



# VTC Insurance Group

## A Global Boutique

By: Alison Kangas

An interview with President Al Chandler, Executive Vice President and CFO, Bob Trobec, Executive Vice President of Surety Jeff Chandler, Senior Vice President of Group Operations Brian Klein, Personal Lines Manager Jaime Fazio.

### A Growing History

VTC Insurance Group, formerly known as Valenti, Trobec and Chandler, got its start in 1957. The agency was founded by Stirling and Clarke, who had strong ties to the construction and transportation industries. In 1992, when there were only eight employees working solely on construction and bonds, Al became President of the agency. Al had experience on the carrier side prior to becoming an agent in 1982. With 40 years of experience in construction, insurance and bonds, Bob became Executive Vice President and CFO of VTC. In 2001, Jaime Fazio joined the VTC team as a Personal Lines Manager. Then, in 2003, Jeff Chandler joined Bob and his dad (Al) at VTC from the carrier side to become the Executive Vice President of Surety as well as partner in 2006. The agency then found their way into personal lines and later, into benefits. Also in 2006, the agency took a significant step forward by purchasing its biggest competitor, Griffin, Smalley and Wilkerson (GSW) which essentially doubled the agency overnight. In August 2014, Brian Klein came to VTC from the carrier side and is now the Senior

Vice President of Group Operations, overseeing operations and strategic vision of the ownership team. Now, at almost sixty years old, the agency is a well-oiled machine and a full-service agency with 146 employees in six locations. They're considered to be the preeminent construction insurance agency in Michigan. VTC has offices in Troy, Oxford, Farmington, Lapeer, Detroit and Florida. Al attributes the agency's growth to a series of strategic acquisitions in several industries throughout the history of the company, the latest being with Brownrigg in Detroit.

The agency began to focus on disenchanted professionals with business to business (B2B) experience in the construction and manufacturing industries, bringing people on to join the VTC team and training them to be salespeople. Jaime, for example, had experience doing sales for fence dealers before coming on board as a Personal Lines Manager, and other employees in the agency had similar credentials before joining. Furthermore, Al discusses how the agency strategically focused on producers at other companies and provided them with better opportunities, "My job is to

create an environment to succeed." In creating an 'environment to succeed' for sales people, the agency focused on diversifying markets, creating a knowledgeable marketing department, and providing excellent customer service. The VTC environment is now made up of smart people, who make smart decisions in acquisition and growth. "We have to grow," Al says, "There's no question that we all have to become bigger to survive."

Additionally, Al gives credit to his team in the success of the agency, "Our employees, our extremely low turnover rate, we have many employees who have been with us for 20 years collectively between GSW and VTC and that's key."

More recently, the agency has gone through a rebranding with the goal to identify themselves in a more uniform way. "We think this is something that makes sense and has demonstrated, not only to our customers but to the markets, that this is one large organization with one direction and one focus," Al notes. The agency hired a firm to assist with their website redesign and was able to do a complete



overhaul of the agency's brand. About a year later, after diligent planning, Valenti, Trobec and Chandler officially became VTC Insurance Group. The rebranding was an important step in the progression of the agency and has proven to be successful.

## Making a Difference

To Al, an essential characteristic of VTC's success is the impact they have made on the communities in which they do business. "Personally the thing I'm most proud of is we have done a lot for charities over the last several years and we've made a concerted effort, not just with our checkbook, but also with our hands and our hearts."

In addition to doing charitable work throughout several communities, VTC tries to give back to the insurance industry by visiting colleges and by creating an internship program. The agency believes that one major issue the insurance industry faces today is qualified personnel. "I know this is going to shock you but we aren't the 'sexiest' industry," Al laughs, "Today young people gravitate towards other industries... in our industry it is very hard to attract young talent, ergo, our push to start internships and bring those people on board."

Al recalls, at a recent visit at Olivet College, a discussion with a student. Al responded to the student's suggestion that the insurance industry is boring: "What if I said that you have to figure out how to create the financing mechanism that would allow for a bridge to be built over a gorge in California and that you had to make sure that, in addition to financing being secured, anything that happened in the course of that construction, whether it be an earthquake or a collapse, that you're protecting not only people but the state and the government, would that sound pretty exciting?" The student excitedly agreed, to which Al responded, "That's what I did yesterday."

The agency's goal for the internship program is to get the younger generation's attention and show them how interesting and satisfying it can be working in insurance. "We've done a poor job as an industry in exposing younger generations to insurance," Al says, "We have to give them that exposure because talent is a major obstacle right now."

## Global Expansion

VTC now does business in all fifty states and internationally, with clients in Mexico, Canada and Spain. The expansion of business in Michigan has led to reaching a wider clientele, thanks to referrals or relocation of former clients.

However, even a national and international company can have difficult times. During the economic downturn in 2007 and 2008, the agency never released a single employee because they didn't have the business volume to support the size of their staff. And that's a matter of pride at VTC. Bob notes, "We tightened our belt internally but we stayed true to our values, and I think we have a lot to be proud of in that regard."

In giving advice to smaller agencies, Al notes, "I think smaller agencies today have to understand the challenges being presented to them by the customer base. As the industry continues to evolve, the expectation of service is becoming greater and almost to the point of impossible. Smaller agencies need to continue to specialize and create a niche to grow organically or through acquisitions. I think it can be very difficult for an agency to be a generalist today and survive long-term."

## A 'Boutique Operation'

Al describes the agency's beginning as being a "boutique operation." Having only eight employees, they were able to establish close relationships with their clients, which is something that the entire agency continues to hold on to. For all 146 employees today, building relationships with their clients and making them feel as if it was a smaller company is important for them. "We are still relationship-based, we are still 'boutique' in our operation, and that is what we are trying to maintain," Al says.

Brian looks at the rebranding of the agency as an example of the quality of VTC's customer service. When it occurred, a survey went out to employees and the results showed that customer care is of utmost importance to their employees.

"People shop, they move, they jump and I would say that at VTC we have the luxury that people don't leave. We have a great relationship with our customers and we have a lot of experience. They call us and they have the same person on the other line for twenty years." Jaime says.

Jeff puts an emphasis on doing business in a timely manner, even if it means calling a customer back without an answer just to update them and reassure them that they are working on a solution to the problem. "There are larger companies who have commoditized our business. It's all numbers," Bob says, "You lose ten you gain fifteen...but what they forget is that our industry is controlled by relationships."

The group has their own opinions of what they enjoy most about being a part of an agency. Al still enjoys the challenge, the competition and the victories. For Bob, it's the long-standing friendships he's acquired through the years. Brian appreciates the opportunities that have been presented to him since coming to the agency. For Jeff, it's discovering unknown client problems and coming to them with a solution, and Jaime loves the family atmosphere at VTC and the opportunities as a manager that make her want to come to work every day.

## Relationship with Pioneer

"The first thing that comes to mind is boutique service. We absolutely love that you're a Michigan company. We can't emphasize and bold print that enough!" VTC also appreciates Pioneer being a short distance from the agency because they like to see their carriers face-to-face and on a regular basis. When the agency was first a Pioneer prospect, they knew there was some hesitation on the company side. "Look at that monster over there," Al jokes, "Pioneer must have wondered if we were a 'churn 'em and burn 'em' type of shop."

"What I said at the time was 'just give us an opportunity, and if we don't live up to your expectations, you have the right to fire us and I will take it with complete understanding and appreciation for you doing what you have to do, but if you give us this chance you're going to find that we are going to build a relationship with you where you know you can trust us, where you know that you can count on us to live up to our obligations and that you will be immensely happy with how we do business,'" Al shares.

Stability, transparency and being able to call the office and speak to a person instead of an automated message are what help the group sell Pioneer policies. With twenty-four plaques on the wall, the agency is dedicated to making lasting relationships with their carriers and it is a promise they seek to uphold.