

# Wholesale insurance distribution:

## Eight levers to unlock productivity

For a long time, wholesale insurance distribution didn't change much. This was fine, especially when the insurance and annuities business was growing.

**Why?** Because distribution approaches are stuck in a traditional mode.

**But lately ...**

... sales have flattened ...

and ... profitability is under pressure ...



### Financial advisers now want:

- To engage **across channels**, not just in person.
- Guidance in providing **holistic solutions**, not a product sale.
- Help managing their practice and **acquiring new clients**.

### The good news:

- Technology can **automate up to 30%** of traditional wholesaler activities.
- New CRM systems can **optimize adviser outreach**.
- Mobile and self-service capabilities significantly **improve experience and efficiency**.



## But where to start?

### Leading distribution organizations are deploying eight levers to drive significant increases in productivity from their wholesalers.

Here is what great looks like

#### Establish the right incentives

Targets aligned directly to the strategic aspiration (both sales and earnings) of the organization; Real-time, transparent, leading indicators to support diagnosis of current performance

#### Provide them with the right support

Soft-skill professional development system using blended and immersive learning methods; Common view of the skills that matter and articulation of "what good looks like"

#### Enable virtual access to them

Significant virtual presence across product lines; Omnichannel adviser engagement at each touchpoint along the purchase journey; Product specialization that can be leveraged by external wholesalers in key MSAs

#### Hire the right wholesalers

Data-driven hiring system based on identification of skills, experiences, and traits that unlock productivity



#### The payoff

Insurance carriers who have successfully deployed this program have realized:

**Up to 30%** cost reduction

**Up to 20%** uplift in sales



#### Align them to the right strategic partners

Core set of partners across all product lines (life, annuities, others); A front line that sees advisers as partners—not sales targets

#### Put them in the best places

Territory coverage model based on data-driven analysis of market potential; Predictive network rebalancing based on market changes

#### Focus their time

20–30% of traditional activities automated or completed digitally, freeing up time for more complex, high-value tasks; Internals executing on tasks beyond service and into client engagement; Self-service options for individual advisers

## So what's holding you back?

For more information about wholesale insurance distribution, please contact: Partner **Jonathan Godsall** (Jonathan\_Godsall@McKinsey.com), Consultant **Ralph Haro** (Ralph\_Haro@McKinsey.com), or Partner **David Schiff** (David\_Schiff@McKinsey.com), all in the New York office; Associate Partner **Claudia Max** (Claudia\_Max@McKinsey.com) in the Munich office; or Senior Partner **Brad Mendelson** (Brad\_Mendelson@McKinsey.com) in the Hong Kong office.