

ACCOUNTING

BEYOND THE NUMBERS



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**PODCAST EPISODE #17: RBF EXECUTIVE FORUM
PRESENTATION BY LIZ MARTIN, OWNER AND PRESIDENT,
MARTIN INSURANCE AGENCY
“BUSINESS LESSONS LEARNED IN THE INSURANCE BUSINESS”
TRANSCRIPT**

Kae Wagner – Hi everyone. I'm here at the RBF Executive Forum where we're about to hear Liz Martin of Martin Insurance share with us her "Business Lessons Learned." She has some great wisdom for us. So take a listen.

Liz Martin – Thank you so much. Thank you RBF for having me here today and Kae also helped set this up, so I appreciate so many people here who have come to hear about my experience in the insurance business and in business in general. I hope I can share some good, insightful things for you all to take away with you.

Before I start I'd just like to introduce two members of my executive team that are here today: Tom Gibble, if you can stand. Tom Gibble is our marketing manager, so anything you see out in the public with Martin Insurance, he's designed it or had a hand in designing it and he does a lot with our social media as well as our public relations. He also helps me do some personal assistant things and basically kind of runs my life for me.

Sarah Johnson, if you would stand. Sarah is our Personal Lines Team Leader. She handles the good folks that do auto insurance and home insurance and dwelling fires and motorcycles and RVs. She manages them. She also does customer service work. I really appreciate Sarah and she is turning into being quite the leader in our agency. So I appreciate that very much.

As Jeff mentioned, I live on a farm and on the farm we obviously have farm animals and we have some other little wild animals that run around. Last Monday I finished up dinner and I just got on

this app called Fitness Pal. Anybody familiar with Fitness Pal? Some of you are. Those of you that aren't familiar, Fitness Pal is an app that you put in your phone and you put in your height and your weight and your goal weight and your exercise level activity. And it spits back to you how many calories you're allowed to have that day, based on all these parameters that you put in. And once you've used those calories up, you're done. So on Monday I was being really good, but I decided at the end of the day I just had to have those four Oreo cookies, right? So Ange came home at the end of the day; she'd come home from yoga, of course. I said, Hey, would you mind taking the dogs for a walk? If you go up one lane and down the other it's about a half mile and up another lane and down the other, it's about a half mile. So do you mind going for a walk? I'd like to work off these four Oreo cookies, so I don't go over my calories on Fitness Pal. I said we'll take the dogs. I have two dogs: Max I adopted about 10 years ago. He's a black lab Jack Russell mix and although he's a very sweet dog, he's not going to win the smartest dog award. And Alice is a little dear Boston terrier that we adopted two years ago and she's a little brilliant diva, everything pink with Alice and we affectionately call her "Baby."

So we started walking down the lane. We went up the one lane and we came down the other and we had our headlamps on because it's pitch dark, okay. It's on the farm. We started walking down the lane and Ange is about three feet behind me and all of a sudden she said, "Wow, a fox just ran right behind me, and I'm like what, a fox? And Ange is just like, maybe I'd better pick up Baby, maybe I'd better pick up Baby! And Max was like what's going on? What's going on? And I turned and literally, there's a fox staring me right in the face. I'm like wow, and he comes towards me and I proceed to scream. This was my reaction. And thank God, he ran away. So now you know, you ever scare me, you're going to meet a bear. I didn't know it either. The fun things of living on a farm, right.

This is my farm. I'm very fortunate to live on a farm. I'm the fifth generation owner of the farm, and of course a lot of things happened on the farm over the years. The story that my father used to love to tell was if it wouldn't have been for my grandma, Heddy Stauffer, the farm probably would have gotten out of our family.

My grandfather, Martin, was living in Millersville with his parents. They were not farming. The farm was being rented when he met my grandmother. It was evidently in very bad shape and my grandfather really wasn't much of a farmer because he didn't grow up with a farm. He got married and as a lot of times happened with Mennonite families, they would go live with the in-laws.

So they got married in the fall and they went to live with my grandfather's parents. And my grandmother was a wonderful person. But I say "fortunately" she did not get along with her mother-in-law. This happens sometimes. So she said to my grandfather, "If we're not at the farm by spring, I'm leaving you and I'm going home to my mother." True story. And so that got my grandfather and my grandmother on the farm. And then he really started fixing it up and of course my dad came along and started fixing it up. So I credit them to actually what it looks like today. And so my goal is just to keep it preserved and keep it a beautiful farm.

My dad was mainly in the chicken business. So that was the kind of business I grew up in. We had horses. We had race horses that we raised. We didn't race horses, but we raised standard bred race horses and we always had some cows around.

So my other business is Ironstone Spring Farm. In 2005 I saw the trend for the local food and the grass fed beef market. I developed the herd. We have 30 breeding stock, the baby calves are born. We raise them on the farm. They get processed and then we sell the beef direct to the consumer. I have a full-time farm manager because insurance is definitely the day job and the full-time farm manager runs my farm and does a great job for me.

I attended Elizabethtown College when I graduated from high school. I was a business major with a minor in English; just really enjoyed business. I think Elizabethtown is a great college. Met some friends there that I'll have for the rest of my life. It was good for me because it was a smaller school. Didn't want to go to a large university. And I'm still involved there today on their Leadership Council.

When I was in college between my sophomore year and my junior year, I spent a summer with my uncle Wilbur who had a one-man insurance agency. This was truly the first time that I had even worked somewhat in the professional world because I always worked on the farm. I never had to seek an outside job because there was always plenty of work that I could do on the farm. And I really enjoyed working with Uncle Wilbur. He got me out to meet clients and I really enjoyed meeting people, and I realized that I had an acumen for sales, so I decided that when I graduated from Elizabethtown, that's what I was going to do: I was going to get into the insurance business.

My father had a chicken hatchery that he started probably in the 1960's which was on Columbia Avenue. He had been very, very successful with it over the years, but it was at a point where it was just a dying business. The equipment was antiquated. Most of the industry was becoming integrated. It was very difficult for a single hatchery just to hatch baby chicks, to survive. But he asked me if I would come run that for him and he said if you don't like it in two years you can stop and get into the insurance business. So obviously, honoring my father, he helped pay for college, I felt that it was a good thing that I would go work for him and the chicken hatchery and help him out.

So this is not me, but this gives you an idea of what it's like in a chicken hatchery. We could hatch about 400,000 chicks a week actually, believe it or not. That's actually considered in today's world, a fairly smaller hatchery. It was very difficult work. I ended up being there till 1996; two years turned into eight years and they were eight long years in my life because I really did not enjoy doing it. It was difficult. It was dirty. It was long hours. I wasn't making much money so I just didn't have a lot of satisfaction from it. But one thing that I really learned from working there was about people. We insured a lot of unskilled laborers and that was really the first time in my life that I had actually seen people who really struggle differently. We had a lot of single mothers that worked there. We had a program with the prison where we had a work release program and we hired people out of prison. We had some people that were involved in domestic violence situations. And I just really saw a different side of Lancaster; a different side of people and what they go through and how they struggle to work and how they actually basically survive. So I learned a lot as far as working with people there.

In May of 1996, I convinced my father that I had to get into Uncle Wilbur's insurance agency because he was 75 at the time. He was getting some feedback from his insurance companies that they were concerned what he was going to do with a perpetuation plan because, again, it was really just himself and maybe a part-time person working there.

We leased the hatchery to our main customer for a couple of years and then after that we sold it to a church. And now it's called Living Hope Church. So maybe some of you know where that is. They kept the footprint of the building and they turned it into a church.

So I joined Uncle Wilbur in May of 1996 with every intention that I was going to have the business bought within probably a month. And he had been previously saying "Yep I'm going to sell it to you." And so I came in there and started working and he started to back off a little bit, probably because he had someone in there now helping him. So we went back and forth on price. I guess it was probably September, I got a call from another agency, another insurance agent that I knew, and he said, "Hey, you're going to buy your uncle's insurance agency aren't you?" And I said "Yeah I'm going to buy it." He said, "Well he called me and asked me if I would give him a price." And I said really?

Now in retrospect he might have just been trying to get pricing, right, but this was the end of it for Liz. So I said to Uncle Wilbur, and I brought my dad into the equation because Uncle Wilbur was my dad's older brother and they get along really well. I said, "If I don't have a deal on the table by October 1, I'm going to walk away from this and I'm not going to buy this insurance agency."

Now I was licensed and I, of course, thought I was highly skilled and I figured anyone would hire me on commission; why wouldn't they? So I wasn't worried about getting a job. So my dad talked to Uncle Wilbur because he knew I was serious. We got the deal done. It was a one-page piece of paper. No attorney involved. We got the deal done. So that's how I became the fourth generation owner of Martin Insurance Agency. Ironically, July of 1997, my uncle was on a bicycle. He fell off the bicycle and hit his head and was debilitated the rest of his life. It was really an unfortunate situation. So he lived for five more years in Willow Valley, but never mentally got the same, so I don't know what would have happened, but it was just interesting story perpetuation and how things come together sometimes the right way. But I really felt bad for Uncle Wilbur that had happened.

So where we are today. Our growth has been organic and through acquisition of five other agencies over the years; just purchased one a little over a year ago, we have 12 employees, soon to be 13. The thirteenth employee is going to be Ryan Finger. He's going to be responsible solely for new business insurance development. Again, Ryan Finger, because in case he calls you and wants an appointment, you'll talk to him, right?

We're licensed in numerous states. We insure all types of businesses from one-person shops to large corporations. And as I mentioned earlier, we do a lot of personalized insurance and we do life and health insurance also. An independent agency representing probably 50 different companies.

So now I want to get into some of the lessons that I've learned over the years. First, always find other people who are more talented than you and associate with them. Surround yourself with people who will make you a better person. And I think this is so important because there are a lot of people, especially in my case, that are more talented than I am. So it's not hard for me to find people, fortunately. And ever since I've been in business and even when I was in college, I sought out people that I thought were really successful business owners that had good values and I would try to meet them. Donna Anderson who owns Online Publisher, she was one of my first clients. Kae, obviously, was one of my first clients, really helped me, taught me how to network, taught me a level of professionalism.

I spent time probably in 1998 with Laura Schantz when she opened her consulting business for the first time. She had just come from Murry Insurance and she was one of their top commercial line salespeople at Murray Insurance. And I really didn't have the money to spend, but I came up with the money to spend because I wanted to learn her secrets. And some of the things she taught me I use today. She was a very good salesperson and a good person.

I have pictures of some people, obviously a lot of people that I associate with and I feel are very talented. But Kendra McGuire, she is an attorney with McNees Wallace. You know Phil Wenger from Isaac's, now with Lancaster Conservancy. This is Deepa Balepur. She works with Compass Realty and she also is involved in the Indian organization in Lancaster. Lisa Donaldson, she's VP of Auditing for Coach in New York City. So any time I need big corporate advice, I give Lisa a call because she knows how to run in that world and I certainly don't. Lisa Groff, good friend of mine, owns Groff's Family Funeral Home, just really gets service. She really understands it, really knows how to listen to people.

This is a photo a number of years ago that I played in a golf tournament with Alicia Moranz, Kae, and there's Lisa. This is Monica Sorensen. She tried to give me some advice for golf but I don't think it worked. But it was a pleasure to meet her. She's probably one of the best women golfers and probably one of the best in the world.

Always take the time to learn from other people: how they network, what they're doing, how they're running their business. I just can't tell you, I'm an experiential learner, so there's just been so many times that my clients have helped me and given me ideas. And I think vice versa, too. This is one of the wonderful things about being in the insurance business and probably being in sales in general, is a lot of times I go in to see my clients and maybe half the time or three quarters of the time, we'll talk about their insurance policies and then the rest of the time we talk about our businesses. And we share ideas. We'll talk about our families, our personal life and just the relationships that I've been able to build up over the years by surrounding myself with people that are better than me has been phenomenal. And, anymore, I just don't take the time if I think someone is a negative person. I try not to associate with them. I just want to work with people that are going to build me up in the business world.

Have a sense of curiosity: ask people questions and then listen. My father, who died in 2010, was my best business consultant ever. He was amazing. When I was a little kid, it may be hard for you to think of, but I was a chatterbox. I really just talked non-stop and my dad hung out with me all the time. We were very connected and he would say, "Elizabeth, you never learn anything with your mouth open." And I knew that meant it was time to be quiet and listen. I always thought it was kind of cool because he never told me to be quiet or shut up, but he would just say that and it was like the code. He also said "learn something new every day or there's something wrong with you." So even today I try to learn at least one thing new. Sometimes I learn two things new.

When I first started out in sales, I would go in and sit down with a client and I would just spew forth everything about Martin Insurance Agency. You know, I'm Liz Martin. I'm the fourth generation owner. We can do this, this, this, and this and I would just watch them gloss over. And I quickly realized that it's good to say something about your business. But it's much, much more important to

ask questions and to be genuinely concerned and really care about other people, because that's how you build relationships. And that's why people will do business with you. And it's just more gratifying to do that also because you can learn more from people. I take notes. There's an app on my phone called Evernote. I don't know if anybody has it. So after I see a new client or even a current client, everybody has a little notebook in there and I make notes about them. I still follow up with handwritten note cards. I don't think there's anything wrong with that, e-mails. Try to remember the little things about people: that makes them feel important. Do what you say you are going to do and keep your promises or don't make them. Today's world, sometimes I think we're amazed that this happens, right?

I think it's really important that we don't take lightly our words and if we say we're going to do something for a client or for an employee or even for someone in our family, that we follow through and that we do it. And especially, don't make a promise that you cannot keep. I think sometimes we have just taken that too lightly and our word is so important. And it's important that we honor that and we want people to honor their word, so I think it's important we do that for them too.

Your reputation and business is golden. You know over the years I've seen people get ahead by what I call, "walking the line." They're walking the line between honesty and dishonesty, right? I've seen them maybe get an account that I wanted. I've seen them maybe make more money, but we know in the long run that we cannot sacrifice our values, we cannot sacrifice our reputation.

I think Lancaster County is a great place to do business because in Lancaster County, and people have told me this, if you have a good reputation, people will do business with you, and if you don't have a good reputation in Lancaster, people will not do business with you. And in some areas of our country, that's not the case or it doesn't matter. So we're very fortunate that our reputation in Lancaster really, really does matter.

And it's important to remember that no matter what, that you stay by your reputation and have confidentiality at all times. I think it's really important that our clients trust us, that our employees trust us: certainly your clients. You know, we do business with companies that would compete with each other all the time and they probably would never even know that. We don't talk to one company over here about this company or that company. We just have complete confidentiality at all times. And oftentimes even if there's something that comes out about somebody and I might have known it anyhow, I never act like I knew what was going on. I think confidentiality is key and that's hard to do sometimes.

I'm fortunate to have a great team. This is our Martin Insurance Agency team and we really need to trust our employees to do their best in their jobs, also check in with them often. I'm not a micromanager. I tend to be pretty hands off and I delegate a lot, mainly because I'm forced to, right, because I'm so busy. The people who work for me do a very good job. They stay in touch and it's important for me that I check in with them. So if you are not going to micromanage, which I don't think you should, it's still important to check in with people regularly to see how they're doing, see what their confidence level is, to see if they have any problems or issues that they need to address.

We can't be successful without our employees. Sometimes in my office people will say, "Oh, it's going to be a quiet day. We're so happy the phones are quiet." Then, of course, I say "Well, if the phones

don't ring, then we don't have business." Then I think, well if I don't have employees, then I don't have business either. Maybe they need a break, right? That's more important, actually. The little things matter: praise, please, thank you, getting people's opinions. People that do their jobs day in and day out certainly know how to do it a lot better than I do. And you know, this I could do more of, honestly. I get running pretty hard and I need to really focus more on this. This is one of the things that I need to develop as a strength.

We practice Appreciative Inquiry. The Appreciative Inquiry Model is that you focus on the positive instead of the negative. So rather than going to what we did wrong, at meetings we talk about what we did right. We try to share successes. Sarah has a white board downstairs with her team where they can write wins that happened that day so we can see successes that are happening.

And it's also important that we have our employees' backs. Ultimately, as the business owner or the CEO or the manager, we're responsible, we're ultimately responsible. And it really upsets me, if I have an issue with a company, say something went wrong, and I talk to the manager and they say, "Oh, that was because so-and-so didn't do it right." It actually upsets me when people say that because I feel like, you know, I'm talking to you, you're their manager, you should take responsibility for that, and you should have the person's back who works for you. Now obviously you might need to have an individual conversation, but it's important that people understand that you're going to stick up for them and you're not going to throw them under the bus.

Have excellent trusted advisers such as an insurance agent, attorney, your CPA and banker, and ask for their expertise and advice. But ultimately you need to make your own business decisions. My dad said when he first started in business he dealt with Mr. Appel from Appel and Yost and I imagine this probably would have been in the 1940's. My dad did not have a college education. In fact he almost didn't graduate from high school because he was so busy starting his business. So he said he would call him all the time and ask him for business advice and this and this and finally Mr. Appel said to him, "Howard, you know it's important that you have a good attorney, but the main thing is that you make your own business decisions and that you stand by it." So all these folks that we look to for advice, they have their individual focus and they have their individual opinions, but we have to bring that all together and decide if we're going to take the risk and make our own business decision and then we need to stand by it.

Give back to community and pay attention to what's happening there. I'm going to talk a little bit about this because it's near and dear to my heart. I just feel so strongly that we need to give back to our community. This is a picture of some of us at the most recent Race Against Racism. We try to do that every year. I believe, as a business owner we have a responsibility and an obligation to give back to our community and to help others. And I'll say it again: as a business owner, we have a responsibility and an obligation to give back to our community and help others. I don't think it's a choice, I think it's an obligation. Try to get employees involved where we can. This is part of our strategic plan as volunteering and we're working on different ways that we can get employees involved.

I was recently, I guess it was this past summer, I was at an event for Southeast Health Clinic. They had an event where they rappelled off a building. It was interesting, interesting. As a good insurance agent, I wasn't coming off the building, but I was a sponsor. I met a young lady there and she had a

Union Community Bank shirt on. And I'm just going to give them a plug. And she was very peppy. Whenever I see peppy young people, I make a point to talk to them, because I can always learn something. I said, "What brings you here?" I think they did some sort of sponsorship and she was there just checking things out and helping to volunteer. She was so excited. And I said, "How long have you worked at Union Community Bank?" It may have been a year and she said, "I love this bank because the bank I worked at before never gave me an opportunity to volunteer at all. I had to stay in the office the entire time. I never had a chance to do anything, and this is why I love Union Community Bank." So how great is that for her, on an intrinsic level. And how great is it for the business, right? I mean you cannot get better PR than that. It's impossible; like a millennial telling someone how fantastic your business is, right. So yeah, I just thought it was a really neat thing.

And so as far as paying attention, I just want to talk a little bit about what actually is going on in Lancaster as far as our poverty rate. And I think there are a lot of myths out there. I think there are a lot of misconceptions. Just want to take a few minutes. This is a 2016 poverty rate chart. I cannot find 2018; I don't know why. Lancaster City has a 29 % poverty rate, Lancaster County 10.7%. And countywide over 55,000 people live in poverty: that's a lot of people. So what is poverty level? The federal poverty line is, you can see it here, for one person it's \$12,140 or less. That's the top of the poverty line. Now there may be people in this room who probably make that in a month. Maybe you make more than that in a month. And then you can see up to a family of five, \$29,420 is the poverty line. And there are some people that are living below that. A lot of people are just trying to get by. They're working two or three jobs or doing whatever they can just to support their families.

I want to talk about the Temporary Assistance for Needy Families. This is commonly known as welfare. I don't know if any of you have ever heard someone say, "You know, I'm so tired of working so hard when people are just sitting on welfare and not working at all. They just sit on welfare all their lives." People have said this to me over the years.

So I just wanted to share a little bit about welfare and kind of the way it works. This actually was established in 1997. Now it's called TANF and it is Temporary Assistance for Needy Families. It was designed to help families achieve self-sufficiency. States receive block grants to design and operate the programs. And as I said, it was established in 1997. Two of the purposes, there are four purposes of TANF, are to provide assistance to needy families so that children can be cared for in their own homes and reduce the dependency of needy parents by promoting job preparation and work. So it's very much encouraging job preparation and work. The maximum lifetime that someone can get TANF is 60 months, okay, so that's the maximum lifetime: five years, not lifetime. Not a lifetime benefit, five years benefit. And that was established by the United States Department of Health and Human Services.

Now CareerLink in Lancaster is one of the agencies that aids in making sure TANF is measured and that there is accountability on those receiving TANF. If someone is getting TANF in Lancaster County, they have to report to CareerLink and they have to clock in and they have to be there at least 30 hours a week, if they're not working a part-time job. CareerLink measures this and holds them accountable. And there are various things that CareerLink does. But two programs they have is Work Ready and that's to remove barriers for people who aren't able to be employed yet: maybe they need childcare, maybe they need to get their GED, maybe they need some computer basics.

And then there's EARN, and that program is for people who are ready to go. And that's getting them jobs. The people that are in these programs have to report and they have to be there for accountability. So I just wanted to take a moment to educate everybody on that and try to dispel any myths that may be running around out there.

So there are so many ways that you can volunteer. I went through Leadership Lancaster in 2001. That's a great program. They have a year program. You can do an Executive Program which is shorter and you learn all about Lancaster County and the volunteer opportunities. You can check out the United Way website. There's a list of nonprofits there and you can just search volunteer opportunities in Lancaster. Pick your passion and decide what you want to do. Maybe it's your church, maybe it's animals, maybe it's kids, maybe it's people with disabilities, whatever. Pick something you are passionate about and volunteer. And also in addition, give money. A lot of these organizations over the years have had their funding cut and they're really, really needing money also.

So another lesson learned is have fun. We try to have fun at Martin Insurance Agency. We have happy hours, we do quarterly luncheons where we have a theme lunch and we just close down the office. I think, Sarah, we've probably had everything possible, right? Go to a ballgame, take people out for picnics. We spend a lot of time at work. And it is important that we do take time to have fun with each other.

And finally, Kae said I should mention the "Secret Sauce." My Secret Sauce in the business is knowing that no matter what, there is always a solution. And I always keep this in my mind, and believe me, there have been times in my business where I thought there was not a solution. I've been pretty down and it may not be the solution that we want. It may not be the solution that we think it is. We have to seek advice sometimes. But as a business owner you have to believe that there is always a solution. I keep Winnie the Pooh on my desk. I'm a huge Winnie the Pooh fan. This is the caption that says Think Think Think. And so if I'm really trying to come up with a solution, I actually will look at Winnie the Pooh and I just say Think Think Think and I will usually come up with a solution. So thanks so much. I appreciate your time.

Kae Wagner – That's it for today folks. Visit rbfco.com for more information on Accounting That Goes Beyond the Numbers. This is your host, Kae Wagner for Ross Buehler Falk. Our next episode is coming soon. Don't miss it.