CONNECTIONS

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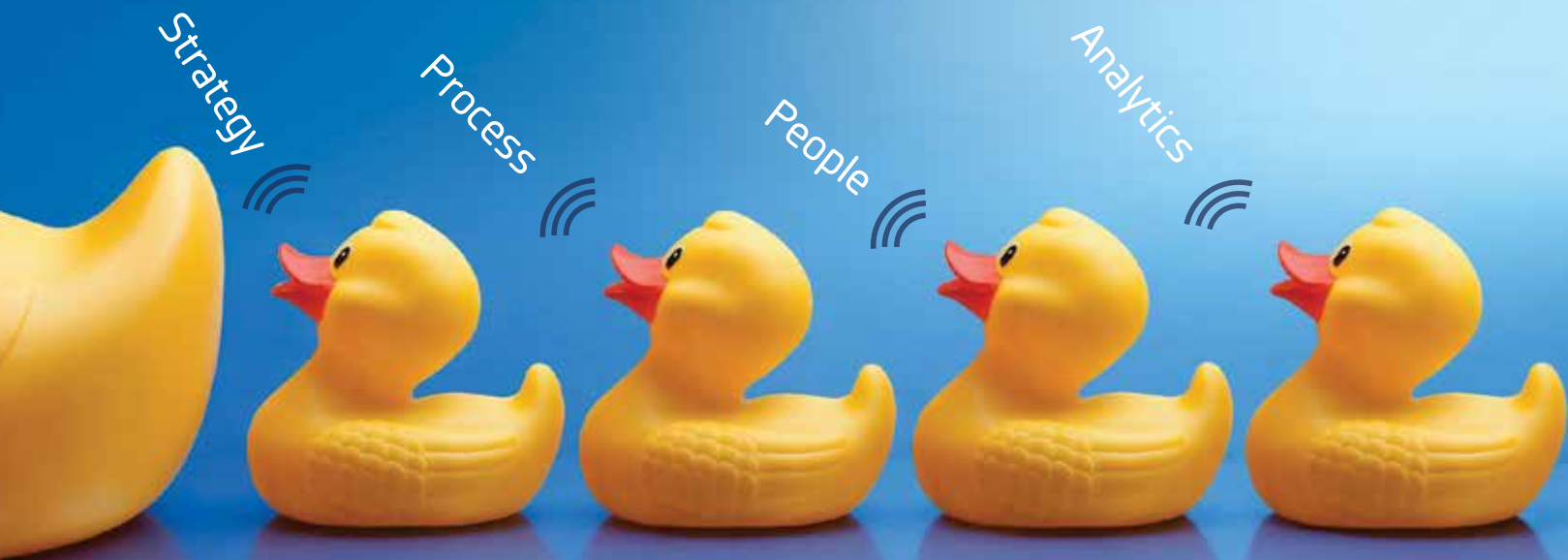
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Back to the Future

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Welcome to the future of Applied Client Network. That statement might seem odd, particularly since you may be reading this message in a print publication—a form of media that has been around for centuries. But here's why it's right on target: This new publication, *Connections*, is one component of a new, multifaceted communications strategy designed to provide members of Applied Client Network with more relevant, timely, actionable intelligence to help keep you on top of this industry.

Connections is more than a print magazine. It's a content brand. It comprises the tangible publication you may be holding in your hand, assuming you appreciate the portability and packaging of a printed magazine. Or maybe you're reading this message on the new *Connections* page of our website—maybe from a tablet, or even from your phone. Maybe you got here because you clicked on a link in our new *Connections* e-newsletter, or because you read about our new content initiative on one of our social media outlets.

The point is, we are providing you with the content you need, and packaging it in the ways that you want to consume it.

Why? Because we recognize that the need to change is a constant. We believe that to remain relevant, we all must always understand what is happening around us and what the future is likely to look like. All of us need to constantly reassess and adapt to continue delivering unique value to our organizations.

Think for a minute about cultural changes like online video: There are 8 billion video views

on Facebook every day, and 1 billion active users on YouTube. Did you ever think that streaming video on services like Netflix would be one of the primary ways you consume entertainment? Think about transportation: Uber moves people in more than 400 cities in 70 countries annually, but the company itself owns no vehicles. Sectors like video and transportation transformed because smart people understood the way consumers' needs and habits were changing.

At Applied Client Network, we adapt to the needs of our constituents. We provide our members with new tools and access to the means to learn new skills. We pay attention to the needs of different member segments, we track key industry events and activities, we provide networking opportunities, and we constantly hone what our value proposition is for our members.

Based on that, we decided to revamp how we communicate with our members by creating new channels through which to deliver you great content. We hope the result is a larger, stronger, more informed and more engaged community. And we hope you will continue to provide us with your feedback and opinions about what you want and don't want, and what you think of what we're offering—including *Connections*.

Thank you, as always, for your continued loyalty and support. We look forward to exploring and adapting to what's next.

Brian Langerman, CEO
Applied Client Network

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From the First Day of School to Graduation

As we gather in Orlando for Applied Net 2016, I can't help but reflect on all the conferences I have gone to over the years. What always seems to stick out to me the most from each of these experiences is the people I have met and the friends I have made. Whether you're attending for the first time or you're going alone and don't know anyone yet, your fellow attendees will be welcoming and friendly. Before you know it, conversations start.

I could name dozens of individuals I've met at the meetings I've attended, but one of the best aspects of all these friendships is how beneficial they have been to me in my board responsibilities and at my agency. Recently, a member of my staff needed to confirm a protection class in Tennessee, and she asked if I knew anybody. Of course I did. I emailed my contact, and in 15 minutes I had the answer. Networking is so important.

None of this knowledge sharing would be possible without the connections you make belonging to Applied Client Network and attending Applied Net. While society today tends to focus on impersonal platforms like Facebook, Twitter, LinkedIn and others, our group is the only one of its kind that specializes in one thing: helping fellow Applied customers. We have the unique ability to connect with 20,000 users and answer the needs of our members. We truly are a group of "users helping users."

We also provide Applied Systems with a better understanding of its products' applications, as our members are actively involved in making suggestions, testing software and providing feedback. My agency had the privilege of being the fifth agency/brokerage back in 2008 to beta test Epic. My staff had many suggestions for improving Epic's functionality, and our suggestions became part of how Epic operates. That opportunity doesn't occur often for a small agency in New Hampshire.

My life has been both personally and professionally changed by being a member of Applied Client Network. From that first TenCon I attended long ago, which felt like the first day of grade school, and now to my impending graduation from school (retirement is looming), I reflect back on what a marvelous experience it has been.

To all of you I have met — and to those I have yet to meet — thank you for joining me throughout this journey.

Alan Harkabus, Chair
Applied Client Network

Five Common HR Mistakes (and How to Avoid Them)

By Claudia St. John
SPHR, President of Affinity HR Group

Tackling thorny people issues is hard and can be frustrating. But the reality is that once you hire employees, you own myriad challenges that, if not handled well, can grow into significant problems. Fortunately, with some knowledge, planning and management, you can minimize these headaches and enjoy the benefits of a motivated, engaged workforce. Here are some tips to get started:

1. **Hire with your head, not your gut.** When hiring new team members, many people rely on their gut or their intuition. More likely than not, the hiring manager who relies on gut instincts is placing too much faith on subjective qualities — the firmness of the candidate's handshake, their alma mater or their love of a particular sports team, for example. Those things have little bearing on whether the candidate is capable of doing the job well. Hiring managers should write a detailed job posting that outlines the skills, abilities and requirements of the position and stick to it when screening candidates. Also consider using a behavioral or skills test to determine whether the candidate has the right personality and dependability for the job. The more data you have on the candidate, the more informed your decision will be.

2. **Have an employee handbook.** Any enterprise with at least one employee should have a handbook that communicates expectations about how employees should act, as well as what will happen if they don't meet those expectations. It also helps you firmly establish for the record that your business complies with all federal and state employment laws. Two words of caution: Don't download a handbook off of the internet, and don't borrow one from a friend's company. Handbooks can become outdated quickly, and different laws apply to different companies.

3. **Make sure your employees are classified correctly.** Many employers don't realize that it's not their choice whether to pay someone an hourly rate or on a salaried basis. That decision is guided by federal law. Before you hire an independent contractor or choose to put your receptionist on a salary, check out the rules.

4. **Give positive, constructive feedback.** If I could point to one common problem in today's work culture, it would be the failure of our managers to give positive, constructive feedback. Positive feedback is designed to promote and reinforce good behavior. Specific, measurable and timely feedback is much more powerful than an occasional "good job!" or a formal annual performance review. Make it a practice to give positive feedback each week.

5. **Document corrective conversations.** Unfortunately, not all of our conversations can be positive. Many of us avoid corrective conversations in an effort to avoid conflict. But if we fail to have and document those conversations, we can't demonstrate to ourselves, to our employees and — if it becomes necessary — to a judge or arbitrator that we made efforts along the way to address and modify the employee's behavior. This is important because if you ultimately have to terminate an employee, it will be less likely to come as a surprise and the employee will be far more likely to accept responsibility for his or her actions.

Eight Steps to Social Media Success

Not sure how to get started with Facebook, Twitter, Instagram, Snapchat, Pinterest, Google+ or Periscope? Here's the formula for launching a successful social media presence for your agency/brokerage.

1 Identify your audience. Who are you trying to reach? Analyze your current clientele to determine the type of audience you want to keep and attract to your agency/brokerage. Demographics will influence your content and the type of platform you use to reach your audience.

2 Pick a social media platform. With so many choices, how do you determine the best platform to reach your audience? Facebook is the most popular by far and has the widest reach. It's also one of the easiest to navigate. Create a business page to establish a presence for your agency/brokerage. Encourage clients to "like" your page to receive updates, special offers and news.

4 Develop a content strategy. What's the image or persona you want to present to clients and potential customers? Determine the type of news and messages you'd like to share. Additionally, create a social media policy with your employees to establish brand guidelines and posting etiquette.

3 Pace yourself. Don't feel like you need to register for every social media site available just because it's there. By doing so, you risk spreading yourself too thin. Focus on curating a solid presence with one platform before attempting another.

5 Schedule regular posts. Social media management applications like HootSuite and Sprout Social allow you to schedule future posts to social media platforms. Planning posts in advance maximizes your time and efficiency for sharing online.

6 Keep it professional, but personable. It's possible you already have a personal account on Facebook or Twitter, and it's important to keep that personal account private. On your business page, always stick to business.

8 Focus on education, not sales. The 80/20 rule applies here. Aim for 80 percent of your content to focus on education and 20 percent on selling your services. No one wants to be bombarded with sales pitches — that's a sure-fire way to lose followers. Insurance can be a confusing industry filled with technical terms and jargon; dedicate posts to answering common questions.

7 Be engaging and available. Interact with your audience to encourage sharing and foster a sense of community. Reply to posts, host contests and hold seminars to educate clients.

60 million
Number of companies that use Facebook[1]

65 billion
Number of Facebook users[2]

43%
Percentage of agencies/brokerages that leverage social media[3]

How to Clean Up Your Spreadsheet Mess

No one likes dirty plates sitting around, so why do we keep "dirty" data in your spreadsheets? If you have duplicate entries in your data, names spelled differently across entries, data in the wrong format or other issues, we're looking at you. Here are five simple steps you can take to make your spreadsheet data shine:

1. **Search and replace inconsistent terms.** Whether you decided to use "Mr." or "Mister" is up to you, but keeping it consistent across data is important. To find and replace a word or phrase, click on "Edit" and select the "Replace" option. Or, use keyboard shortcut Control (Command on Mac)+F. You can search through one page or the entire workbook, by selecting "Options" in the find and replace window. Simply type in the word you want to replace, such as IL, and enter in the term you want to change it to, like Illinois.

2. **Get what you want with LEFT/RIGHT/MID.** This function will allow you to select the specific data you want from a cell. For example, if you have a cell with a 10-digit phone number but only need the area code, use the formula =LEFT(cell#,number) in the neighboring column to extract those digits. "Number" refers to the number of characters you'd like to pull, starting from the left. For example, if the phone number is 555-555-5555, the formula will be =LEFT(A3,3). If you need the last four figures in the phone number, replace LEFT with RIGHT. Just remember that it counts backwards from the right. You can also select middle numbers using MID. And don't forget to turn formulas into plain text!

3. **Bring text closer together with =[Cell 1]&[Cell 2].** Say you have two cells you'd like to combine, like customer job title and company, simply select the cells and enter the formula =[Cell 1]&[Cell 2]. If you'd like the combined cells to have a space between both entities (in our example, you probably will) update the formula to =[Cell 1]&" "&[Cell 2].

4. **Undo your caps lock.** If you need to capitalize or lowercase all data, there's an easy solution: =UPPER(A4) or =LOWER(A4). If you want to get really fancy, use =PROPER(A3) to capitalize the first letter in each word.

5. **Get rid of the impostors.** Perhaps the most important — and complex, so bear with us — step is deleting duplicate entries between rows. To start out, alphabetize the column you are checking. On the taskbar select "Data" and then "Sort." Select your column and hit "A to Z." This duplicate identification formula works by comparing one cell to the cell above it to see if they match. After you've selected your cells, use the formula =IF(C3=C2,"Duplicate","").

Resources: "How to Clean Data in Excel," LiveStories, http://www.livestories.com/blog/excel-tutorial-5-easy-ways-you-can-clean-data-in-excel

A HISTORY OF SPREADSHEETS

1961: Economist Richard Mattessich pioneers the development of computerized speadsheets for use in business accounting.

1978: Harvard Business School student Dan Bricklin creates the first "visible calculator," which becomes VisiCalc.

1980: Sorcim bundles a spreadsheet application called SuperCalc with the early word processing program WordStar.

1982: Microsoft releases Multiplan, opting to use R1C1 addressing (instead of the A1 addressing used by VisiCalc).

1983: Mitch Kapor invents and releases Lotus 1-2-3, which features integrated charting, graphing and database capabilities.

1985: Microsoft unveils Excel 1.0, which features a graphical user interface with dropdown menus and point-and-click functions.

2016: Sixteen versions later, Microsoft Excel is the widely accepted standard for spreadsheets across most industries.

After the Storm

With proper planning, the impact of natural disasters on the livelihood of agencies/brokerages can be minimized. Here's how to develop a response and recovery plan for your business.

STEP 1
Understand your business's vulnerabilities and how to minimize them.

STEP 2
Create a disaster recovery plan.
- Identify risks.
- Classify critical operations.
- Document pertinent contact information.
- Determine your financial needs following a disaster.

STEP 3
Back up your plan and make it available anywhere, any time.
- Be sure it's accessible even when you can't enter your facility.
- Regularly back up vital data and records and store a copy off-site.

STEP 4
Educate employees on the plan, and keep them informed of their responsibilities.
- Test the business continuity plan periodically.
- Encourage employees to prepare themselves for disasters.

STEP 5
Regularly review, practice and update your plan. (And hope you never have to use it.)

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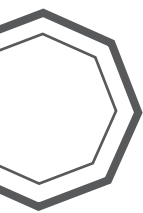
THE
Amazing
Automated Agency

By Michael Howe, *SVP of Product Management, Applied Systems*

Competition has never been hotter in the insurance industry. Independent insurance agencies/brokerages must constantly evaluate new ways to increase sales and grow their business. With the insurance workforce promising to turn over in the near future, forward-thinking agencies/brokerages recognize the need to instill greater process and automation into their sales operations to bring new producers up to speed.

The value of using integrated sales tools allows for the agency/brokerage teams individually, and across the organization, to recognize internal areas of strength and opportunities where they can improve.

Undoubtedly, it is as important as ever for agencies/brokerages to serve their existing customers well. But broader economic and social shifts are driving businesses to evaluate and evolve their organizations to ensure they can pursue new business with the same level of attention, process and visibility.

Where we came from and where we go

To date, agents/brokers have used myriad methods for tracking prospects and new business opportunities outside of an agency management system, which vastly limits the ability of principals and managers to understand how well sales are progressing (or how they're not). Separate data sources reduce management's insight into the sales process and creates redundant work for producers and service staff who have to manually rekey the same information into two disparate systems.

Leveraging software to drive sales automation is key to consistent and improved performance among new and seasoned salespeople. From the sales perspective, the ultimate objective is to grow the book of business, and doing so requires attention on both new sales and renewals. Renewals often generate up to 80 percent of commission in a given year, with top performing agents/brokers spending up to 50 percent of their time servicing and maintaining that renewal book. Renewals are obviously critical, but it is the other contributor to the book, new sales, that are now drawing more attention. To be the most efficient and effective, staff need a single system to manage both aspects of the book.

Consistency of sales process and performance

Defining and implementing an overall sales process are two important milestones down this path. Integrated sales automation capabilities allow an agency/brokerage to determine the process that works best for them, which can introduce consistency and discipline in sales across the organization. Instead of providing salespeople (who traditionally don't use the agency management system) with a completely separate system to manage sales, producers can instead do their work directly in the agency management system in a way that helps the CSR by eliminating the ultimate rekeying of client information. Working on renewal and new business in the same system using the same user interface eliminates time spent bouncing between systems, reduces potential errors and improves data quality when reviewing business trends. Additionally, keeping all workflows on one system eliminates the need to train staff on and maintain separate systems.

Team-wide visibility

As selling insurance continues to evolve into a team-based effort, marketing specialists, service representatives, account executives and others in the agency/brokerage all need access to the data in one system to assist producers in marketing policies to the right carriers and obtaining quotes for a solid proposal package. This data turns into valuable information for analysis long after the prospect is a customer.

Most importantly, the value of using integrated sales tools allows for the agency/brokerage teams individually, and across the organization, to recognize internal areas of strength and opportunities where they can improve. For instance, if an agency/brokerage has five salespeople and trends identify that one individual converts prospects to customers very quickly while another is stronger at bringing in new opportunities but fails to close the business, the agency/brokerage can leverage the talent of each to drive new sales together. This information and additional items such as type of business and size of business, are critical to successfully competing in today's ever-changing marketplace. However, if sales processes and data are kept outside of a core management system, the information cannot be quickly analyzed to provide the complete scope of the business: new and renewal business.

By integrating sales automation, all of the critical steps that are part of the renewal process — who did I keep, who did I lose, who am I at risk of losing — remain within one single source of truth within the management system. ⭘

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Big Data's

You may rely on your gut to tell you when one of your clients is going to have a risk management problem. But what if new technology could help you do that on a broad scale for a whole book of business or even an entire agency/brokerage? Welcome to the world of big data, a long-emerging trend in the business world that has now reached agents and brokers.

Using big data to better understand your clients' needs is the vision of independent agency/ brokerage system leaders with ACT (Agents Council for Technology) in the group's Hard Trends Report 2015, which notes: "Using BI [business intelligence] and analytics, an agent can predict when a consumer is likely to have a need, rather than waiting for them to reach out or making a cold call."

"Agents and brokers should care about big data," says Ron Berg, executive director of ACT, "because analyzing and understanding industry trends is essential in being able to efficiently provide the marketing and service today's consumers demand."

ACT explains the term "big data" includes the "new technologies and techniques [that] are enabling the capture and analysis of more and more data and the creation of more useful business intelligence from it."[1] Business intelligence, as defined by the Gartner IT Glossary, is "an umbrella

Big Moment

By **Ronimarie Acord,**
Managing Editor, Aartrijk

Agencies begin to tap analytics for business insights.

term that includes the applications, infrastructure and tools, and best practices that enable access to and analysis of information to improve and optimize decisions and performance."[2]

However, oftentimes "big data" seems like just another buzzword, which can get more complicated when paired with terms like "analytics" and "business intelligence." Steve Anderson, president of Anderson Consulting Group, agrees that there is certainly much confusion around the term.

"Different people and different vendors have different definitions of what this might mean," Anderson says. "For some, it is simply a more robust reporting function. For others, it is being able to use machine learning on large data sets to gather more sophisticated insights."

Whatever the lingo, Anderson explains that agencies/brokerages, especially larger firms, are beginning to "understand the value of leveraging the data in their agency and brokerage

5 SMALL STEPS TO BIG DATA ANALYSIS

You're convinced that big data is for you, but now you're left wondering where to start this undertaking. Take a look at these small steps you can take to start your data analytics journey:

1. **Identify areas of your organization tied to business outcomes and metrics.**

2. **Create your big data goals based on these areas of your business and direct resources to this mission.**

3. **Review the available software — such as Applied PerformanceManagement 2016 — and find a solution that best suits your needs and goals.**

4. **Start out with a smaller pilot program, take a look at the results and communicate your findings to the team.**

5. **Build on your successes, creating a larger more robust data analytics over time.**

Resources: IBM Big Data & Analytics Hub; Applied Systems "Leverage Data Analytics"

HOW AGENCIES/ BROKERAGES USE ANALYTICS

Revenues less than $5 million

Business growth

Business transformation

Expense management/ regulatory compliance

Revenues $5-25 million

Improved profitability

Expense management

Agent/producer expectations/business transformation

Revenues $25 million+

Business growth

Expense management

Improved profitability

Source: "Maturing Technologies in Insurance: Agent/Broker View," Strategy Meets Action

management systems to provide better insights into their operation."

Strategy Meets Action (SMA), an insurance advisory firm, dubs analytics a "maturing technology" for agents and brokers.[3] Its survey August 2016 survey shows that the top "business drivers" for agencies to use analytics include business growth, improved profitability and expense management.

SMA notes the top applications for agents to use analytics are:

- Cross-selling and upselling.
- Renewal and retention.
- Customer relationship management.
- New business.
- Customer segmentation and optimizing customer lifetime value.[3]

Agency/brokerage management systems are "reacting to agency [and brokerage] needs by integrating dashboards, which provide the analytics insights to rapidly address changes necessary to agency workflow and processes," Berg notes. He adds, "From carrier to vendor systems, there are reporting, analytics and business intelligence tools available to be able to understand customer needs and anticipate the actions agencies should take to be proactive and truly show the value of the IA distribution."

For instance, Applied Systems has stepped in with a big-data product: The cloud-based Applied PerformanceManagement 2016 system that integrates with Applied Epic and Applied TAM. It "accesses, aggregates and analyzes multiple sources of raw data" and is the first business intelligence solution built specifically for agencies and brokerages.[4]

PerformanceManagement 2016 gives agency/ brokerage leaders the ability to get "greater business insights from their existing management system data to make quicker, more informed business decisions," Applied Systems reports. The system presents data "in an easy-to-understand visual interface with graphical dashboards that deliver multiple levels of analysis on key performance business indicators."[5] These include:

- Revenue per employee.
- Client book of business (analyzed by value, size, policy mix, servicing team and retention trends).
- Geographic distribution.
- Carrier relationships.[4]

Agency management system vendors "understand that the data agencies [and brokerages] capture

can have additional value," Anderson says, which has led to dashboards and other enhanced reporting capabilities. "A growing number of agencies [and brokerages] are utilizing these tools." Anderson adds that "a few larger brokers [and agents] use external tools such as data warehouses to provide their own analytics capability." The open APIs (application programming interfaces) in agency and brokerage management systems allow data to be exported and analyzed by other software tools.[6]

Forrester, in a technology research report, points out, "Deriving insights from volumes of diverse data and turning those insights into outcomes that boost business is the new Holy Grail. Yet for many companies, it's like jumping on a speeding train. They can't choose the right technology, hire the talent, execute on the analytics and implement the insights fast enough to get onboard."[7] ◯

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For a link to all resources, visit our online publication at appliedclientnetwork.org.

The
Data
Security Challenge

By Patrick Gray, *Security Strategist/Consultant, Former FBI Supervisory Special Agent*

So far this year, there have been a reported 315 data breaches in the U.S., with a whopping 4,720,215 records stolen. Were you a victim? Do you know? Having served as an FBI supervisory special agent for 20 years, I've seen how dire the threat landscape has grown and how crucial it is to equip your organization in response to it.

Why now, more than ever before, is data security gaining the spotlight? Who would want to steal your data? Over the past few years, we've experienced an onslaught of incredible technological advances. And while many of them help streamline business operations and provide greater efficiency, others are more harmful. I like to think of these as three cresting waves, and as business professionals, the waves are not only approaching us, they are engulfing us.

Wave 1 includes the vast variety of criminals who are continually probing and penetrating our networks both locally and globally. They may be trying to get into your agencies'/ brokerages' data for their own purposes or to affect online services. There are organized, crime-based groups or countries, as well as what I refer to as Collectives, or unpredictable groups thrown together at a moment's notice to execute on a specific purpose and attack motive.

Wave 2 comprises three major technology platforms that have shifted in the same two-year period: collaboration, mobility and virtualization. Your information is continually moving between vendors, customers, people and so forth, and with each touch and interaction, the opportunity for compromise increases. Furthermore, as mobility becomes more prevalent with the bring-your-own-device (BYOD) challenge, it's vital to create an employee policy outlining mobile usage, such as avoiding hotspots with a VPN connection, as well as updating and patching mobile devices and encrypting data on devices.

Wave 3 focuses on the importance of information technology in the professional workplace. Where would you be without your network, systems, data center and more? You are reliant on your operating systems to do business. If a hack or breach occurred that compromised this, you would be immobilized.

It's scary to do business, and the most dangerous mindset to take when it comes to data breaches is "It won't happen to us."

WHAT ARE THE COSTS?

A business incurs both direct and indirect expenses when a data breach occurs. A **direct expense** may include engaging forensic experts, outsourcing hotline support, providing credit monitoring and offering discounts for future products and services. An **indirect expense** may include in-house investigations and communication, as well as the inferred value of customer loss resulting from turnover or diminished acquisition rates.

Instead, the key objective is to recognize risk, safeguard your reputation, and not reveal sensitive or confidential information that may prove quite harmful to your business or personal livelihood. Remember, it's much easier to attack than defend. However, if your systems are unpatched, you have privileged accounts that are inadequately protected and you rely on anti-virus alone for security, you have multiple open windows and doors that allow an attacker to easily "walk" into our network and take away all that is dear to the business.

It's important to understand what's at stake and why, but there are measures you can take to protect your data and your organization. I want you to take home four points: understand, educate, collaborate and prepare.

Understand the threat environment
- Take the time to read and assess current events in your industry and beyond.
- Learn who's doing what to whom and how they are doing it.

Educate yourself and your employees
- Talk to your employees and staff about data security.
- Impart your knowledge and understanding to them.
- Figure out what have they learned and if there are any gaps.
- Ensure everyone understands the risks involved every time they log into the network.

Collaborate with other professionals
- Talk to others outside your own business to see if they are aware of what might be going on.
- Join a group such as InfraGard, ISSA, ISACA or a host of others in your city to learn about technology and the threat environment.

Prepare and create a plan
- We have plans for fire alarms and other disasters; your network is no different.
- You probably can't get through a data breach on your own. You will need specialists who can handle the notifications to consumers and credit monitoring, as well as technical experts to conduct a forensic analysis of how and when the breach happened.

DATA
AT RISK

60%

Number of 2015 cyberattacks carried out by insiders

60%

Amount of small businesses forced to close up shop within six months of a data breach

140,006,931

Number of records exposed in 533 data breaches

Average

$158

Average cost per record breached

Average

$355

Average cost per health care record breached

229 Average number of days for businesses to identify and contain malicious attacks

- Ensure that your legal counsel is in the loop.
- Take the time to set everything up now — emphasis on now.
- Practice that plan.

Remember, this is not just an IT issue—it's a business issue, so all hands must be on deck. Make sure to delegate someone in charge who can make decisions based on everyone's input. This could be internal resources or a professional from outside. (For reference, take a look at Experian's great Data Breach Response Guide.)

As a former FBI agent who responded to data breaches, I know that every business *must* have a plan. Each organization is responsible for implementing basic prevention, detection and response controls to deal with inevitable breach attempts. Here are some good places to start:

Look for potential vulnerabilities

- Management of controls requires continuous vigilance over the ever-changing threat landscape.
- The low cost of the attacks allows anyone with a modicum of skills to effect attacks.
- Watch for anomalous behavior. Anomalous network activity can resemble a technology issue rather than attack behavior.
- Attacks can — and do — come from anywhere. Defense must take this into account with prevention and detection response controls in place.
- Learn from all of your data events.

Keep an eye out for the seven deadly sins of network security

1. Not measuring risk.
2. Thinking compliance equals security.
3. Overlooking the people involved in your organization.
4. Lax patching procedures.
5. Lax logging and monitoring.
6. Spurning the "keep it simple, stupid" (K.I.S.S.) method.
7. Providing too much access for too many.

You are the last line of defense against hackers stealing your agency's/brokerage's data, so step up and remember: understand, educate, collaborate, prepare.

Thank you for making a difference
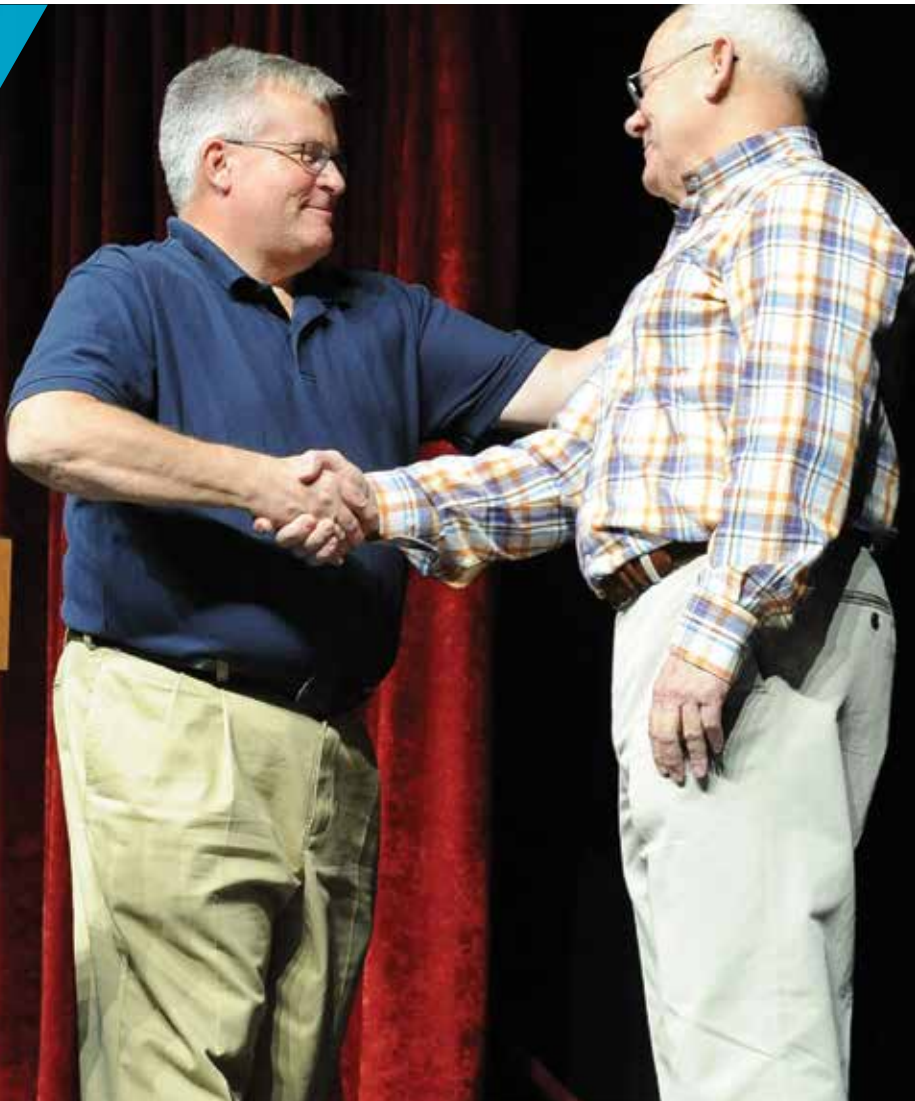
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On behalf of Applied Systems, we thank all the members and volunteers of the Applied Client Network. Your tireless efforts in providing educational programs, networking activities, and advocacy on behalf of the Applied community enables us to grow and thrive together in our digitally connected world.

Enjoy your conference.

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Three Steps to an Epic Conversion

A case study of one member's experience converting three operating systems into Epic.

By Michelle Somberg, *CRIS*

Step 1: Get down to the basics

When our agency, Collinsworth, Alter, Fowler & French, first started discussing converting three operating systems into one, the owners asked for feedback from various staff members, including the surety division, accounting, commercial lines, producers and marketing. Our agency had TAM, AMS360 and AFW, with all three systems independent of each other. We had to decide which operating system would be best to use going forward. In the past 20 years, I have worked on all three systems and was an AFW user at the time, with experience working on both AMS360 and TAM. We needed to determine which system would be best for use by more than 100 individuals. In order to do so, we reached out to various people that had used AFW, AMS 360 and TAM. The discussions revolved around what system would be the most user-friendly, have fewer steps for staff and give the results we needed. We decided to migrate our three operating systems into Epic.

Step 2: Find your champions

Based on previous conversions I'd been part of, I'd found the more information you cleaned up from your old system, the better the conversion. I also knew it would be critical to follow the workbook provided by Applied Systems. To start off the process, management recruited several staff members from each department to head up the conversion team. They knew if at least one person from each department participated with the conversion, they would be able to relay the advantage of the new operating system to each team.

We then assigned each team member a section to handle. We

understood we would have some resistance, and I remember what took me only five minutes in AFW took me over an hour in Epic. I began feeling frustrated, wondering if our organization had made the right choice. However, an important part of the process was ensuring we had staff members experienced in the operating system who could help with support and answer any questions that might come up.

The more I worked on the system, the easier it became. Applied came in to do the training for staff and provided additional support, but I needed to be hands-on to actually see the results.

Step 3: Don't overflow your workflow

Once we went live, I fielded many questions from the staff. In a sense, I was working in a deli-style environment, wanting to tell colleagues to take a number. As time passed, however, the questions were less frequent, and other staff members who became comfortable with the system helped answer questions.

We implemented a new workflow once we decided to take Epic. Change can be very scary if one person cannot follow the same workflow as others, so we created activities requiring further action. In the beginning, we had too many further actions, which created unnecessary stress. It was challenging enough to work on a new operating system, so we had to see how we could streamline the workflow. We found we could have fewer further actions and get the same results.

I attended the Applied Net event two years ago in Orlando, and as I was talking about Epic at breakfast, an agency principal told me that the cost didn't seem worth it. When I asked him what his staff — who would be using the system on
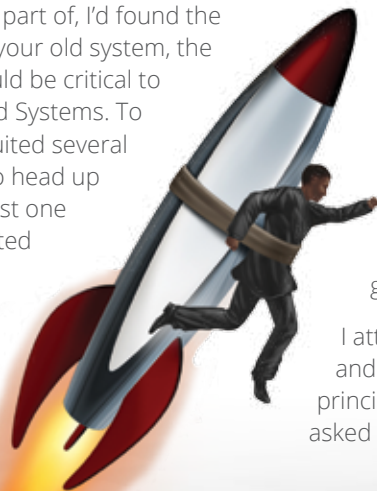
a day-to-day basis — had to say about Epic, he replied that he hadn't asked them. By the end of our breakfast, he had called Applied Systems and scheduled an appointment to see Epic. His previously TAM-based office is now on Epic. When you don't understand the system and fail to ask the right questions, it can be frightening. Some questions to consider when thinking about conversion:

- How will the new operating system impact my staff?
- Will it be user-friendly?
- How much training will be offered?
- How will the data convert?
- How many years should I convert?
- Where do I get support once the trainers have left?
- Do I have to go to the Cloud?
- How much additional cost is it to convert for data, users, etc.?

It is extremely important for staff to evaluate the system, more so than even an agency/brokerage owner, as they operate it daily. But once everyone embraces the change 100 percent, as our agency did, you will realize the benefits of it.

AT A GLANCE

While converting to a new system can be daunting, follow these tips for making the transition as seamless as possible:

- Thoroughly clean up data from old system before starting conversion.
- Follow the workbook from Applied Systems.
- Create a conversion taskforce comprising team members from different departments.
- Ask the right questions.
- Streamline your workflow and avoid generating too many activities that require further action.
- Embrace your new system.
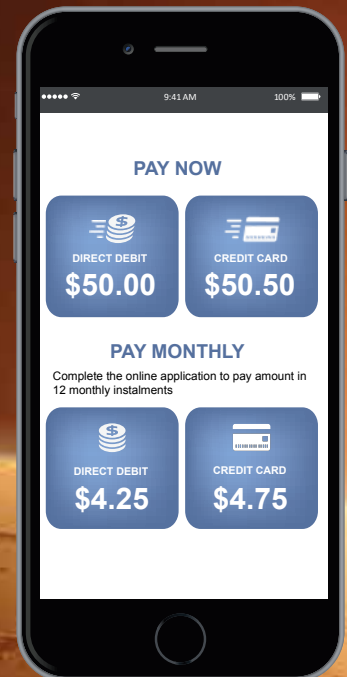
Check It Off the List

By Jason Hoeppner, *CIC*

You might think it's hard to include everything you need to do when it comes changing to a new agency/brokerage management system in one checklist. But taking a tally can help you maintain your focus and not overlook any issues essential to success. The following list can be used to assist you in your conversion over to a new Applied Systems platform.

- ☐ Make the decision.
- ☐ Put together the most-effective internal conversion team.
- ☐ Prepare your data.
- ☐ Revisit and update the workflows.
- ☐ Consolidate and update letters, proposals and SOIs.
- ☐ Ask questions as you go.

- ☐ Test, retest and test some more.
- ☐ Identify obstacles to a successful implementation.
- ☐ Pay attention to all the steps in the conversion plan.
- ☐ Train and support staff through Applied University courses and specific workflow and ongoing training after the Go Live.
- ☐ Keep a continuous-improvement mindset; look for opportunities to refine your system every six, nine and 12 months.

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Canning Spam

By Jaclyn Patulo, *Applied Client Network*

Canada's anti-spam legislation (CASL) recently had its second anniversary on July 1, but not all businesses are celebrating. Many Canadian businesses haven't updated their email practices and customer databases to ensure compliancy with CASL rules.

So, what's CASL all about? Canada's anti-spam legislation is an effort to reduce the harmful effects of spam and electronic message threats; to create a safer, more secure online marketplace; and to protect Canadians from receiving unsolicited electronic communications. CASL requires businesses to obtain express "opt-in" or implied consent to send commercial electronic messages (CEMs), including emails and certain types of social media messages. A stark contrast to U.S. anti-spam law, which allows CEMs to be sent without permission until a recipient "opts-out."

> **"Canada's anti-spam legislation is an effort to reduce the harmful effects of spam and electronic message threats; to create a safer, more secure online marketplace.**

Typical, misleading workarounds won't be tolerated — pre-toggled or pre-checked-in boxes will not be permitted, and all electronic marketing messages need to clearly and prominently identify the sender. Additionally, all messages must include the sender's contact information (including your name, the name of your business and the physical mailing address of your business) and provide a means to unsubscribe. You have 10 days to remove an individual's name and email address from your contact lists if they choose to unsubscribe. And, of course, your messages must not be false or misleading by transparently indicating your purpose for sending CEMs.

Don't dawdle to meet compliancy standards with your agency/brokerage database. CASL's honeymoon period is ending soon: Businesses only have one year left until CASL's transitional period ends on July 1, 2017. Penalties for serious CASL violations include a maximum penalty of up to $1 million for individuals and $10 million for businesses. Businesses may also face criminal charges, civil charges, and personal liability for company officers and directors. When the deadline passes, the law will also allow individuals and organization affected by a violation to seek damages.

AT A GLANCE

When it comes to Canada's anti-spam laws, the three key takeaways you need to be concerned with are:

Consent   **Unsubscribe**

Identification

LOOKING FOR MORE?

If you aren't sure you're compliant with Canada's anti-spam laws, take a look at these additional resources:

- **Canada's Law on Spam and other Electronic Threats**
  (fightspam.gc.ca/eic/site/030.nsf/eng/home)

- **CRTC's video on Canada's Anti-Spam Legislation**
  (youtu.be/Q_w5CVwbFM4)

- **Take the FightSpam Quiz for Businesses**
  (fightspam.gc.ca/eic/site/030.nsf/frm-eng/NGRR-8S8KEN)

- **Anti-spam law's changes to Canadian federal privacy law: A guide for businesses doing e-marketing**
  (www.priv.gc.ca/resource/op-vpel/casl_guide_e.asp)
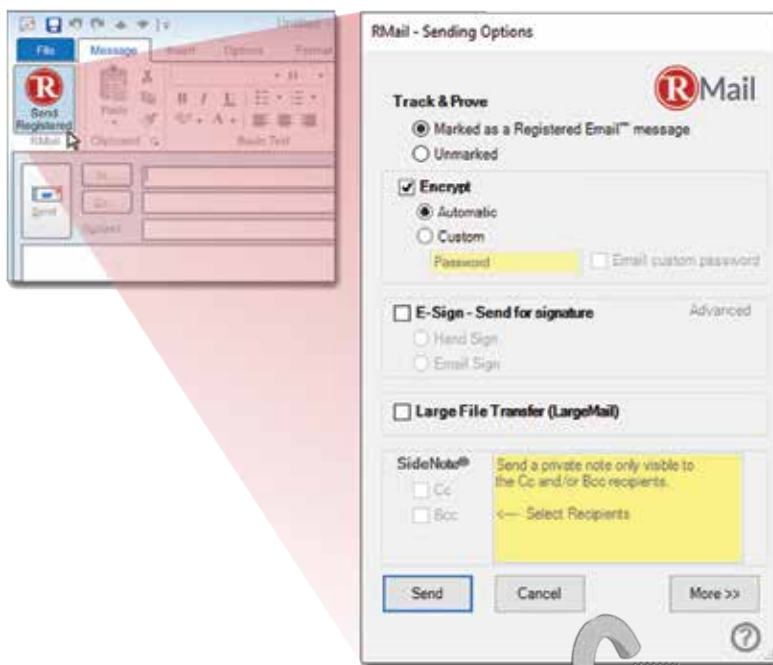
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