

# Canadian CONNECTIONS

**The Canadian Broker Network is a tight-knit group of like-minded broker owners that help each other achieve business success**

>> BY SUZANNE SHARMA

**I** imagine having the ability to disclose financial results and discuss operational issues, marketing and hiring strategies in a trusted environment with like-minded broker owners. This is what the members of the Canadian Broker Network (CBN) have.

Each principal agrees they feel completely at ease disclosing confidential information about their firm without the threat of competition, despite the fact that each firm is a mid-sized, independently owned commercial brokerage. Is it because they've all known each other for years and are comfortable with one another? Is it because each appreciates the opportunity to be able to benchmark and bounce ideas off one another? Or is it because no two companies are in direct competition with each other, and instead are divided regionally? Probably all three.

Established in 2002, the CBN came to fruition through the hard work and dedication of Cookson Walker Consulting, as well as several of the founding members: Lloyd Sadd Insurance, Vézina assurances inc., PBL Insurance Ltd., Dan Lawrie Insurance Brokers Ltd., and Rogers Insurance Ltd.

Bruce Rabik, then an associate consultant at Cookson Walker Consulting and today chief operating officer at Rogers Insurance, and Marshall Sadd, president at Lloyd Sadd Insurance, were at the forefront of the idea. Sadd says he remembers his father being part of a similar group—7 + 1 Group, which evolved into Insurance Network Solutions (INS) until most members were sold to Hub International—and how he was always bursting with ideas after meetings. Sadd and Rabik felt they could pool their resources to once again create such a group.

“Bruce wanted to form a national group of

brokers that would be a self-help group,” explains Eric Walker, partner at Cookson Walker Consulting. “He asked myself and Steve Frye [partner at Cookson Walker Consulting] for assistance in developing the group.”

The executives found a sample constitution from INS, modified it and used it as a template to develop the CBN. Next they circulated it amongst the brokerages they'd asked to join the group for their input.

“Our goal was to create a group of leading independent commercial lines brokerages across Canada who could share operational and financial information with the goal to improve their operations,” says Walker.

The ability to benchmark information was key, he adds. While public companies can easily get information about other public companies and compare themselves, it's harder for independent businesses to do so.

CBN holds semi-annual meetings that are facilitated by Cookson Walker Consulting—one in September in Toronto and one in May that rotates location. These meetings were originally for principal owners only, but have since evolved to include separate meetings for CFOs, marketing

Marshall Sadd (left) and Bruce Rabik (right) were the founding members of the Canadian Broker Network.

specialists and sales managers. CBN members also have the benefit of contacting each other at any point during the year to ask questions and get clarification on any business matters.

Every year, a new chairman is elected to lead the next two meetings. This position alternates informally, and in September 2011 will fall to Tim Miller, CFO/COO at Capri Insurance. Miller says his vision for the next year includes exploring opportunities for closer collaboration between members of the group. He believes there are areas where the group can enhance the competitive position of its members beyond the knowledge sharing and benchmarking they do now.

“It’s important to recognize that we each have our own unique cultures that contribute to our respective value propositions. Given that we compete in the same industry, there are going to be areas of opportunity that we can exploit to deliver better value to our customers.”

While the exact criteria to join the CBN is confidential, there are some basic standards: the brokerage must be independently owned with a succession plan to remain independent, 60% of its business must be commercial, and it must produce a minimum \$4 million in annual revenues. Currently, the group isn’t planning to expand its membership, and potential members are usually invited to join by one of the founding firms.

All members agree they’ve greatly benefited from the experience of the CBN.

“It’s accomplished what it was set up to accomplish—share good and bad experiences in a confidential and non-threatening setting,” says Sadd. “We’re really here to learn from each other. We’ve taken and provided advice on premium financing, sales management, hiring producers, labour costs, commission structures for producers, acquisition financing—anything and everything that’s applicable to brokers.”

**CMW INSURANCE SERVICES LTD.**

**Established:** 1994  
**Location(s):** Burnaby, BC  
**Annual premiums:** \$62 million  
**CBN member:** 5 years

**C**MW Insurance Services Ltd. is one brokerage that defies the norm. While some independent businesses face the challenge of recruiting and retaining staff, this is not the case for this West Coast firm. President Andrew Kemp says that while having people approach them for work is definitely an accomplishment, it’s also a challenge.

“We used to spend a lot of time to seek people to work for us, but in the last two years we’ve seen people approaching us,” he says. “Hiring and staff retention is not a problem. The challenge is to continue rapid growth in order to support the addition of quality individuals to CMW.”

The company, which was established by two partners in 1994, has experienced 10% growth in employees in the last year. Currently, CMW Insurance Services employs 65 people and has 17 employee owners.

“We want to continue in the process of becoming an employee-owned organization while we build the commercial business,” says Kemp, who joined the firm in 2004.

Kemp attributes the firm’s success to hiring the right people and encouraging staff to continue their professional development. CMW University is a program the company offers once a month. The firm brings in insurance experts to educate staff through various sessions.

One of the company’s current challenges is consolidation in the insurance industry, which is giving clients less choice. CMW Insurance Services overcomes this by working harder and improving their services in order to keep clients happy.

“We believe in being involved in our clients’ businesses,” says Kemp. “All

our account managers are involved and active in the industries and associations that we provide services in.”

The long-term goal for CMW Insurance Services is to grow to \$100 million in premiums. Kemp says he hopes to get there by offering additional services, adding to employee ownership and attracting the right employees.

**DAN LAWRIE INSURANCE BROKERS LTD.**

**Established:** 1982  
**Location(s):** Hamilton, Ont.  
**Annual premiums:** \$60 million  
**CBN member:** 9 years

**A** multi-disciplined firm with specialist brokers and consultants is what sets Dan Lawrie Insurance Brokers Ltd. apart from its competitors. The brokerage offers a variety of products and services, including credit insurance, financial services, HR consulting, commercial and personal lines, and each sector is broken down into specific niches with expert staff. For example, in personal lines there are employees who work specifically with high-net-worth clients.

“We have people who only do defined commercial sectors, employee benefits, pension work, or life insurance,” explains Dan Lawrie, president and CEO of the firm. “This way they know the sector, the main players and have the expertise to bring specialized solutions to our clients.”

“Employees in all departments are encouraged through incentives and bonuses to cross-sell and refer clients to other departments,” adds vice president Bob Lawrie.

“This has always been a part of the company’s culture because we’re multi-disciplined,” says Dan Lawrie, who started the brokerage from scratch in 1982. “We want to bring our clients as much value as possible so that we can form deeper relationships with them.”

A marketing strategy that plays on

the firm’s strength of being multi-disciplined has been very successful. Producers network with trade associations in the specific sectors they specialize in, and this along with strong community involvement solidifies the Dan Lawrie brand.

“For example, we have two people in our organization who specialize in solutions for technology companies,” says Dan Lawrie. “So they’re in groups with other professionals that also deal specifically in technology. They get the chance to connect, talk the same language, know the players and this can really help develop business.”

**CAPRI INSURANCE**

**Established:** 1975  
**Location(s):** Several in the BC Interior and Aurora, Ont.  
**Annual premiums:** undisclosed  
**CBN member:** 4 years

**C**apri Insurance and its affiliates serve 100,000 clients with over 315 people in 11 offices throughout British Columbia and one in Ontario. The company’s strategy is to distinguish itself in the eyes of its clients, and it does this by exceeding expectations through innovative solutions, professional service and sound advice to meet their needs.

“Capri Insurance’s service and support teams are at the forefront of this effort,” says Tim Miller, CFO/COO of Capri Insurance. “We have a competitive yet familiar culture where success is being rewarded and people are encouraged to achieve at their potential. As a result, we have some fantastic performance from our people who genuinely care about our customers.”

Miller adds that if you get the basic building blocks in place and create an environment and culture where exceptional people can perform exceptionally well, you get exceptional results.

“The reason employees are engaged and committed to the business is because their colleagues and peers

**SMITH, PETRIE, CARR & SCOTT INSURANCE BROKERS LTD.**

**Established:** 1961  
**Location(s):** Ottawa, Ont.  
**Annual premiums:** \$30 million  
**CBN member:** 7 years

**B**eing awarded \$25,000 through this year’s Aviva Community Fund was a great accomplishment for Smith, Petrie, Carr & Scott Insurance Brokers Ltd. (SPCS).

Each year the Aviva Community Fund encourages individuals to submit ideas that will improve their community, and SPCS’s idea to provide a computer-based learning centre for The Well – La Source, a centre that offers a day program for women and women with children, was a winner. SPCS pledged the funds to the charity and also went one step further by having staff clear space and paint the room for the new centre.

Community involvement is very important for this Ottawa brokerage, one of the largest locally owned with 40 employees.

“It offers the community a helping hand, while also providing an opportunity to market the firm,” says Brian Scott, president of SPCS. “I think our charity work raises our profile quite dramatically and we encourage it in a big way.”

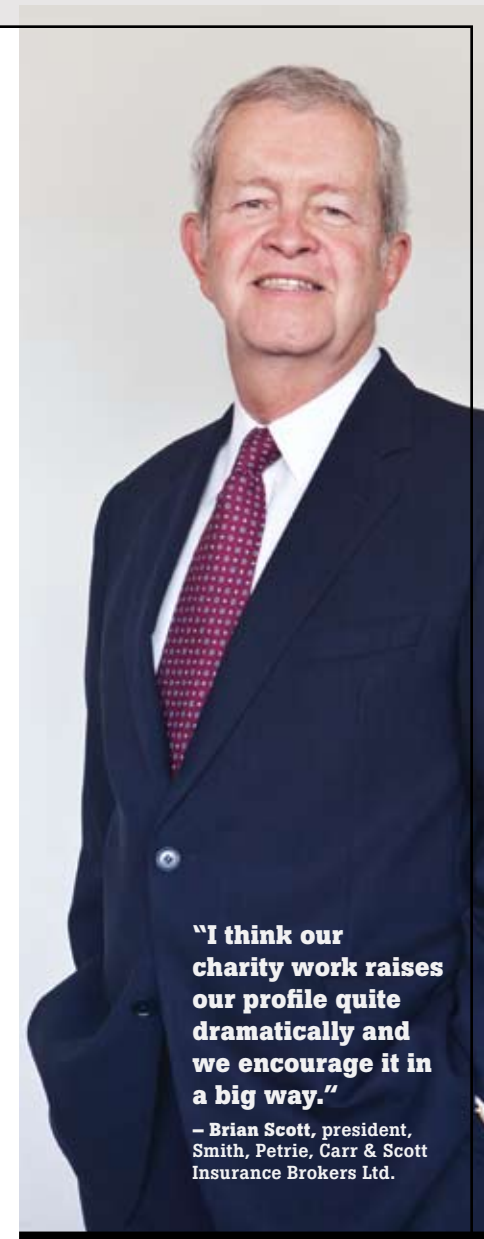
SPCS has developed an internal charity committee that reviews all opportunities for community involvement and charitable contribution.

Earlier this year, SPCS employees laced up their sneakers for the Ottawa Race Weekend to support the YMCA-YWCA. The brokerage also competed in the YMCA-YWCA Corporate Challenge in June 2011, which included events such as The Coffee Run, the Briefcase Toss and Cardio Pictionary. Additionally, SPCS hosted a summer BBQ for all of the tenants in the building where their office is located.

Finding and hiring staff is challenging at SPCS. “While we have exceptional support staff in our office, one of our ongoing challenges is finding even more great producers to help grow the business,” says Scott.

SPCS deals with this by casting a wider net and often hiring producers from outside the insurance industry.

“It’s about broadening our scope to get sales people and sales management from outside the industry to bring fresh ideas to the table.”



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– Brian Scott, president, Smith, Petrie, Carr & Scott Insurance Brokers Ltd.

**ROGERS INSURANCE LTD.**

**Established:** 1977  
**Location(s):** Calgary, Alta.  
**Annual premiums:** \$140 million  
**CBN member:** 8 years

**R**anked among Alberta's top 25 employers for the last several years by Mediacorp Canada, Rogers Insurance Ltd. remains focused on its employees and making the independent brokerage a great workplace.

Founded in 1977 by Peter Rogers, who is now chairman, the brokerage offers staff a shared ownership plan so they have a vested interest in the company, says Lee Rogers, president of Rogers Insurance.

Additionally, the firm's annual Employee Dreams Program further motivates staff. Each employee can submit a dream they want to pursue. The brokerage finances the winning dreams and provides whatever infrastructure and support are required to accomplish them. Rogers Insurance has awarded three dreams per year for the past three years, but this year has decided to award four.

For example, in the past, one employee wanted to take her kids to Disney World, and another employee wanted significant dental work.



**"We will support any staff member as it relates to extracurricular education they want to pursue."**

— Lee Rogers, president, Rogers Insurance

"They pursued that once they were awarded their dream and they haven't stopped smiling since," says Rogers.

The firm is very supportive in professional development of staff.

"We will support any staff member as it relates to extracurricular education they want to pursue," says Rogers. "We do in-house seminars, bring in guest speakers and look for

any opportunities that we can to provide access to business coaches, different leadership or industry training seminars."

The brokerage's ability to offer employees shared ownership, professional development and the Dreams Program, as well as charitable efforts allow it to be a better organization for employees and clients, adds Rogers.

**PBL INSURANCE LTD.**

**Established:** 1918  
**Location(s):** Toronto, Ottawa, Windsor, London, & Sudbury, Ont.  
**Average premiums:** \$110 million  
**CBN member:** 9 years

**G**reat change is occurring at PBL Insurance Ltd. What was originally Blonde & Little Insurance, Nexus Canada, Purdom Insurance, Pigeon Insurance and Curtis Insurance, has now become PBL Insurance.

"In many ways it's like we reset the

clock," says Mike Robinson, president of PBL Insurance. "Our legacy companies go back to 1918, but the new PBL is really only about three-and-a-half years old."

This re-branding is part of an ongoing project at the firm, aimed at creating a larger, more sophisticated company that is all under a single corporate entity.

After speaking with several consultants about the future of intermediary distribution, it became clear things were changing, says Robinson, and due to consolidation the choice was either to become a boutique shop or a

larger-scale organization. PBL Insurance chose the latter.

"Our approach was to narrow our focus, try to identify and play up the pockets of expertise we have in our company, including construction and surety, environmental and aviation," he says.

The next steps included establishing practice leaders, specific marketing materials and technology upgrades, such as a pipeline management system and a VOIP phone system.

Robinson explains it has been a huge undertaking requiring a lot of time, energy and money.

"While it doesn't drive new business, it's a lean manufacturing approach," he says. "We're confident that it will make us much more efficient in the long run."

The project should be fully completed, with staff properly trained in new technology upgrades, marketing strategies, and HR issues by year-end. At that point, PBL will once again employ consultants to audit and tweak any of the processes if required.

**MOORE-MCLEAN INSURANCE GROUP**

**Established:** 1975  
**Location(s):** Toronto, Brampton, Ont., (Caponi-McLean Group Benefits) Etobicoke, Ont.  
**Annual premiums:** \$55 million  
**CBN member:** 7 years

**T**he sudden passing of his father in 2001 forced Daryn McLean and his sister Tracy to learn the business, and learn it fast. McLean's father, Fred, and his father's partner, George Moore, built Moore-McLean Insurance Group from the ground up in 1975. When Moore sold his half of the business about 10 years later, Fred McLean became 100% owner and developed the company until his passing.

"It was very difficult for us," says Daryn McLean. "He was very healthy

**"By nature I'm a salesperson. Joining the CBN gave me exposure to how important the operation people are and what they do."**

— Daryn McLean, president, Moore-McLean Insurance Group

and was a great, well-known person in our business. At that time, my sister and I took over the business but it was very difficult to try and fill his shoes."

Eventually, his sister decided to start a family so McLean bought her out and became the sole owner and president of the firm. (Tracy has since returned and leads the firm's specialty marine and surety division.)

McLean has worked hard to keep his father's legacy alive. Through several acquisitions, including the purchase of Dale & Morrow Insurance in Brampton, Ont. three years ago, he has grown the business to three locations and 60 employees.

Recently, the brokerage released a revised staff incentive program, a rewards and recognition program aimed at driving client referrals, and an updated staff manual to help employees understand the new procedures that come with growth. Additionally, McLean has hired an in-house claims advocate.

The Canadian Broker Network (CBN) played a great role in providing McLean the support and assistance he needed to grow the business after his father's passing, says McLean.

"By nature I'm a salesperson," he says. "Joining the CBN gave me exposure to how important the operation people are and what they do. We've been able to institute some operational changes. It's taken our business from a start-up family brokerage and allowed us to implement ideas to move our business to a more professional brokerage."

want them to succeed and are always willing to offer assistance."

Management's job is to create the right environment, which includes defining the overall objectives of the firm, open and consistent communication, acquiring and deploying the resources staff needed to serve clients, and continuously enhancing the firm's capabilities through ongoing professional development.

"You don't motivate people, but you can create an environment for motivated people to succeed, and that's what we do," he says. "There are no limits for someone who is motivated to work."

TAKING ACTION

*What has each member implemented in their brokerage as a result of the CBN?*

“Another agency was using one of MiHI’s clicks programs to bring efficiencies to their commercial processes. We brought them in to do an audit, review and a mapping of our commercial processes.”

**- ANDREW KEMP,**  
president, CMW Insurance Services Ltd.

“About eight years ago, we were considering a small business unit for commercial. We have since established one and have modelled it along the lines of what other members are doing.”

**- BRIAN SCOTT,**  
president, Smith, Petrie, Carr & Scott Insurance Brokers Ltd.

“We’ve been able to develop a high-level monthly financial benchmark/review so we know exactly where we are as a brokerage each month.”

**- DARYN MCLEAN,**  
president, Moore-McLean Insurance Group

“It allows us a conduit to troubleshoot different scenarios. If we haven’t dealt with a situation in the past, we can connect with members and see if they’ve dealt with similar issues. It saves us having to reinvent the wheel.”

**- LEE ROGERS,**  
president, Rogers Insurance Ltd.

“We’ve taken ideas and processes for some of the recruiting initiatives for producers, whether it’s job descriptions or compensation plans for producers.”

**- MIKE ROBINSON,**  
president, PBL Insurance Ltd.

“We share everything in financials including salary bases, bonuses, buy-and-sell agreements. This is very helpful in benchmarking our operations.”

**- PIERRE VÉZINA,**  
president and CEO, marketing and sales, Vézina assurances inc.

“We’ve learned a great deal from CBN members, many of whom are leaders in their respective markets, about innovative service delivery models, segmentation strategies, and operational improvements.”

**- TIM MILLER,**  
president, Capri Insurance

“We implemented an accounts receivable policy, as well as a producer recruiting and training program. Our employee ownership structure was also born out of experiences from CBN members.”

**- T. MARSHALL SADD,**  
president and CEO, Lloyd Sadd Insurance Brokers

“We’ve gotten ideas for claims advocacy, client seminars and how to be more focused and specialized in certain niches and business sectors.”

**- DAN LAWRIE,**  
president and CEO, Dan Lawrie Insurance Brokers Ltd.

**LLOYD SADD INSURANCE BROKERS**

**Established:** 1941  
**Location(s):** Edmonton, Calgary, Grande Prairie, Alta.  
**Annual premiums:** \$115 million  
**CBN member:** 9 years

Lloyd Sadd is one of the oldest independently owned brokerages of its size in Canada, and it comes with a true success story. The firm was passed down from father to son through three generations.

Today, T. Marshall Sadd stands as president and CEO of Lloyd Sadd, but it was his grandfather that initially launched the business. With a back-

ground in adjusting, he moved from Winnipeg to Edmonton to establish the brokerage in the 1940s. Eventually, it was succeeded to Sadd’s father, and Sadd joined the firm in the early 1990s before taking over in 1999.

He has grown the company from 23 employees in 1999 to 110 today with over \$115 million in premiums. Almost 95% of Lloyd Sadd’s clients are commercial business owners in specialty industries including construction, manufacturing, energy, public entity, transportation and hospitality, and it is these sectors that Sadd continues to focus on.

“We are the outsourced risk manager for Alberta-based entrepreneurial businesses in those sectors,” he says.

“We aren’t looking for businesses with risk management departments. We’re focused on the mid-to-large markets and offer services to help our clients reduce their costs of risk through loss control, claims advocacy and fleet safety.”

Earlier this year the company set up shop in Calgary through an acquisition of another brokerage.

“The producer was looking for an opportunity and he and his team wanted a change,” explains Sadd. “We were the right fit for them. We brought the expertise, resources and credibility that he was looking to partner up with.”

The new location has been branded under the Lloyd Sadd umbrella. It is led by Paul Constance, former executive vice president at Renfrew Insur-

ance Ltd., who will help build Lloyd Sadd’s client base in the energy sector.

Sadd adds an ongoing challenge when you become an independent brokerage of this size is keeping the entrepreneurial spirit and culture alive. Balancing independence with corporate procedures is something he continues to focus on.

**VÉZINA ASSURANCES INC.**

**Established:** 1978  
**Location(s):** Montréal, Que.  
**Average premiums:** \$60 million  
**CBN member:** 9 years

Pierre and Patrice Vézina succeeded their father Jacques, who established Vézina assurances inc. with his partner Gilles Dufault. The brothers bought out Dufault, who at the time was ready to move on, and their father still sits on the board as the chairman.

Both Pierre and Patrice have worked hard to grow the company over the past two decades, and they have succeeded, expanding the book of business from \$13 million in annual property and casualty premiums to about \$60 million. Additionally, the duo has added a life and health division to the Montréal-based brokerage.

“We grew the book internally without any major acquisitions [in P&C] and this was a great achievement,” says Pierre.

To establish growth, Pierre and Patrice decided to specialize in niche areas. For the past 10 years, Vézina assurances has become an alternative for risk management in the pharmaceutical and biotech industries.

In September 2010, Vézina assurances acquired a large risk management account that had previously been with a large national brokerage.

“We never quoted or tried to take the account,” explains

Pierre. “We simply met with them and they said, ‘Listen, if you are interested we’d like you to have a look at this account and get your perspective on it.’ They were very pleased with the way we approached the account and the services we could offer.”

Pierre adds that at Vézina assurances, “three or four people handle each account” so someone is always available to provide hands-on service. **TE**