

## WHAT WORKS

BY PETER VAN AARTRIJK JR., CIC

# Recipe for Success

### CHALLENGE:

Setting up staff for success

### SOLUTION:

A little craziness, a lot of structure

1 TBSP Structure

$\frac{1}{2}$  tsp Employees

$\frac{1}{3}$  tsp Flexibility

$\frac{1}{4}$  tsp Crazy

**The painting may be the first clue** that CFR is, in the words of its chief executive, "an atypical agency." The artwork is a pleasant, seemingly innocuous still-life of flowers and other objects on a table. Art for the office. Nice.

But the painting is, in fact, the agency's "visual vision statement." Its various objects—an eight ball, a cherry pie and a stack of records, among others—represent aspects of CFR's corporate philosophy and culture. That culture includes a monthly "Fan Dance" meeting, a CEO who admits to spending 30% of his time doing nothing and a juke box.

CFR may not be a typical agency, but it is a successful one, with 2006 per-employee revenue expected at \$182,000. And the firm is adding strategic employees that it hopes will increase revenue from \$14 million to \$20 million during the next three years.



## Visual Vision Statement

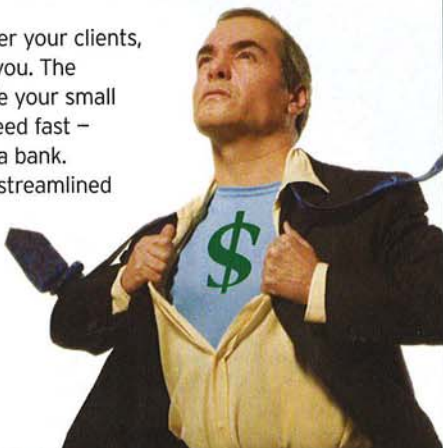
**C**FR's vision statement is revealed in a painting found in the office and on the agency's Web site. The various objects in the still-life represent aspects of CFR's culture:

- *Eight ball*—the caliber of people at CFR; the firm strives to employ only "eights" or better.
- *Fresh oranges*—fresh ideas and a healthy work environment.
- *Stack of 45 RPM records*—the juke box in the CFR office. The juke box plays to celebrate good news, such as new business written or someone receiving a professional industry designation.
- *Bell*—the bell rings for important business.
- *Diploma*—commitment to education. Virtually all CFR employees are involved in at least one insurance education program.
- *Snowball*—the Magic Kingdom, a reminder of Walt Disney's words of wisdom that have become the CFR daily corporate philosophy.
- *Vase*—the CFR Family.
- *Flowers*—the individual personalities and diversity of skills at the agency that combine to make a great team. CFR values people for their differences.
- *Cherry pie*—sharing success. When everything works, everyone gets a piece of the pie.

—P.V.

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**'The key thing is to celebrate success as often as possible.'**

## Celebrate Success

The agency, with offices in Tulsa and Oklahoma City, had a fairly traditional early life. But that all changed in 1986, when Jack Allen Jr. bought the business (revenues of \$800,000) from his mentor and boss, Leonard Reitz Sr. It wasn't long before Allen's passion for management-improvement methodologies—ranging from Ichak Adizes to Walt Disney—began influencing the agency's culture.

"Most of the stuff we do, we've stolen from someone else," Allen admits. "We take simple ideas and run with them." As in the curiously named Fan Dance: During a discussion years ago with another agent about employee-of-the-month programs, that agent said in his southern drawl, "It's like a fan dancer, who doesn't show you everything and keeps you interested." The term stuck with Allen, and today the monthly Fan Dancer is awarded a cash bonus or a half day off, and his or her name is added to an electronic plaque.

The party doesn't end there. At that same meeting, Allen shares department and overall revenue goals, and all the employees—from the receptionist to account managers—are given a bonus based on performance (on average, \$120 to \$150 cash, taxes prepaid). That we're-all-in-this-together mentality means "that everyone wants everyone else to succeed," Allen says.

But, he adds, "We don't wait for the monthly meeting to tell people how we're doing," he adds. "The key thing is to celebrate success as often as possible."

And celebrate they do: employees ring a bell when they land an important account, and the office juke box belts out a song to announce good news.

## Assemble a Great Bus

Fun and quirky as the agency's tactics may be, it is a mistake to assume that the charismatic Allen is simply working a bag of tricks. There is a method to all this madness—and it starts with structure.

"Ichak Adizes' perspective is that having the appropriate structure and process is the most important thing," Allen explains. "Eighty percent is structure, 20% is people.



## '80% is structure, 20% is people. Shouldn't it be a great bus?'

### What I Learned

**A**sk Jack Allen his biggest business mistake and his answer is both quick and unexpected: "Not firing myself sooner."

As the owner of CFR, Allen also was, predictably, the agency's president. "But I sucked at being president," he says now. "I am *not* a manager."

So, Allen "fired" himself from day-to-day management, leaving those duties to co-owner and president Robert Gardner; Sherry Burks, vice president of operations; and Glenn Day, executive vice president. And Allen thinks more agency owners should follow suit.

"We mistake ownership for leadership way too often," he says. "Just because you can buy the business, doesn't mean you're the right person to manage or lead it."

—P.V.

If you have the appropriate structure and process, you know what people need. Structure gives you flexibility, because you don't have to think in every case.

"In 'Good to Great,' Jim Collins says you've got to get the right people on the bus," continues Allen. "But you've got to have the *right bus*. Shouldn't it be a *great bus*?"

Sherry Burks, vice president of operations, concurs: "When we have people who are struggling, we ask, 'Do we have the right structure in place?'"

### A Sound Structure

And the reason they assume it's the *structure* that isn't right—and not the person—is because CFR is exacting in its screening of potential employees. The agency starts by using a Kolbe Index to compare the instincts necessary for a given job with the candidate's innate instincts.

"Kolbe measures the way you take action naturally," Burks explains. "It identifies the way you need to get things done."

The firm has become such a devotee of the Kolbe process that it offers the service to clients and business partners. It even used it as an experiment for a Tulsa middle school. Although not yet a profit center for the agency, Allen comments, "We do it out of passion...But if we decided to take it in that direction, it could be larger than the agency."

Pre-employment screening continues with each candidate completing a Caliper test to pinpoint personality traits and determine if he or she fits within the team. "Jack wants to set people up to succeed," Burks says. Businesses "make a huge investment in training. You want to make good decisions."

Allen concurs: "If employees know what's expected of them, have the tools to do their jobs, are wired to do those jobs and are in an environment to succeed, they will."

Not that mistakes haven't been made. Both Allen and Burks themselves have been "fired"—moved internally after determining they weren't a good fit for a particular job. "Sherry was running the accounting department, but she wasn't in the right place," Allen says. Now oversee-

ing day-to-day operations for the agency, she is, says her boss, "wonderful."

When Allen himself was "fired" as president of the agency, he looked to his Kolbe index to determine the best role for him within the firm. "I'm an innovator," he says. So now, as chairman and CEO, he focuses on leadership, vision and nurturing relationships—and still produces business. Still, he admits, "I do nothing 30% of the time. I know that sounds bad, but when I'm here, the other 70%, I'm very successful."

And Burks insists that she gets no push-back from employees or management about Allen's rock star schedule: "They don't like to see Jack tied down. They recognize that Jack created this." □

Van Aartrijk ([peter@aartrijk.com](mailto:peter@aartrijk.com)) is an IA contributing editor.

### Fostering School Reform

**J**ack Allen is passionate about the need to enhance public education in America.

"When I was more actively involved in hiring, I was hit smack in the face with a whole generation of kids unprepared for the workplace," he recalls. "I can't change their home lives, but I could have an impact on public education."

To that end, Allen founded the CFR Education Foundation, which works with Oklahoma schools in a variety of ways. Locally, the agency adopted a primary school where employees and managers volunteer—tutoring, helping in the administration department, teaching a gym class. The foundation even introduced a youth version of the Kolbe Index to a Tulsa middle school as a way of identifying the students' learning methods.

—P.V.

### CFR

Tulsa (pop. 563,000) and Oklahoma City (pop. 660,000)

**FOUNDED:** 1938

**GROSS REVENUES:** 2004, \$12 million; 2005, \$12.8 million; 2006, \$14 million (est.)

**INSURANCE EMPLOYEES:** 77

**REVENUE PER EMPLOYEE:** \$182,000

**BUSINESS MIX:** Commercial property-casualty, 80%; employee benefits, 14%; Personal p-c, 6%

**CARRIERS INCLUDE:** Aetna, AIG, AM/WINS Insurance Brokerage, America First, Blue Cross/Blue Shield, Chubb, CNA Community Care, Compsource, CRC Insurance Services, Hartford, Medical Protective, Mid Continent Casualty, Physicians Liability, Travelers

**CLIENT COUNT:** Commercial, 5,000; personal, 1,500

**RETENTION RATE:** 93%

**TECHNOLOGY:** AMS AfW

**Big "I" AFFILIATIONS:** Trusted Choice®

**CONTACT:** Jack H. Allen Jr., CIC, CEO; 918-712-5230; [jack@cfr-ins.com](mailto:jack@cfr-ins.com);

[www.cfr-ins.com](http://www.cfr-ins.com)