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Nimble Is the New Normal for Insurance Businesses

According to Deloitte’s Insurance Outlook 2017, the insurance industry is facing new, dynamic challenges. Organic growth is slowing, while increased competition and elevated customer expectations are making it even tougher to ensure steady sales. Changes in every industry, from self-driving cars to automation via robots, are disrupting business as usual, as is concerns around shifting regulations.¹

But while the outlook is filled with challenges, there’s one type of insurance organization that will thrive amid uncertainty: the nimble, agile one. Deloitte states that insurers must be “nimble to prosper in a rapidly changing business environment,” and that includes upgrading from legacy systems, modernizing business models, and transforming products and services to better match customer demand.²

But navigating changing regulations, increasing demand for 24/7 service, and evolving coverage and risk exposure models is going to require more than just an agile organization. While ensuring internal employees are continually learning, insurance organizations must ensure external employees are learning just as fast—or faster.

After all, agents are on the front line of the business, responsible for attracting and retaining customers. Agents are also ideal brand ambassadors and revenue producers, as they’re highly invested not just in their own success but that of the broader organization, as well. Yet while they may work independently, they don’t operate in a vacuum. While agents bring motivation, work ethic, and drive, insurance companies can sustain and nurture that drive by providing continuous learning.
Agent Training Is Critical to the Long-Term Profitability of Your Business

Why do new agents fail? While they often underestimate the work necessary to be successful in the industry or go into the business for the wrong reasons (making money instead of also building relationships), new agents aren’t successful when they aren’t given the skills and knowledge to be so. Yet both stumbling blocks can be addressed by one thing: great training.

Training helps new agents gain technical skills, product and service knowledge, and legal and regulatory acumen. Yet the case for robust agent training doesn’t end there. In fact, how and when an organization develops its agents matters. After all, every insurance company provides some training, even if it’s simply the basics. But what separates the successful, long-term agent from the frustrated short-term one is training that goes beyond initial operational and regulatory training.

The financial rewards come, not immediately with a magical influx of new customers, but with consistent effort over long periods of time. Thus, training must also be treated as consistent effort that takes place over time.

To be successful, agents—and thereby insurance companies—must work hard for years, not just months. The financial rewards come, not immediately with a magical influx of new customers, but with consistent effort over long periods of time. Thus, training must also be treated as consistent effort that takes place over time.

Training doesn’t just help create an engaged, profitable agent—and an equally profitable company. It also helps attract the right agents in the first place. Insurance agencies that provide robust, comprehensive, ongoing training are a beacon for committed, motivated candidates. The kind of agent agencies want will expect to be have access to training designed to help them succeed.
Research shows organizations also reap tangible improvements by providing ongoing training, also referred to as extended enterprise learning. In a survey conducted by Brandon Hall Group in 2017, organizations that facilitated extended enterprise learning reported measurable business benefits:

- 53% met or exceeded corporate objectives
- 67% reduced training cost
- 61% increased sales
- 59% reduced training travel time
- 29% reduced turnover

3. Reduced turnover was calculated as the percentage of employees who left the organization by the end of the year.
Continuous employee training is crucial to creating the modern, agile, successful business. Organizations that implement comprehensive internal employee training programs see reduced turnover, higher profits, and more. Yet it’s not just these internal employees who thrive on continuous training; external employees do, as well. Both internal and external stakeholders also thrive on blended approaches, as well as development that enables learning on the job while also providing on-demand, bite-sized lessons.

Yet as external employees, insurance agents have additional learning needs. An agent occupies a unique space within an organization: independent yet reliant, a solo operator who is also tangentially part of a tribe. Thus, training must provide an agent with the opportunity to engage in structured learning, while simultaneously respecting the semi-independence and self-direction of the agent. Separated by psychical—and psychological—distance from peers who often also play the role of competitor, agents still need opportunities for collaborative learning and connection.

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It’s a tall order, further complicated by numerous other factors, e.g., agent experience, career aspirations, legal and tax constraints on what can and cannot be provided to external employees. In fact, these factors give insurance agencies more in common with a technology company training its customers or a franchisee organization training its franchisees than with internal employee development. All three face the common challenge of needing to train a wide variety of external learners operating at different levels of independence.
Extended, continuous training for agents is critical to ensuring consistency and quality of services, reducing risk, and promoting the long-term financial success of the organization. Yet the training needed is more complex than an initial operations course or yearly conference. How then can companies create the right kind of training programs? By integrating the three key elements that all successful agent training programs have in common:

- Learning that is continuous and structured to build skills and capacity over time.
- Learning that is just-in-time, asynchronous, and on-demand.
- Learning that is aligned with both agent and organization goals.
LEARNING IS CONTINUOUS AND STRUCTURED TO BUILD SKILLS AND CAPACITY OVER TIME.

Successful agent training starts with basic operational skills and builds on those skills over time. In fact, in a profitable insurance organization, training is ongoing for both internal and external employees. As agents gain experience and are ready for new knowledge, training responds in kind. Experts agree. According to Tom Minkler, insurance and risk analysis authority at Clark-Mortenson Agency (as quoted in Agency Nation), “[Agencies need] to devote many hours over weeks, months, and years to help their staff develop the tools, confidence, and knowledge.”

For an insurance organization, this requires planning with the end in mind, namely how best to facilitate a logical skills progression. Because the insurance industry is first a people business, new agents need to learn communication and sales skills alongside basic operational ones. Rather than overwhelm agents with single week-long session, agencies can supplement onsite development with a program that “drips” learning by providing bite-sized, relevant lessons over time. Delivering training over time promotes learning retention and enables new agents to start with basic communication and service skills—and then build logically upon those skills.

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Training can be viewed as an ongoing process, per Jeff Wodicka, chairman and CEO Casswood Insurance, interviewed in IA Magazine. While the company used to begin training new agents with a two-week block of technical skills, Wodicka states it wasn’t effective. Instead, the agency now uses a “circular” process, alternating between sales and relationship skill building and technical and product development.

Experienced agents benefit from lifetime learning, beyond obtaining required continuous education credits. After both hard and soft skills are gained, agents can be offered opportunities tailored to their own goals and talents, such as business analysis, expanded sales and marketing techniques, and niche markets.
JUST-IN-TIME, ASYNCHRONOUS, AND ON-DEMAND.

After initial training, franchisees will still need on-the-job instruction, as questions and challenges will arise as a franchisee adjusts to the realities of a new business. Providing resources to answer these questions via training that is delivered at the right time is key to maintaining momentum during the initial—and vulnerable—months of a new franchise. Delivering knowledge as franchisees need it reduces frustration, sustains engagement, and improves retention.

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Training also needs to be delivered with the right channel. Everyone learns differently; offering franchisees a variety of learning opportunities accommodates multiple learning needs. For example, training can be provided within the context of a task to provide reinforcement for that task or via gamification to stimulate interest and engagement.

Training that is provided within the context of work is ideally supported with asynchronous learning. When training is available on a franchisee’s own schedule, anytime and anywhere, franchisees are better able to find that crucial work-life balance and manage the stress of business ownership. When learning is bite-sized and on-demand, learning is also better retained over time.

ALIGNED WITH BOTH AGENT AND COMPANY GOALS.

An agent who has mastered relationship and sales skills, along with service and regulatory knowledge, is a powerful asset. Keeping that agent for life can yield tremendous financial and marketplace benefits. While robust and ongoing training functions to support and engage agents, ensuring the agent’s goals align with the company’s nurtures loyalty and career longevity. Each agent has different talents and career aspirations. An insurance organization, while functioning as a generalized path for success, can also provide tailored opportunities for the achievement of individual agent goals.
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Thirty-percent of respondents in the 2017 Extended Enterprise Learning study stated they were able to cover more than 50% of their annual learning management system (LMS) costs via extended learning revenues.⁶

At this phase of training—that of offering agents customized learning aligned with aspirations—the organization may also realize a more monetary ROI. Motivated agents are often willing to pay for development that aligns with their goals. In fact, research by Brandon Hall Group showed that organizations recoup some costs of an extended enterprise technology platform by charging for certain content. Thirty-percent of respondents in the 2017 Extended Enterprise Learning study stated they were able to cover more than 50% of their annual learning management system (LMS) costs via extended learning revenues.⁷
Getting Started

Knowing extended learning opportunities are beneficial to both agents and agencies is one thing. Taking action to create a successful extended training program is another. The first step? Use this questionnaire to assess the effectiveness of your current program.

Learning that is tailored to the lifecycle of the agent requires planning ahead.

- What short-term and long-term performance goals have been established for agents?
- Does current learning drive agents toward these goals in a logical, linear progression?
- What other opportunities do agents have in the organization, such as expanded ownership or leadership, and does training support those paths?
- Has your organization matched ongoing training resources to one-, three-, and five-year sales goals?

Designing, managing, and updating curriculum takes tremendous resources.

- Agents need a blend of soft and hard skills to be successful, including relationship building, legal acumen, technology skills,
- Has your organization considered using pre-packaged curriculum for soft skill development, and if not, what are the barriers to doing so, e.g., leadership resistance, budget, lack of technology that integrates ready training?

Creating and managing a successful continuous learning program for extended employees requires not just planning but a platform.

- What technology are you using now to deliver on-demand, just-in-time, and collaborative learning opportunities to agents?
- Is this technology seamless and integrated for delivery and reporting and analytics purposes?
- Is your existing learning management system capable of delivering bite-sized lessons in the moment of need?
- How could your organization benefit from a holistic system that integrates a variety of extended learning methods—including peer-to-peer communication and collaboration opportunities—as well as real-time analytical capabilities?

Training offsite is expensive—airfare, meal, and hotel costs; material fees; instructors; etc. And the time agents spend away from the business to learn is even costlier.

- By reducing expensive, one-shot onsite training and delivering ongoing learning opportunities to agents offsite—via videos, forums, collaborative lessons, gamified lessons, and more—how much money could you save?
- Can you not only deliver engaging training but track and report on employee completion of that training? Knowing who engaged with what content and when (from taking a quiz to watching a YouTube video) is crucial to managing development plans, performance improvement, and even succession planning.
- If learning were available as needed, i.e., just in time, how would that affect agent productivity and profit?
About Cornerstone OnDemand

Cornerstone OnDemand (NASDAQ: CSOD) is pioneering solutions to help organizations realize the potential of the modern workforce. As a global leader in cloud-based learning and human capital management software, Cornerstone is designed to enable a lifetime of learning and development that is fundamental to the growth of employees and organizations. From recruitment, onboarding, training and collaboration, to performance management, compensation, succession planning, people administration and analytics, Cornerstone is there at every phase of the employee lifecycle. The company's solutions are used by nearly 3,000 clients worldwide, spanning more than 31 million users across 191 countries and 43 languages.