



Business Proposal (Presentation)

The Business Proposal is an important part of the interview process. The Business Proposal helps State Farm evaluate your understanding of the agency opportunity and what it takes to succeed. You will hear much more around this component of the process at the Career Understanding seminar but can use the following information to begin planning and preparing your Business Proposal. Research is vital in building a strong Business Proposal.

Market Research

We recommend you begin by researching the local market area where you are pursuing an agency opportunity. This is for your benefit and does not need to be included in full, in your proposal. However, you may choose to include select facts and figures if they support specific sections of your proposal. You will want to clearly outline how this market research affects the Agency. Relevant data may include some of the following:

Population size	Median income	Job market
Population growth rates	Median age	Major competitors
Demographic make-up	Total households and number insured	Local business environment
Income levels	Unemployment rate	Any other relevant data
Housing costs	Primary language(s)	

Initial Planning

Preparing to become an entrepreneur and running your own agency will take commitment and focus. First-time business owners often don't understand that good planning is critical to making things happen and getting things done. In business, planning is often overlooked. As you look more closely at becoming a State Farm agent, you should begin to think about these topics and how you would address them in running your agency.

Vision

- How do you want to be perceived by your customers?
- How do you want your staff to treat your customers?
- What should your office facility look like to your customers?
- What will distinguish the level of service you provide to your customers?
- How should your office systems and procedures function?
- How will you continually build the State Farm Brand?

Agency Analysis

- Evaluate Internal/External Market Opportunities.
- What customer segments or needs present opportunities?
- Competitive Review – Who are the toughest competitors? Why?
- Do you provide better value than competitors? Which ones? Why? How?
- How accessible are you to customers?
- Are you staffed adequately? Are you considering adding staff?
- Is your office environment customer friendly?
- What skills and competencies do you and your staff possess?
- What skills and competencies need further development?
- Who do you consider role models to help you improve your agency?
- What knowledge does your staff need to do a better job?



Goal Setting

- What marketplace trends will you address in your plan?
- How will you maximize the return on your marketing investment?
- What customer segments will you pursue for which products?
- Do you have plans to improve the marketing atmosphere of your office?
- What is your staffing goal? Will the identified opportunities require a change in your staffing?
- Do you have systems to ensure proper customer service, claim handling, and marketing?
- What skills/abilities of yours and your staff need to be developed to meet your goals?
- What are your personal financial goals?
- What drives your happiness?
- How to accomplish a work / life balance.

Action Plans

- What specific steps will be necessary to achieve each goal?
- What marketing tools will you use?
- When will you execute these activities?
- How will you ensure that you or your team members have mastered new skills?
- How do you plan to continue to sharpen your skills?
- Determine where your business is coming from.
- Determine where you stand in reference to your goals.
- Document how you will review and evaluate your business plan.

Budget

- How much income would a multi-line policyholder produce in a single year?
- In their lifetime with your agency?
- What percent of that lifetime value will you spend to acquire / retain that policyholder today?
- Estimate the fixed and variable costs in running your agency to determine the amount to be invested.

Your Business Proposal should address the following in 8-10 pages:

- Your strategy for meeting customer needs in the local market you are pursuing
- Your plan for investing in your agency
- Your assumptions about what factors shape the sales production and profitability of an agent

Organize your written proposal into three main sections:

• Local Market Context

- Discuss the demographics and growth opportunities in the prospective Agency location.
- How will this market research affect the Agency?
- What specific customer needs have you identified?

• Building an Agency

- Capital Investment
 - How much capital do you anticipate having accessible in the first 6 to 24 months?
 - How will investing in your Agency impact your other financial commitments?
- Team Development
 - How do you plan to structure, hire, and develop your team to capitalize on the local market?
 - What skill sets and experiences will you look for in team members?
 - How will you compensate them?



- Sales & Marketing Strategy
 - How do you plan to tailor your sales and marketing strategies to meet the needs of the market?
 - Provide some specific examples of sales and marketing tactics that you would employ.
- Operating Budget
 - Create an operating budget for your first five years as an agent.
 - Include your start-up.

- **Sales Production and Compensation**

- Production and compensation estimates for the first five years of your agency

Available resources to consider:

- Career Understanding materials (you will receive)
- Your Agency Career Track Specialist (ACT Specialist)
- Market Agency Field Executives (MAFEs)
- State Farm agents in/around your area of interest
- Public resources (see online list at the end of this document)

Your Business Proposal will be due prior to your scheduled interview date. Specific dates will be communicated during the Career Understanding seminar or through your ACT Specialist.

Online Business Resources:

We have listed below some resources that may assist you as you develop your business proposal.

- www.score.org – Counselors to America's Small Business
- www.sba.gov – U.S. Small Business Administration
- www.census.gov – U.S. Census Bureau
- www.cch.com – Business Owners Information Toolkit
- www.odod.state.oh.us/edd/1ststop – Business Start-up Kit
- www.startupjournal.com – Wall Street Journal Center for Entrepreneurs
- www.mycorporation.com – Incorporation Information
- www.allbusiness.com – All Around Business Advice
- www.inc.com – Inc. Magazine Business Information
- www.tannedfeet.com – The Entrepreneurs' Help Page
- http://www.nase.org/ – National Association for the Self-Employed
- http://www.nfwbo.org/index.asp – Center for Women's Business Research
- http://www.nawbo.org/ – National Association of Women Business Owners
- http://www.sba.gov/onlinewbc/ – Office of Women's Business Ownership