchase, the majority of owners follow the needs of their employees and advice of their peers.

#### Trigger Events:

- Startup needs
- Lapse or issue in existing coverage
- Renewal period
- Moving to a different location
- Employee demand
- Referrals through business associations
- Business needs change
- Business growth
- Employees make a recommendation
- Network referrals from industry peers
- Change of ownership
- As a result of the "break-fix" mentality, the majority of sales interactions are initiated by the owner

### Services You Can Offer Small Business Owner

- Business valuations
- Buy/Sell planning
- Key employee and executive compensation strategies
- Wealth management and estate planning
- Succession consulting
- Income planning
- Retirement planning
- Protecting the family/income replacement
- Employee benefits
- Business overhead coverage



### Why Mutual of Omaha

Over 50 years of Mutual of Omaha's Wild Kingdom taught us that the animal kingdom and the human kingdom have something in common ... an instinct to protect what matters most. Through insurance and financial products, we help people protect their lives, protect their families, protect their kingdoms.

[MutualofOmaha.com](http://MutualofOmaha.com)