

Alliant's Larry McMahon on Building a Book of Business: Strategies for Surety Success—Part 1



The 30-year surety veteran says knowing the market and contractors is key to a successful business.

WHEN LARRY MCMAHON moved to San Diego to manage the surety business at Alliant Insurance Services in 2000, the market in that area was new to him. But he had good reason to be confident.

Before he took the role at Alliant, he had schooled himself in surety and sales fundamentals in seven locations over 11 years. With the help of mentors and a talent for leaving no stone unturned, he helped Alliant grow into a top broker with a nationwide reach. And he became a leader in NASBP as an officer, Surety School instructor, and mentor to newer producers.

After 30-plus years in the business, you might think he's seen and done it all. But McMahon is still learning and eager to help surety move forward. Everyone in the industry would benefit from learning about how he does what he does.

"If you're not driving the process, you're being reactive," McMahon said. "So, I always try to be proactive."

Know Your Market

When McMahon arrived in San Diego, he had the good fortune of entering an organization with an established surety practice under Jack Warnock, also an NASBP leader, who was one of the original owners of Alliant in the late 1990s. McMahon's first step was to get the lay of the land, studying Warnock's well-established book of business.

He next turned to trade association membership directories, Dun & Bradstreet corporate data, company websites, and Alliant's local competitors to understand the local construction community as a whole.

On a spreadsheet, he listed the firms' contact info and as much detail as he could, including their current agents, sureties, revenue, etc. He boiled that list of about 400 businesses



McMahon enjoys teaching the NASBP Sales Workshop.

down to the 120 prospects he arbitrarily determined he could handle in a given year.

McMahon also asks for information, and that's where the value of his dedication to association membership came into play. He began attending meetings and events, with his primary sources the Associated General Contractors (AGC), the Associated Builders and Contractors (ABC), and the Engineering General Contractors Association (now part of AGC).

"Get to know the top leaders of the surety companies and entrench yourself in the construction community,"

he said. "We were a regional broker when I started, but by attending national conventions, we became a national broker because the home office personnel of the sureties were there."

Do Your Research

Those early efforts have evolved into a 24/7 commitment to gain as much information as possible about all the players in the market. For McMahon, research is fundamental to sales success, and he never approaches a prospect without knowing who they are and what they do. "If you know as

"YOU'VE GOT TO BE ABLE TO TALK ABOUT HOW YOU HELP PEOPLE, HOW YOU'RE A PROBLEM SOLVER, AND WHAT YOU DO TO HELP YOUR CLIENTS WIN."

— LARRY MCMAHON, ALLIANT INSURANCE SERVICES

much about the contractor as you can before making contact, you're starting in a better position because they know you're prepared," he said.

Since McMahon arrived in San Diego, online research has become essential. Corporate websites, social media, and municipal bid results lists are excellent actionable data sources.

"In old-school days, you looked at bid publications to learn when the lettings were and who was bidding a job," he said. "Now you go on a city website and know there's a bid coming up for a new wastewater treatment plant. And when the job has been bid, it'll list the bidders and sureties."

Stay in Constant Contact

McMahon's idea of building relationships relies on what he calls "constant contact." Attending meetings and events became a chief pursuit for putting himself in front of prospects as many as 22 times per year. The first step is to acquire a list of attendees at a particular association event and match it to his 120 list.

"If I know John Doe from ABC Construction is a prospect and is going to be at a meeting, I'll go out of my way to get to know him there," McMahon said. "I'm not trying to be a peddler or a nuisance—I call it active engagement in the construction community through networking."

McMahon never gives out his business card on these visits. Instead, he takes his prospect's card and follows up with a physical note when he returns home. In that note, he encloses his card.

"I don't give them my card at the meeting because I'm not a terrible salesman," he said. "And I don't just hang out with the other agents and brokers at these events. You're paying association dues to access decision-makers, so make it a point to meet them."

The first meeting at the event and the follow-up note constitute two contacts. Internet research, social media, and even grapevine conversations with colleagues help him establish rationales for additional ones.

For example, when he learns about a new job a prospect is undertaking, he'll visit the job site and follow up with a congratulatory note or email. When he can show the prospect he's interested in what they're doing, that's an opportunity for additional contact.

Assess and Ask

When a surety or construction manager asks McMahon out to lunch, he never turns it down, even when there's no apparent opportunity to convert a prospect into a client. "I'm a pretty big guy—I don't turn down any free lunches," he said.

He does more than talk about sports and the weather at those lunches. Drawing on personal discipline and commitment, he leverages the information he already has and makes every effort to obtain more.

"At least once a year, I'll find out a surety of mine has lost a client they didn't want to lose; and I then put that client on my prospect list and try to get them back—not just for the surety but for me, because now I'm new to that business," he said.

He also never hesitates to ask for referrals. In conversations with established clients, he'll ask them who their best competitors and friends are and ask directly for referrals.

Seeding

Another top McMahon strategy is "seeding," meaning that he looks for reasons to put himself in front of his prospects. He does that by speaking and presenting at association and community events to present himself as a stakeholder in everyone's success. Although the returns might not be immediate, sometimes they can be significant.

For example, McMahon once spoke to a gathering of county councils in California that resulted in Alliant receiving a \$90 million appeal bond more than a year later. He also speaks at gatherings of woman- and minority-owned business enterprises, offering any help those newer entrepreneurs need.

"They're going to call me when they need a bond or help with a bid," he said.

Other seeding opportunities include referring articles and news items to clients and prospects. McMahon learned that technique from Don Appleby, Surety Director at NASBP member Holmes Murphy & Associates. Appleby is active in NASBP as a Surety School instructor.

The NASBP *Surety Bond Quarterly* magazine is a prime source—McMahon recently sent out an *SBQ* article on the Federal Civil False Claims Act to a list of 30 clients and 10 prospects.

"You're not seeing Larry McMahon once and then seeing him six months later," he said. "You're seeing him pop up more than twice a month."



McMahon at the 2005 NASBP Winter Surety School with instructors, from left, Craig Hanson; Jack Curtin, now deceased; and Matt Cashion.

Influence with Intention

It's all part of what McMahon calls "influencing with intention." By that, he means that there's always a strategy or goal behind the contacts he makes. Donating his time to be interviewed for this article, for example, is a way for him to project his expertise to peers and prospects alike.

"I'm in a national trade association publication as an expert," he said. "When you need to call someone in San Diego, you're going to call me."

Another way he demonstrates intentionality is by joining the appropriate association committees. While many association affiliates congregate among themselves, McMahon joins the committees where the decision-makers are. And when they ask him what he does and why he's there, he's ready with an answer.

"You've got to be able to talk about how you help people, how you're a problem solver, and what you do to help your clients win," he said. "And then use that to your advantage."



McMahon's theme when he served as 2013-2014 NASBP President was "Mentoring For the Future."

In these and other ways, McMahon is a force for solving problems and building solutions in the surety industry. He'll help anyone, but he also never forgets to qualify prospects so he doesn't invest more time than he

needs to on folks who will probably never leave their current agent and surety. And he never forgets to ask for business when it's the right thing to do.

"The only times I've failed are when I wasn't prepared," he said. ●

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Gallagher's Corban Enns on the Importance of Process: Strategies for Surety Success—Part 2



A systems approach benefiting surety bond sales.

ONE THING NASBP professionals know for sure is that surety is a people business—relationships matter. But without a systematic approach to business development and evolution, Gallagher's Corban Enns argues, personal connections can only take you so far. The story of how Enns grew his small independent firm, Surety Solutions, into an indispensable component of Gallagher's multi-billion-dollar brokerage and risk management organization teaches all NASBP members essential lessons about entrepreneurship, character, and commitment.

Corban Enns needed a job when he moved to Dallas, Texas, from New Zealand, where he worked as an outdoor instructor at a Bible college.

With a business degree and minimal practical experience, he found that experience at the highly respected mortgage licensing firm, Thomas Law Firm, P.C. of Dallas. Under the tutelage of the President of Thomas Law Firm, Herb Thomas, Enns managed mortgage bonds and qualifications, communicating with state agencies and clients to ensure they met and maintained their bonding requirements.

Vision and drive separate entrepreneurs and innovators from the rest of us, and Enns had both. His experience at Thomas set him on a path to move to Oregon and to founding Surety Solutions, based in Salem, Oregon, within a few years. And after he grew his business into a leading commercial surety provider with tens of millions on the books, he found a lasting home at Gallagher, with its global insurance, risk management, and business consulting footprint.

As Director of Surety, Enns is responsible for casting the vision, establishing the goals, and driving business development in transactional commercial surety at Gallagher. Most of his employees at Surety Solutions transitioned with him and now benefit from increased professional development opportunities within the larger organization. Armed with Gallagher's resources and reach, Enns and Surety Solutions serve a much larger client base.



Enns was active on and served as 2020-2021 Chair of the NASBP 5-15 Leadership Committee, a NASBP Committee for future leaders of the Association. Pictured, Manny Hatjygeorge, left, of Member EP George Inc. with Enns at the 2016 NASBP Annual Meeting at the Broadmoor.

"What was compelling was the significant opportunity for our team at Surety Solutions," Enns said. "We're creating a concentration of commercial surety within Gallagher, utilizing technology, analytics, and data to improve the customer experience and our efficiencies beyond what anybody else can do."

A Systems Approach

The key to his success manifested from day one during his tenure at Thomas. As Enns learned the ins and outs of the commercial surety business under Herb Thomas's guidance, he found himself pulled by the potential inherent in improving the delivery of the product, not by the financial details of the product itself. Don't take that to mean those aspects of surety weren't crucial to Enns because they were. It's just that he saw where his preferred approach to doing business could have the most impact.

As a longtime NASBP member, he realizes he's not cut from the same cloth as some of his peers—and that's okay. While many colleagues come to surety from banking, accounting, and insurance and find fascination in the surety product's inherent financial underpinnings, Enns isn't motivated that way. Instead, for Enns, commercial surety is more a means to an end.

Technology, therefore, plays a big part in the Surety Solutions approach. Part of Surety Solutions' success can be attributed to its ability to aggregate tens of thousands of micro-transactions through automating customer interactions, though that means the company hasn't been able to have in-depth relationships with many of its customers.

"We've been able to define a best practices experience at the macro level and extend it through micro-level customer engagements," Enns said. "Innovations in technology, systems, and processes led us to create a unique offering and gain thousands and thousands of clients over the years."

Quantifiable Consistency

Looking at transactions and relationships through a systems approach helped the Surety Solutions team create what Enns calls quantifiable consistency. Even relatively minor details, such as creating cover pages for communications, were critical in establishing a level of standardization the team could replicate.

"If I can handle a certain number of clients, two of me would be able to double that number, and three of me



Enns (seated first row) presented on the topic of the benefits of paperless commercial surety during the 2017 NASBP Annual Meeting Surety Automation Program.

could triple it," Enns said. "While we might not get those \$10,000 commissions, thousands of \$100 commissions make the math begin to work."

The team looked at the workflows and created technology efficiencies in the application, data entry, and underwriting processes. It automated quote presentation, indemnity agreement capture, and product delivery. In short, it sought to streamline every step of the transaction lifecycle to offer a best-practices approach on a scalable basis.

Software was integral. The first software iteration at Surety Solutions, eProducer, essentially functioned as a digital production team. It provided a landing page for prospects to search for their bond products using a cost calculator. Adjusting variable elements on a sliding scale, including credit status, helped prospects visualize how pricing might change under different circumstances.

That enticed prospects to complete the application, and the platform would run credit in the background. Prospects then received real-time quotes from a selection of carrier partners. Few competitors could pull credit on the fly, offer near-instantaneous quotes across multiple carriers, and incorporate complex underwriting algorithms on the back end while providing an entirely online transaction process.

"A prospect could discover us online, read some content, engage with a cost calculator, complete an application, receive some quotes in about a minute, make a purchase, sign an electronic indemnity, pay with a credit card, and download the product," Enns said.

The Drive to Succeed

Although the story of the rise of Surety Solutions is partly a story about automation, it's also about people. Early on, when the company was still just an idea, Herb Thomas saw something in Enns's character he thought was worth a closer look.

"I think he saw a drive," Enns said. "There was a high sense of responsibility, a drive, and a vision starting with the end in mind." That end-result is what Enns vividly presented to Thomas. For example, Herb Thomas realized that

end-result translated to "wins" from payroll savings and a better experience for his clients.

Enns says all NASBP producers benefit when they define their version of winning. Although different people have different motivations ranging from lifestyle aspirations and money motivations to a desire for more personal and family time, defining what your win looks like generates tasks and milestones to help get you closer and closer.

Then it's a matter of holding yourself accountable. Enns and his team shared their successes and were open to learning, which sometimes meant being open to criticism. Through constant evolution, eProducer gradually became an even more robust platform known as Agency Multiplied.

"We made iterative improvements to the original system, and then we rebuilt it entirely," Enns said. "We also created a separate entity for Agency Multiplied, and we built a whole new strategy and vision for what became probably one of the world's leading pieces of surety software."

The Power of Association

That set up Surety Solutions as a candidate for acquisition. People, namely NASBP colleagues, played a significant role in the new beginning due to the Gallagher partnership. Beyond his talents and drive, Enns credits the power of association for his good fortune in finding a partner that shared his values and respect for dedicated employees.

"NASBP has been a fantastic resource—a great place for me to find like-minded professionals and educational opportunities," he said.

Enn's path into the Association began with the 5-15 Leadership Committee, created to provide opportunities for high-potential surety professionals with five to 15 years of surety producer experience to prepare for senior leadership positions in their organizations and within NASBP.

Phil Forker of NASBP member Anchor Insurance and Surety served as Enns' 5-15 mentor. Enns then joined the Commercial Surety Committee and found he was driven to understand

how paperless commercial surety could be obtained. That is also at the time Lynne Cook, Executive Vice President and Principal of Surety at Early, Cassidy & Schilling, served as Chair. She later became NASBP President.

Enns then ascended to the chairmanship of the Commercial Surety Committee. At that time, Susan Hecker of Gallagher served as NASBP President. "Susan definitely helped validate Gallagher as a trusted brokerage with an emphasis in surety," Enns said.

Enns also participated in the NASBP Sales Workshop led by Larry McMahon of NASBP member Alliant Insurance Services and Don Appleby of NASBP member Holmes, Murphy and facilitated by Jonathan Paul of Jonathan Paul Consulting. Through these relationships and experiences (and more), Enns prepared himself for his role at Gallagher and a future of change in surety.

"It's been a fantastic opportunity for the team—we've grown in numbers and skills," Enns said. "And casting a future vision for the team has been fun under the structure and opportunities afforded by Gallagher."

Overall, Enns sees great things for surety moving forward. Still, he does see his colleagues in the contract surety world needing to look harder for innovations and efficiencies in systems and processes.

"A lot of our folks at NASBP are very relationship based, but if we could step back a little and treat relationships more like systems, we could create more opportunities for successful encounters," he said. "There are many ways we can use technology, including data and analytics, to influence our win rate while continuing to provide the level of service customers expect." ●

This is part two of a series on strategies for surety success, the first of was published in the fall 2022 *Surety Bond Quarterly*: https://www.suretybondquarterly-digital.com/sbpq/0322_fall_2022/MobilePagedArticle.action?articleId=1820948#articleId1820948

feature



Sales Fundamentals for Bond Producers

Strategies for Surety Success—Part 3

Tips for producers of the surety product.

RELATIONSHIPS DRIVE THE surety industry, and the best producers find the time to be active in trade and professional associations.

No two days are the same in surety. Producers have many roles to play in realizing success for their clients, and agency models run the gamut from small, family-run shops to

enterprise-level global businesses. No matter what niche an agent occupies, NASBP is essential for learning fundamentals, enhancing productivity, and developing leadership skills. In part 3 of a three-part series, top NASBP producers discuss qualities and strategies for building a successful, growing practice—and what

newcomers need to know to get to the next level.

In surety, the answer to every question is, "It depends." That's especially true for producers in the earliest stages of their careers. There isn't a typical educational or consistent training pathway for moving up the ladder into a meaningful role.

AS TECHNOLOGY AND BUSINESS MODELS CONTINUE TO TRANSFORM THE SURETY INDUSTRY, THE REALITY IS THAT RELATIONSHIPS DRIVE THE BUSINESS, AND THE BEST PRODUCERS FIND THE TIME TO PUT THEMSELVES OUT THERE.

For every surety agent who grew up in a family business, there's another who needed to take a leap of faith when it came time to leave college and start work.

Don Appleby, Surety Director at the diversified risk management and



benefits consulting brokerage Holmes Murphy & Associates, is an example of the latter. He started as a bond underwriter at Minnesota-based St. Paul

Companies because the folks who hired him thought he was a fit.

From Appleby's perspective, it was a logical first step in putting his business finance degree from the University of New Mexico to work. But he also knew there was a lot he didn't know.

"You pick a spot, and you get involved and learn," he said. "Many bond producers are former underwriters because they're empathetic to what underwriters go through to put together a program for a new customer."

James DiSciullo, a producer and Vice President at Rosenberg & Parker since



2019, had similar training but took a different path, evolving into his current role after a stint as a financial analyst with an energy industry specialization.

He graduated from the Perdue School of Business at Salisbury University in Maryland with a BS

in finance before taking a position in Baltimore at Euler Hermes (now Allianz Trade). Then, he assumed responsibility for collateral and liquidity management at a Fortune 500 retail energy provider.

"I was in a very specialized group within the company that focused on collateral, and surety was part of that," DiSciullo said. "I took hold of the surety product and saw some opportunity to use it in new ways."

Robert Coon, on the other hand, followed what many might assume



is a more traditional path into the surety business, except he was ostensibly an insurance guy.

Although his family had been in insurance for generations, Coon started as a surety underwriter before beginning a 23-year tenure as Vice President of Surety Services at Scott Insurance, based in Greensboro, NC.

"Insurance just wasn't my thing," Coon said. "After I graduated with an accounting degree from LSU, I interviewed with a couple of companies, got a slot, and nearly 40 years later I'm still in it and enjoying it."

Find What Works

Appleby, DiSciullo, and Coon may have taken different paths into surety, but that's typical of NASBP members. A good conversation starter for any young NASBP professional attending an association event is to ask how the person you're talking with got into the business—you're pretty much guaranteed to get a new answer every time.

That said, there are commonalities. For example, Appleby and Coon started as underwriters; and DiSciullo was also on the financial side of the business before becoming a producer.

Appleby said that's because agents have a unique role that fits between clients and the underwriters on the surety company side. In essence, he said, producers act as distributors of the surety product as contracted agents.

They need creativity, personality, and perseverance to instill trust between the parties to a surety bond, each with his or her interests at stake. And as they say in the sports world, those qualities aren't easily coached.

What happened with Appleby is that he and his wife moved to Denver, CO, with St. Paul Seaboard. In Denver, he became known among agents around town.

"They start watching how you behave and how you treat people and how you work in meetings," Appleby said. "And you're either personable and easy to get along with, or you're not."

For DiSciullo, who works for a surety-only firm with a client list composed of Fortune 500s and multinationals, those qualities translate into thinking about surety in new ways and conveying that successfully.

"The key piece of the puzzle, in my opinion, is I try to educate clients rather than sell them," DiSciullo said. "We're able to look at their program more holistically, identify the value proposition, and communicate how their bond program can add value to their organization a bit more in-depth than some of our competition."

With his underwriting background, Coon applies the technical side of his training to help clients in a relatively concentrated market improve. Many new clients come as referrals from existing clients or other professionals, including attorneys, bankers, and CPAs.

"I think of myself as a consultant, working with clients to understand their businesses and needs and then

maximizing what they can get from a surety standpoint,” he said.

Of course, in that scenario, the surety company also needs to understand those dynamics, a point Coon stresses. He describes his role as that of a matchmaker.

“You’re bringing the parties together, ensuring the communication works, and marrying them up,” he said. “And then you’re acting as the marriage counselor as they go through the process of understanding each other.”

Converting Prospects Into Clients

How to get there is the challenge. The good news for new producers is they rarely have to start from scratch. During the recruitment process, understanding the lay of the land when it comes to the book of business should be a priority.

DiSciullo, for example, transitioned into a producer’s role because of the contacts he had made in the energy and surety industries, respectively. Still, all was not smooth sailing; and some cold calling was necessary.

“Cold calling is not fun, but it’s necessary when you start,” DiSciullo said. “The big piece that helped me was my existing network within the industry I was going after, which definitely generated some warm leads for us.”

While Rosenberg & Parker’s pathway to warm surety leads came through DiSciullo’s connections, Appleby could leverage Holmes Murphy’s status as a diversified financial services provider.

“There’s not one precise way to produce new business—we were lucky to have a big distribution network on the business’s property-casualty, risk management, and employee benefit sides,” Appleby said. “We’re a full-service agency, and when you do a good job for an existing client, they’ll refer others because it’s the right thing to do.”

For Coon, the challenge is patience. He suggests that new Scott agents learn to cultivate relationships and be there when needed. He remembers a construction client for a competing

firm that retained an agent for decades. Another agent called on the client for more than 15 years before finally landing the account.

“The only reason he was able to pick up the account was the incumbent agent passed away,” he said. “You have to have grit and perseverance to do that, and you can’t take that slow process personally—if you do, it’ll burn you up.”

The Association Connection

As the leading trade association for surety professionals nationwide, NASBP is an ideal meeting place and proving ground for new agents. But there’s more. Appleby, DiSciullo, and Coon recommend that new agents make establishing broader association connections a priority in building their book and growing their business.

That means spending time away from home after hours. As technology and business models continue to transform the surety industry, the reality is that relationships drive the business; and the best producers find the time to put themselves out there.

The best way for new agents to do that is to make themselves available to the pertinent trade and professional associations in their area and have a system maintaining contacts. It can be a grind, but it’s time well spent.

“Find places to get involved—learn the trade, learn the language, learn how prospects think,” Appleby said. “If you just show up and eventually contribute constructively to sessions at association events, people will

start asking you to get up and talk about what you do.”

DiSciullo is always ready to do that, always prepared with materials to bring clarity to his sales story and the challenges his prospects face.

“We do everything we can to create simple material that brings a human touch to what we’re doing,” he said. “We’re giving our clients and prospects something visual they can refer to as they’re having internal discussions about working with us.”

As NASBP’s 2022-2023 Third Vice President, Coon emphasizes that NASBP will always be a home base for new agents learning the tools of the trade and how to talk about them.

“I don’t know too many industries that are as collegial as NASBP,” he said. “We’re competitive with each other, but there’s a lot of sharing of information and helping each other develop along the way.”

Be sure to keep an eye out for information about the 2024 NASBP Sales Workshop, which will be available soon at <https://www.nasbp.org>. ●

This is part three of a series on strategies for surety success. The first was published in the fall 2022 *Surety Bond Quarterly*: https://www.suretybondquarterly-digital.com/sbpq/0322_fall_2022/MobilePagedArticle.action?articleId=1820948#articleId1820948. The second part was published in the winter 2022 *Surety Bond Quarterly*: https://www.suretybondquarterly-digital.com/sbpq/0422_winter_2022/MobilePagedArticle.action?articleId=1839193#articleId1839193.



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