CASE STUDY: BSMG

ABOUT BSMG

David B. Lea, Jr. launched Brokers' Service Marketing Group (BSMG) in 1972. The company has a longstanding and well-earned reputation for excellence in providing exceptional guidance to financial service professionals and institutions. The BSMG brokerage supports over 50 carriers and well over 800 agents. Their main office is in Providence, Rhode Island and a winner of the 2019 Best Places to Work for Providence Business News. The BSMG mission is to protect the future of families and businesses. BSMG uses innovation and passion to empower its advisors and institutions to achieve transformational results for their clients.

COMMISSIONS AT BSMG

Jessica Heeps, BSMG Sr. Commissions Analyst, joined BSMG over 3.5 years ago. With degrees in both business management and accounting she felt equal to the task. The challenge, however, is that within mere months of joining the company personnel changes left her with not only fewer people to handle their commissions process but an already challenging and problematic process that was costing them too much time and too much money.

GreenWave

Increase Profits. Streamline Commissions.

THE COMMISSIONS PROBLEM

Like many other brokerages, BSMG was challenged by the pure scale of their commission management needs. Jessica noted that not only was the manual processing of commissions painful from an excel-spreadsheet, labor-intensive point of view but there was great concern that once processed the commissions were not always accurate. Their challenges included:

BSMG Commissions Pain

- Multiple lines of business (Life, Annuity, LTC) with over 50 carriers
- Unreliable carrier schedules often out of date and in multiple formats
- No single, definitive validation process
- Dissimilar commissions hierarchies
- Manually-entered policy commissions data from Carrier statements
- Underpayment of inbound commissions
- Overpayment of outbound commissions
- Taking too long to pay their downline agents

As a result of this arduous process it took BSMG nearly six hours per person per day to merely straight-through process commissions. The sheer scale of the issue also meant that very little time and capacity was left to effectively audit and double check both inbound and outbound commissions. This pain was not just a manpower pain; it also meant BSMG was losing thousands of dollars due to carrier payment errors that were going uncorrected. How would you quickly detect that you had been underpaid by a carrier and then find the time to get your money? How can you do this accurately when it used to take 4 to 5 people to complete the process and now you are down to just a couple?

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THE SOLUTION: GREENWAVE COMMISSIONS MANAGEMENT SYSTEM

About this time BSMG decided to look for a new way to handle this process. After a market search, Jessica and her team found GreenWave. With a mission to "liberate, inspire and encourage clients' growth through the application of innovative technology and exceptional service," GreenWave was the only one to offer an enterprise-grade solution to automate, manage, and audit their commissions. The GreenWave Commissions Management system enabled BSMG to automate their commissions process during a time where suddenly there was only a single person available to do the work. GreenWave built integration routines into BSMG's data and enabled them to consolidate and validate statements, receive statements in any format, and bring their carriers online quickly.

BSMG:

- Reduced the time to convert a single carrier statement from over two hours to only a few seconds
- Cut overall processing time by more than half
- Conducted an automated comprehensive audit of each statement line
- Enabled a simple process for bringing new carriers online
- Maintained all processes with no interruptions despite commissions manager relocating to another state and working remotely

Because the commission rules were recorded in GreenWave software and not just inside someone's mind, GreenWave allowed the BSMG team to have confidence that they had an effective and reliable system in place.

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RETURN ON INVESTMENT: GREENWAVE SOLUTION

Like all well-run businesses there has to be a solid ROI for any technology investment. The GreenWave Commissions Management system delivered significant ROI:

BSMG Return on Investment

- 91% reduction in cost for commissions processing, including 3.5 Full Time Equivalent savings
- Thousands of dollars per year in corrected underpayments from carriers
- Thousands of dollars per year in corrected overpayment to agents
- Significant confidence in the management team that the process was solid

"We are more efficient. As soon as the money comes in, we can process it and pay our agents quicker. Before it was taking two weeks to process something and then another week to pay. Utilizing the technology has given us overall efficiency from an analytical standpoint and a processing standpoint."

- Eric Chartier, CPA VP Controller at BSMG

Jessica now says about the system, "I don't have to look at every single policy anymore, [GreenWave] tells me when there is a problem. Everything seems to go faster, and I can process things quickly and keep up."

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