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Innovate Confidently: How to Choose the Tech That Will Benefit Your Agency the Most

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The data is clear. Agencies that invest in innovation outperform those that don't, according to insights from SIAA. The critical question for agency principals: Which technologies will help you grow your book of business despite today's challenging market environment?

With so many options currently available, choosing the right tools can seem overwhelming, especially for agencies just starting their innovation journeys. To help you choose confidently, let's explore the state of agency innovation, the top current and emerging tools and best practices for technology implementation.

Innovation Examined

Independent agents stand at a fascinating crossroads on their innovation journeys. On one side are tech-forward agencies and carrier partners who stand at the forefront of adopting leading-edge technologies.

On the other side are agencies that have yet to implement basic tools, such as an Agency Management System (AMS) that can download policy information from carriers automatically.

Agencies that fail to innovate will encounter countless challenges. Those that rely on manual processes or older, disconnected tools will struggle to become more efficient. They may also alienate customers who expect to interact with their agency.

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Furthermore, they will struggle to recruit new workers. Employees today crave valuable and exciting work experiences. They do not want to waste time performing tasks that can be automated easily.

If your agency is playing catchup right now, that's okay. Today, proven use cases exist for many technologies. That means most agencies will receive a faster return now on their technology investments than they might have in the past. So, the best time to begin your innovation journey is now.

Mission-Critical Tech

A few years back, I would have listed an AMS as the single innovation independent agents needed the most. Today, while an AMS remains mission-critical, modern agencies also use innovation to deliver a more enriching customer experience.

A critical tool that can help make this happen is a customer relationship management (CRM) and marketing automation system. While these usually are one and the same product from the same vendor, CRM functionality gives you a single source of truth for all your customer information, and marketing automation systems streamline crucial activities like email campaigns and lead management.

Agencies should also prioritize investing in tools that empower customers to interact with your business on their terms. These can include a robust mobile app, a mobile-responsive website, text messaging capabilities and easy-to-use intake forms.

Emerging Innovations

While customer-facing software helps

agencies accelerate their growth curve, so will the following two emerging technologies.

Data analytics platforms empower agencies to identify high-value retention, cross-sell and upsell opportunities. Look for solutions built specifically for independent agencies. The most modern platforms will leverage artificial intelligence (AI) to analyze massive datasets quickly and deliver high-level insights.

Additionally, market research tools can help agencies solve a current pressing need: How to expand into small commercial wisely.

For most agencies, relying solely on personal lines is not feasible given the current market headwinds. By subscribing to a market research service, you can find the small commercial lines that make the most sense for your agency and target companies that fit your ideal customer profile.

What about AI?

When agency owners ask me about artificial intelligence (AI), I tell them this: Do not focus on AI. Instead, focus on improving your agency — selling more policies, growing your book of business and servicing your customers.

Look for existing tools that can help you reach your goals. If AI is baked into those tools, it is a potential value-add.

We are already seeing increased accuracy from publicly available AI models like ChatGPT and Google Gemini. Additionally, AI is constantly creating new use cases that can help agencies streamline their workflows. For example, one newer company is using AI to extract data from CRM and AMS tools and enter it into multiple intake systems, potentially delivering considerable time savings for agency staff.

Still, agency owners must weigh the risk vs. rewards of AI. An AI-powered chatbot, for example, can help improve customer service, but it can also create unexpected problems. Air Canada discovered this recently when the company's chatbot mistakenly told a customer he could apply for a bereavement fare discount retroactively — advice that went against company policy. A jury ruled in the customer's favor based on the erroneous answer given by the chatbot.

> *Your employees will use your chosen solution more than you will, so gaining their buy-in is critical. Ask your team members to help evaluate potential solutions.*

The takeaway message for agency owners using AI chatbots: Ensure the accuracy of all answers a chatbot generates to save yourself from a potentially costly errors and omissions liability claim.

Implement Smartly

Implementing new technologies can be daunting. Embrace these best practices to make the best choices and smooth the onboarding process.

- **Avoid analysis paralysis.** Sure, the first step in any tech purchase is to do your research. Talk with other agencies that have implemented the same or similar systems. If you are a member of an independent agency alliance like SIAA, ask for their recommendations. But don't wait too long to begin. The reality is, you will not know a solution's true impact until you see how it works within your agency.

- **Make your chosen vendor a true partner.** The more questions you ask of your vendor, the better off your agency will be overall. Ask your vendor key questions about their solution, including:

  - How should I structure my agency to make the best use of your product?

  - What will implementation look like (estimated time frame, anticipated staff workload, etc.)?

  - What kind of support will you offer me once implementation is complete?

- **Involve your staff throughout the process.** Your employees will use your chosen solution more than you will, so gaining their buy-in is critical. Ask your team members to help evaluate potential solutions. Bring them into vendor interviews. Engage them in implementation tasks.

- **Rework your processes.** Successful innovation requires a fusion of tech, people and processes. Be open to changing your processes so you can give your new tools — and your agency — the best chance of success.

While it is true that tech-forward agencies perform better than their less digital counterparts, technology alone isn't a magic bullet. But when you find the right tools, streamline your processes and boost your team's productivity, you'll unlock the keys to sustainable agency growth. ∎

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