AgencyBloc

5 Steps for **Selecting the Right Agency Management System** for Your Agency

In This **Guide...**

The technology you choose will impact every aspect of your business, from client interactions to policy management to sales and beyond.

With numerous options available, finding the perfect technology fit can be overwhelming. This guide outlines the current technology landscape for insurance agencies, as well as the five essential steps to help your team select an agency management system (AMS) that aligns with your unique needs, streamlines your workflows, and positions your agency for growth in the competitive insurance landscape.

At the end of this guide, you'll feel more equipped to approach this decision confidently with actionable tips to make choosing the right AMS easier.

The Health Insurance Agency Technology Landscape

The insurance industry is undergoing a radical transformation. From new legislation to the introduction and growth of automation, health insurance agencies are looking for technology to manage and create efficiencies in every aspect of their business. For agencies looking to stay competitive, finding the right insurance technology has become more crucial than ever.

And that's what this guide is all about.

One of the most impactful technology solutions for the health insurance, group benefits, and senior insurance space is an industry-specific agency management system, or AMS.

WHAT IS AN AMS?

An agency management system (AMS) is a SaaS (Software as a Service) technology that insurance agencies use to organize their book of business and more effectively run their operations.

You may be more familiar with the term CRM than you are with AMS. While CRM software is an important tool for insurance agencies, your team should consider the limitations of generic CRMs vs. an industry-specific AMS.

The difference between an AMS and a CRM lies in what each is designed for. An AMS is built for insurance agencies, often for a specific niche (like life and health or property and casualty). However, many generic CRMs are often used across different industries and various sizes of companies. Therefore, more customization is needed to make a CRM work the way it needs to for insurance agencies.

An AMS is a CRM, plus it includes many of the functions you need to operate as a competitive health insurance agency. When it comes to functionality, an AMS generally has many more capabilities that are, again, focused on the needs of the insurance industry. In an AMS, you can:

- Track clients, leads, & prospects
- Track agents (internal, downline, & 1099)
- Manage policies
- Manage compliance communications & documents
- Track carriers
- Automate workflow and communication
- Integrate with essential third-party tools
- Track & process commissions

- Run custom reports
- View real-time analytics

An AMS not only helps organize your book and automate tasks, but any good AMS will also help you grow your agency by allowing you to monitor its health in a valuable way. **An AMS is a must for any agency looking to be more proactive and make smarter business decisions.**

Now, to find the right platform for your team, follow these five steps.

1. Identify Pain Points & Goals

The first step is to clearly identify your agency's pain points and goals. This crucial process sets the foundation for evaluating insurtech solutions that will truly address your needs and drive your business forward.

Recognize Your Agency's Challenges

Start by taking a hard look at your current operations. What are the bottlenecks and inefficiencies that are holding your agency back? Common pain points for insurance agencies often include:

- Outdated systems that don't support business growth
- Lack of industry-specific features
- Inability to track both individual and group benefits business
- Inability to integrate with critical third-party software (i.e., quoting and enrollment)
- Inadequate commissions processing capabilities
- Multiple data silos leading to inefficiency

By pinpointing these issues, your team will be better equipped to choose the right AMS that addresses your specific challenges.

Then, align your pain points and goals.

Align Pain Points with Goals

You likely already have your goals set for the next 6 months, year, 2 years, 5 years, etc. However, it's crucial to look at your goals and your pain points to see if they align.

Some examples:

- You want to improve client retention, but there's no easy way to view and edit client records quickly, identify cross-sell opportunities, or report on client data
- You want to renew X% of policies each year, but you don't have a way to automate the renewal communication and/ or agent tasks for these, so sometimes renewals fall through the cracks
- You want to cut time spent generating, sending, and managing compliance documents by X%, but you don't have a process or tools to support
- You want to decrease the amount of time spent processing commissions, but your commission staff is still manually entering statements line-by-line, creating agent

payout statements, searching for inaccuracies, etc.

In order to ensure your team can alleviate pain points and meet goals, an AMS that fits your agency's needs is crucial. Thus, the next step is identifying your agency's specific technical needs.

2. Evaluate Your Needs (& Wants!)

When evaluating insurance technology, it's crucial to thoroughly assess your agency's technical requirements. This step is vital in finding the right insurance technology that will propel your business forward. Let's break down the key areas to consider:

Core Functionality

Start by listing the essential features your agency management system (AMS) must have, like:

- Customer relationship management (CRM) capabilities
- Policy management & carrier tracking
- Automated workflows for emails, text messages, & tasks
- Reporting & analytics tools
- Commissions tracking & processing

Prioritize these core functions to ensure you're choosing the right AMS that addresses your primary pain points.

Integration Capabilities

Consider how the new system will integrate with your existing tools and eliminate data silos. Look for an AMS that offers seamless integrations with:

- Quoting, proposal, & enrollment software
- Lead vendors
- Marketing software, like handwritten cards

Integrations between your necessary tools will streamline your operations and provide a unified view of your business.

Scalability & Customization

Next, think about your agency's future growth. Evaluate your needs for:

- Customization capabilities to adapt the system to your unique processes
- Scalability to accommodate your agency's expansion, whether that's new hires, new verticals, or new locations/states
- Hosting options (cloud-based vs. on-premise) that allow your team to work efficiently and cohesively

Security & Compliance

Data security is paramount. Ensure that any AMS you consider meets industry standards for data protection and compliance:

- Data encryption methods
- User access controls
- Compliance with regulations like HIPAA, SOC 2 Type II, HITECH, etc.

By carefully assessing these technical aspects, you'll be better equipped to choose an agency management system that not only meets your current needs but also supports your agency's long-term success. Remember, finding the right insurance technology is an investment in your agency's future efficiency and growth.

3. Research Your Selected Vendors

Thoroughly researching the AMS vendors you're considering is arguably the most important step in this entire process. You aren't just buying software; you're looking for a software partner. That means looking beyond the product into the company itself.

Vendor research is all about getting to know the people behind the product to ensure they're a company you're confident partnering with. To help guide your research, this resource is helpful: [Beyond the Product Vendor Research Tool](#).

What Technology Do Insurance Companies Use?

When evaluating insurtech options, it's crucial to understand the landscape of technology used by insurance agencies. It usually comes down to four options: agency management system (AMS), CRM, homegrown solution, or spreadsheets.

Finding the right insurance technology is essential for agencies looking to stay competitive. Each option has benefits, but many health insurance agencies are adopting an AMS because they're industry-specific, customizable, and offer the best chance for growth. Additionally, they often provide cloud-based storage, allowing for flexibility and easy access to client data and policy information from anywhere.

4. Make a Decision

Making the final decision is a critical step. After carefully evaluating your options and narrowing down your choices, it's time to select the AMS that will best serve your needs.

Compare Your Top Contenders

Start by creating a [side-by-side comparison of your top vendor candidates](). Focus on how each system addresses your identified pain points, aligns with your agency's goals, and gives you access to your agency's technical needs and wants. Consider factors such as:

- Ease of use & user interface
- Integration capabilities with existing tools
- Customization options
- Scalability for future growth
- Customer support & training resources

Remember, the right agency management system should not only meet your current needs but also support your agency's long-term vision.

Involve Your Team

Evaluating insurance technology shouldn't be a solo endeavor — unless you're an independent agent. If possible, involve key team members in the decision-making process. Their insights can be invaluable, especially if they'll be using the system daily. Consider organizing a demo or trial period for your top choices, allowing your team to test-drive the software and provide feedback.

Assess the Return on Investment

When choosing the right AMS, it's essential to look beyond the initial price tag. Evaluate the potential return on investment (ROI) for each system. Consider how the AMS can:

- Increase profitability by streamlining operations
- Improve efficiency through automation of tasks & workflows
- Enhance client retention with better policy management
- Boost sales through advanced CRM capabilities
- Open new revenue opportunities

The price tag is a significant consideration during the vendor vetting

and software buying process. However, it shouldn't be the sole consideration when future gains and ROI could be found.

Consider Implementation & Support

As you make your decision, don't overlook the importance of implementation and ongoing support. The process of finding the right AMS doesn't end with the purchase. Consider:

- The vendor's implementation timeline & process
- Training resources available for your team (technical documentation, Academy, videos, live training, etc.)
- The dedicated resources available (Client Success Manager, Support Team, Account Manager, etc.)
- The frequency of system updates & improvements

Choosing an AMS with robust support can make the transition smoother and ensure you maximize the system's benefits over time. By carefully weighing these factors, you'll be well-equipped to make an informed decision on the agency management system that will best support your agency's

success and growth in the competitive insurance industry.

5. Manage the Change

And last, but not least, everyone's favorite word — **change**.

[MindTools](#) hits the nail on the head: *"**No organization can afford to stand still.** There are always new challenges to meet and better ways of doing things. However, **every change you need to make should be planned and implemented with care**, otherwise it could end up doing more harm than good!"*

So, how can your team actively manage the transition from one solution to another to achieve a positive outcome? Here are some ideas.

Develop a Comprehensive Plan

Before rolling out your new AMS, create a detailed implementation plan. This should include:

- Timeline for system deployment
- Training schedule for each department/end user
- Assigned "experts" for each department or functionality
- Identification of potential roadblocks
- Strategies for data migration
- Regular check-ins for status & adjustment

A well-thought-out plan is crucial as it helps minimize disruptions to your agency's operations during the transition period.

Prepare Your Data

A system will only function as well as the data you put into it. So it's as good of time as any to clean your data *before* the data migration process. Cleaning your data will allow your team to start work in the new system with the best, most up-to-date version of your data. Additionally, it can improve the chances of successful migration and adoption in the long term.

Communicate Effectively

Clear communication is key to managing change successfully. When implementing organizational change, it's important to:

- Explain the reasons behind the change
- Outline the benefits of the new system
- Address employee concerns & questions
- Provide regular updates on the implementation progress
- Celebrate wins & milestones

By maintaining open lines of communication, you can build trust and motivation among your team, making the process of adopting new technology more achievable.

Provide Adequate Training & Support

Ensure your team is well-equipped to use the new AMS by offering comprehensive training. This may include:

- Hands-on workshops
- Online tutorials
- Access to vendor support resources

Remember, the success of your new system depends on how well your team can utilize its features. Proper training is essential when evaluating insurance technology to ensure you get the most value from your investment.

Monitor & Adjust

The change management process doesn't end with implementation. Continuously monitor the adoption of your new AMS and be prepared to make adjustments as needed. Regularly seek feedback from your team and clients to identify any issues or areas for improvement. This ongoing evaluation is crucial in ensuring that your chosen system truly meets your agency's needs and contributes to your long-term success.

There is a lot that goes into making the right decision for your agency.

It's not an easy task. But, using these five steps, you'll identify your pain points and goals, make a list of your needs and wants, thoroughly research your vendors, guide decision-makers through the considerations, and help your team manage the change. With those five items under your belt, your agency will be well on its way to implementing an AMS that will help you reach your goals.

So, which AMS will you choose?!

Learn More About AgencyBloc's Plus Suite

AgencyBloc is the **#1 Recommended Insurance Industry Growth Platform** serving the health, benefits, and senior insurance space. Our suite of insurance-specific solutions can help your independent insurance agency or upline streamline sales initiatives, increase client retention, and remain compliant during the busy enrollment season.

Learn more in our overview video:
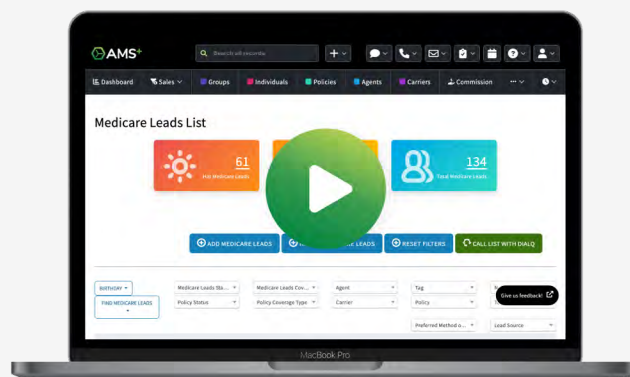
> **"The best impact has been agent retention. I have retained more agents through giving them an opportunity to use AgencyBloc under my agency. It's really gonna change and transform the way they conduct business, and it's gonna transform the way that they handle their business on a professional level."**

Elka S.
Simpler Horizons Insurance Solutions

Ready to learn more about AgencyBloc?
[Schedule a live, one-on-one demo](#) to see AgencyBloc's platform of industry-specific solutions in action.