I got in early at Maxwell, and I've really seen the company take off – form just 30 people and big ideas but not so many customers 3 years ago to 180 employees today, with nearly $70 M in venture capital raised, counting some of the most reputable brands in the industry as customers. It's been a wild ride. In my career, I have become a student of entrepreneurship, go-to-market strategy, and growth, and I'm here today to share with you the concepts that have made have made Maxwell so successful, and by extension, our partners in the benefits space.

We had the luxury and challenge of starting from scratch when we built this company, but I think you'll find there are a few concepts you can take back to your organizations.

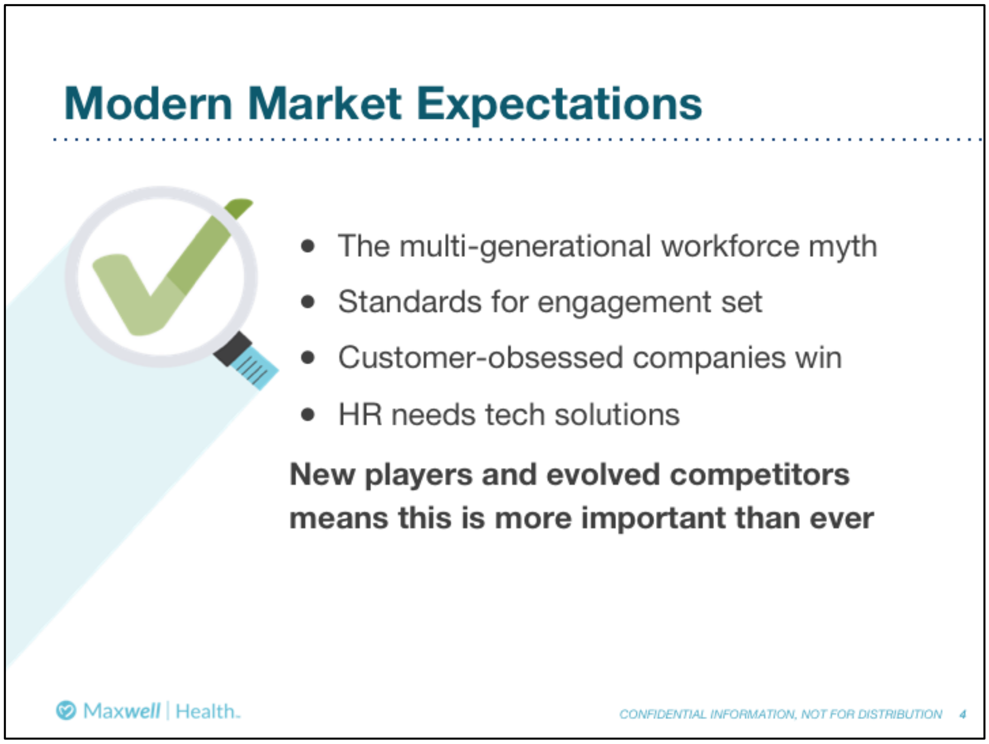
Every Decision You Make Counts

Understand your market

Define who you are:
mission, culture and brand differentiation

Define how you operate:
Optimize the core metrics of your business

UNDERSTAND YOUR MARKET



Let's talk about market expectations - because I believe, and I think you've seen - that your customers are asking for very different things today than they used to

The multi-generational workforce myth

- We hear a lot in this industry about the multi-generational workforce, and how to engage generations of employees on their terms. In my mind, this is a distraction.
- Generational divides - much like astrological categorizations - are too broad to be helpful, and in more cases than not, cause the proliferation of misguided stereotypes, and harmful information.
- Every single generation enters the workforce and feels like they're a unique generation, and the generation that's one or two ahead of them looks back and says: "Who are these weird, strange kids coming into the workforce with their attitudes of entitlement and not wanting to fit in?" This is a normal tendency
- And so back in the 90's we created a relatively poorly-conceived framework to try to understand it through this concept of generations.
- But as our world becomes more interconnected, and more diverse

- - and therefore more diverse every year, so the only real generalizations that you can make about any given generation is that everyone is so different you can't make any real generalizations.

- Technology has rendered such generalizations unnecessary, anyway

Standards for engagement set
- Though young people are generally the "early adopters" in making innovation mainstream, their expectations, wants, and needs are not unique.
- My parents and grandparents use an iPad, and share photos on Facebook, and buy things online.
- That is the standard that has been set for engagement.
- So the fact that we expect people to fax things, and manually process paper forms, or use spreadsheets to compare plans in the benefits industry doesn't make sense.
- No wonder we have some of the lowest NPS scores of any industry, according to the American Customer Satisfaction Index.

Customer-obsessed companies win
- The standard has been set not only in technology interactions, but customer service. You need to meet this standard in service too - as do your partners who are extensions of your brand.
- If you have a rude or dangerous Uber driver, or a car that's messy or old, Uber will refund you. No questions asked.
- If your LL Bean socks unravel 10 years later, they'll refund you the full cost. They don't want you to own anything from them you don't love.
- If you believe you've been wrongly charged, American Express negotiates with the merchant on your behalf. And they give you the benefit of the doubt and refund your money the moment you raise the issue.

HR needs tech solutions across their function
- HR has become an incredibly multifaceted role, covering culture, employee engagement, wellness, payroll, financial and mental wellness, compliance, etc.
- And they have nowhere else to turn for solutions other than their benefits consultant.
- They're not looking to their lawyer or their accountant for these solutions.
- This is a massive opportunity for benefits consultants to expand their role, and deliver solutions HR teams are looking for.
- Word of advice - don't wait for your clients to ask. Get out ahead of it, and be proactive.

DEFINE WHO YOU ARE: MISSION, CULTURE & BRAND DIFFERENTIATION

You reflect that which you determine to be important.

Who You Are and How You Operate

Mission
- Define your why
- Hire people looking at the same star

Culture
- Define your core values
- Hold your team - and yourself - accountable

Brand
- Sell solutions, not products
- Innovate for early adopters
- Engage clients and prospects on their terms, not yours

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Who you define yourself as internally is how you are perceived externally. You need to be purposeful about defining who you are, why you're doing what you're doing (what drives you), and how you operate.

- **Define your mission** and and where you want to go as an organization. People don't buy what you do, they buy why you do it. You want your employees working toward something, and motivated by more than just a paycheck at the end of the day.
  - Find people already looking at your star: I believe that it is impossible to motivate people. Instead, you should find people that are already motivated by the same things you are, give them a project they'll be motivated by, and the tools to be successful.

Especially as a local or regional business owner, this is critically important, not only from a sales perspective, but from a recruiting perspective - are you a place where people want to work? Employees who are invested in their company go above and beyond for their clients.

Differentiation has become critically important in this market, but sounding different in your branding is an outcome of being authentic.

Define how you operate as an organization.
There are lots of decisions being made on a daily basis. It's important to get on the same page in terms of how people exercise their best judgement.
- Buy-in is key here. Work with your current employees to get feedback on the values you set forward, and make sure the company is aligned. Commit to them.

The key here is that your mission and your core values cannot be just words. As an owner, you must embody them in your belief system and in your interactions, and you must get buy-in from your team, remind them of what they have committed to in joining your team, and hold them accountable. Make your core values public - At Maxwell, we have them chalked on the wall, we remind our team of our values at full team meetings every two weeks. Every person knows why we're doing what we're doing, and our values framework.

THESE TWO THINGS ARE THE BASIS OF A DIFFERENTIATED BRAND.

The reality is, benefits advisory firms have a really powerful impact - you're selling insurance, sure, but what is the impact of insurance for people? It's financial security. It's access to healthcare. It's wellness and peace of mind for employees and their families.

You're not only addressing the table stakes of doing business by helping companies address compliance and risk, you help companies grow and scale all functions of their business - hiring, employee retention, etc.. Your clients are already asking these questions of you - so your job is now to find solutions and be proactive.

Sell Solutions, Not products.

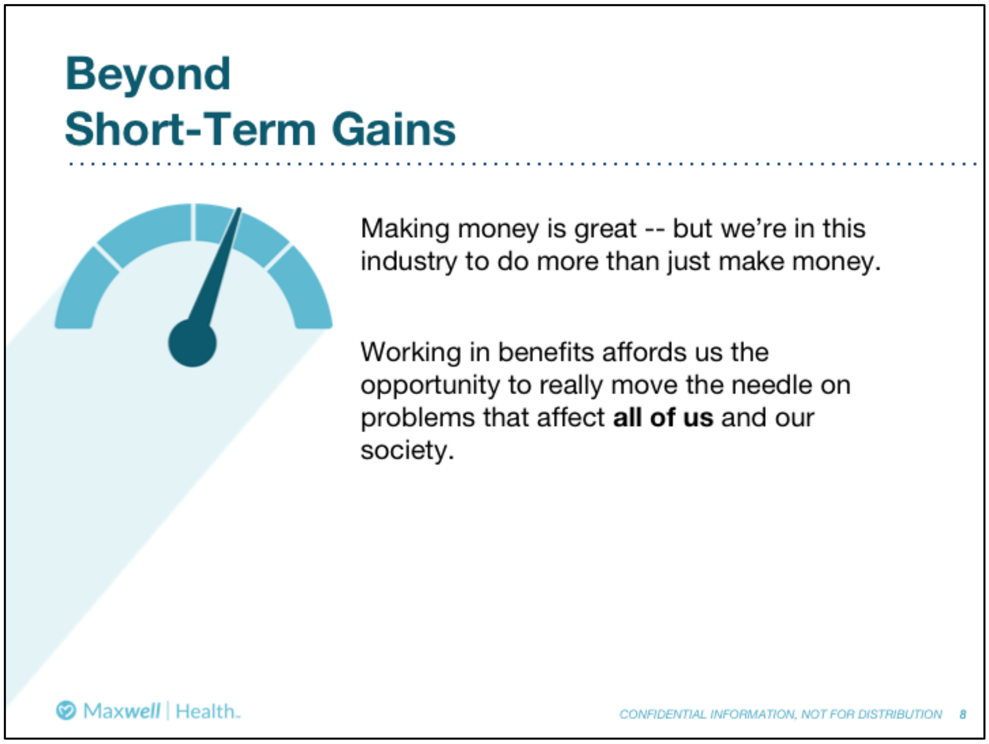
- Every broker out there can spreadsheet insurance products - but there's no differentiation there.
- Companies hire you to look holistically at their benefits strategies and address their risk, address their inefficiencies, and engage their employees.
- Your clients will tell you what they're willing to buy - so listen first, and look to solve problems.
- I believe it's important to find a way to become a consultant selling solutions and strategy, and to get paid for doing that, not simply a broker selling the same products as anyone else for commissions only.

Innovate for Early Adopters

- As a benefits advisor, your job is to think ahead. The reality is not every group is ready for technology and automation.
- However, as a benefits advisor, building your technology strategy around the late majority or laggards in your book of business does your entire agency a disservice.
- Most of your clients want a forward-thinking advisor to guide them into the future.
- Find solutions that work for 80% of your business - don't let the 20% of your business that resists moving away from paper or outdated practices hold you back from innovation.

Engage clients and consumers on their terms, not yours

- Given the current environment, you can't afford to take the same approach with every group, and every consumer. You need to customize your approach and give people options to engage on their terms.
- You need a mobile option for people that prefer mobile.
- You need an online interface for people that prefer to sit down in front of a computer.
- You need to have an option where people can pick up the phone and call someone with questions.
- The in-person only interactions of the past - while still valuable in some cases, are no longer en vogue for your customers and it's not cost effective to rely on just that.



As an example, I'll share with you Maxwell's mission. This is communicated on our website, in our interview processes, and in our sales cycles. Our mission and our culture are pervasive, and truly determines who we work with, and how we operate.

This is a pitch that we leverage in the market as we bring on new clients, and that our partners leverage in their own pitches as they go out to market. You'll notice that we never mention insurance, or benefits administration in this pitch. It's all about what drives us.

What Does $400 Mean to You?

Nearly **half** of adults are ill-prepared for a financial disruption and would struggle to cover emergency expenses should they arise.

46% percent of adults say they either could not cover an emergency expense costing **$400**, or would cover it by selling something or borrowing money.

22% percent of respondents experienced a major unexpected medical expense that they had to pay out of pocket in the prior year, and **46%** of those who say they had a major medical expense report that they currently owe debt from that expense.

Source: Report on the Economic Well-Being of U.S. Households in 2015

We need to make achieving health and financial well being **accessible**, **convenient,** and **economical**.

*The private sector, especially the tech sector, **has to offer solutions.***

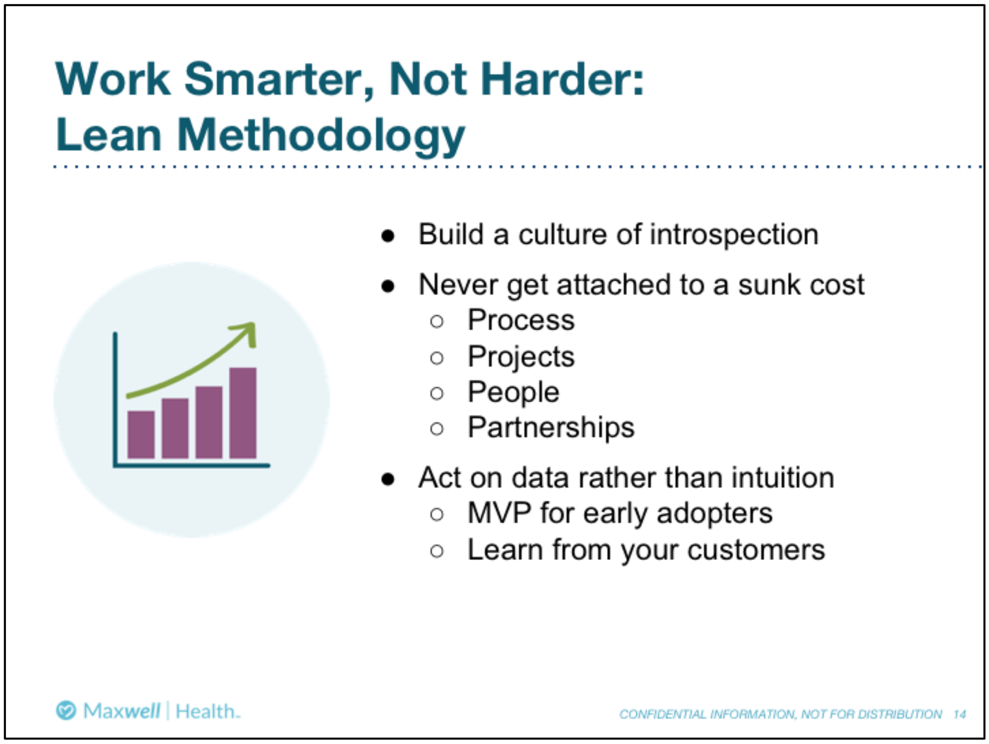
Maxwell Health's approach is to transform the **special partnership** employers have with employees to help American families live healthier and more financially secure lives.

Small-to-mid-sized employers are the ***lifeblood of the nation and a driver of change.***

How Do We Solve This?

- There's a lack of knowledge, understanding, and stability when it comes to health and financial wellness, for both employers and their employees
- **Benefits advisors have an opportunity to help solve this problem**
- You're on the front lines: fighting the battle on behalf of your employers who are dealing with these complex issues
- In turn, *we support you* to make a difference

DEFINE HOW YOU OPERATE: OPTIMIZE CORE BUSINESS METRICS



The Lean Startup methodology is a concept that originated in the tech industry in 2008, and has since taken other industries by storm. I want to talk about three main parts.

Culture of introspection:
You have to get purposeful about your business, and think really critically about how you can improve every aspect of it. Again, this isn't something that can just come from the top, either, you need buy-in across your organization.

- Retro meetings after big projects - what worked? What didn't? Take time to celebrate successes and individual contributions, and get really critical about your process.
- Ask why you do things the way you do - what meetings can you eliminate? What steps can you automate?

Never get attached to a sunk cost

- **People -** According to forbes: The True Cost of a bad hire: the cost of onboarding a new employee is about $240,000 according to Forbes, and according to US dept of labor, the price is a bad hire is at least 30% of an employee's first-year earnings.
  - Don't let that process drag out - if you hire someone that isn't working, cut your losses.
- **Process**: Don't let "this is how we've always done it" get in the way of getting things done, or innovation.
- **Projects:** How often does someone come up with a new idea, only to realize three

months into development that it’s more work than you thought? That requirements haven’t been properly vetted? We live in a complicated industry. This is constant.
- **Partnerships:** Your partners are an extension of your brand, so you need to hold them to the same standard that you hold your team to. If you find yourself working with someone that doesn’t align with your core values, or treats you or your team badly, consider moving on.

Act on data rather than intuition.

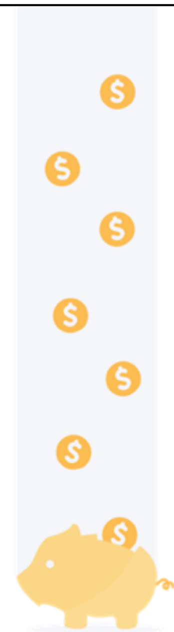
Instead of sitting around a table and deciding as a company how to solve a problem with potentially many solutions for a customer, lean startups developed the concept of the minimally viable product - producing a solution with as little investment as possible, that would solve a core problem, releasing an imperfect product to early adopters in their customer base, and getting feedback and data on exactly how to improve. That’s where you’ll hear about beta launches of products in the tech world. You can apply this to your business too.

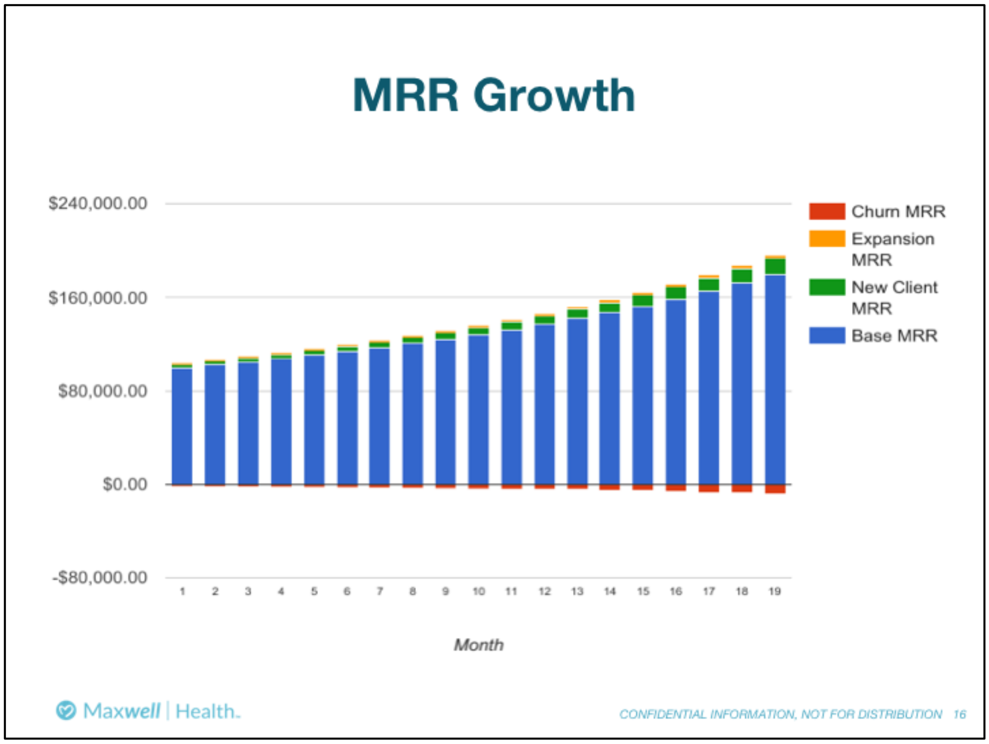
A great way to apply this to your agency is in email marketing. If you have a group of leads you’re looking to send out messaging to, there are some great programs available that will track the effectiveness of your wording, timing, and content by tracking your opens, clicks, and A/B tests. One of the quickest ways to get better at email marketing is by leveraging these programs, and taking a very targeted trial-and-error approach.

Monthly Recurring Revenue

Definition: "The general concept is that MRR is a measure of the predictable and recurring revenue components of your subscription business… Once you acquire a new customer, you get recurring revenue, which means you don't have to worry about one-off sales every month."

In this context: existing Employers that you make commission dollars on monthly





- What's interesting about this graph is that it illustrates just how hard it is to grow MRR as a percentage of base MRR each month, especially as base MRR grows.

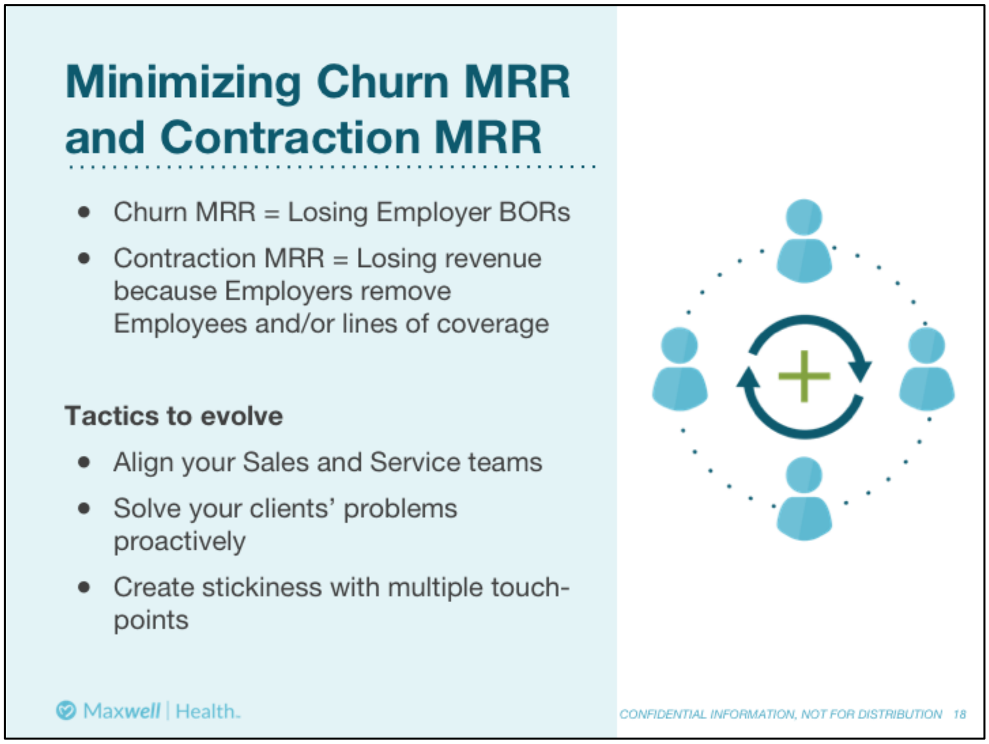
- It also illustrates just how important minimizing churn and contraction is as a core component of MRR growth because it's generally harder to win new clients than it is to keep existing clients.

MRR Growth

MRR Growth = New MRR + Expansion MRR - Churn MRR - Contraction MRR

For benefits consulting firms:

1. Contraction MRR = Losing revenue because Employers remove Employees and/or lines of coverage
2. Churn MRR = Losing Employer BORs
3. Expansion MRR = Growing revenue because Employers add Employees and/or lines of coverage
4. New MRR = Winning new Employer BORs



NOTE: Speak about Churn MRR and Contraction MRR

It's important to create a good foundation within your book of business to build off of. This isn't about playing defense from competitors either, this is about playing offense. Your current clients can be your best sales asset – there's nothing like a client reference to convince a prospect to to partner with you.

Your sales and services teams should be completely aligned: Sales should be setting up services for success and vice-versa

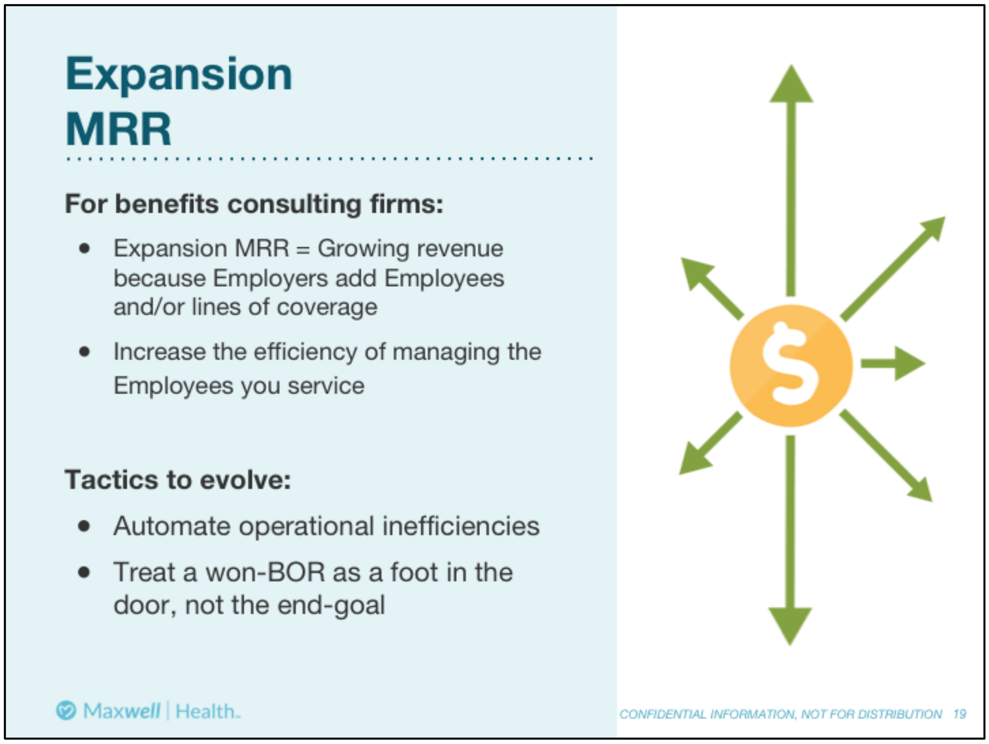
- Not every prospect is created equal, so be purposeful when developing a pipeline, and get specific about your target personas. Make sure that you're building target personas for your sales team that will set your service team up for success. Once you have identified the right prospects, look at your current book of business and consider moving on from customers that you can't serve effectively, or customers that you're losing money on because of resource demands, or customers that treat your team poorly.

- Your services team should be incentivized to foster relationships with clients will shout your praises – and be rewarded when their referrals result in new opportunities. Perhaps Account Managers should be compensated when their clients bring referrals, or when a conversation between a current client and a prospect results in a new BOR.

How do you create reference ready clients? **Solve your clients' problems proactively.**

- Don't wait for another broker to come to your clients with a better solution, or for them to ask you. Go to your clients with solutions before they come to you to solve a problem.
- You never want to be in a position where a producer can walk away with half your book of business and start a competitive agency. Your clients should feel like they'd be leaving a firm in which there are multiple people dedicated to their success beyond a single producer or renewal.
- Open enrollment is one problem, but they have problems year-round. Make sure they have resources to solve their problems without having to reach out to your team.

Get to the core of the issue: **your clients are employers, so their problems are their employees problems.** Your solution should address their needs, too. Not just HR.



After you've protected your current client base, you need to optimize it. There are two ways to vastly increase your margins on your current book: Drive down the cost per-employee you service, and increase the amount you make on every employee. **Your goal should be to generate more revenue without taking on more cost.**

There are two ways to do that: Drive down the cost per employee you service, and drive up the revenue you earn per client.

•**Solving a problem shouldn't mean more work for your team or your clients.** Leverage automation and self-service tools to eliminate mundane, repeatable tasks for your team. If you have someone dedicated to carrier forms, or enrollment forms, or ancillary quoting or spread sheeting, look for tools to automate as much of that process as possible. Those technologies are baked into Maxwell, and they're cheaper and more accurate and more consistent than a human ever could be.

- Other Examples: Mailchimp and Persist IQ for email automation, Salesforce for CRM, Todoist for a task management system.

- If people on your team are doing a job that a technology could do better, look at ways to automate it, and let them focus their brain power on more challenging problems. That's going to result in a better career satisfaction for your team, and a better experience for your clients.

Driving up the revenue you earn per client starts by treating a won-BOR as a foot in the door rather than the end of the road. You should be looking for cross-sell opportunities, and voluntary benefits are an easy way to make that happen.

- Consider this statistic: 36% of employers offer a voluntary product, even in the age of high deductible health plans. That means a lot of risk for employees, and a lot of opportunity for benefits advisors.

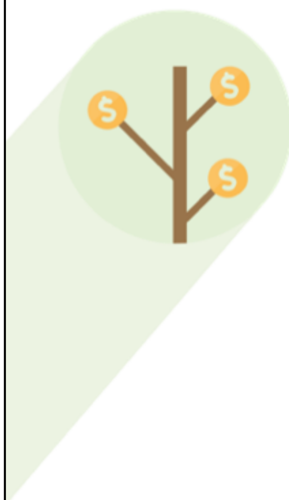
- Maxwell Health has already done deals with carriers so that you can seamlessly integrate ancillary products into the benefits strategies you deliver, all within a super intuitive enrollment experience for employees so that they know what they're being offered and how their products work together. The Marketplace products have commissions baked in, low or no minimum participation requirements, free EDI connections which are live day 1, and an intuitive quoting system for brokers so that offering these products isn't any extra work.

Example: Voluntary Benefits

Only 36% of employers currently offer a voluntary product such as critical illness, telemedicine, or accident insurance, and **only 10% offer all three**

What if voluntary benefits were a critical piece of the puzzle rather than a complicating factor?

Adding Lines of Coverage



- For a 100 life group with additional lines of coverage, the monthly premium per enrolled employee could *potentially* be up to $300, which would equate to **$37.50** per employee per month (PEPM) in commission for you (an increase of 30% over the average)

- At an average of 25% participation across 11 voluntary lines, this would equate to approximately **$1,028 in total monthly commission for that client as a best-case scenario**

Adding Lines of Coverage

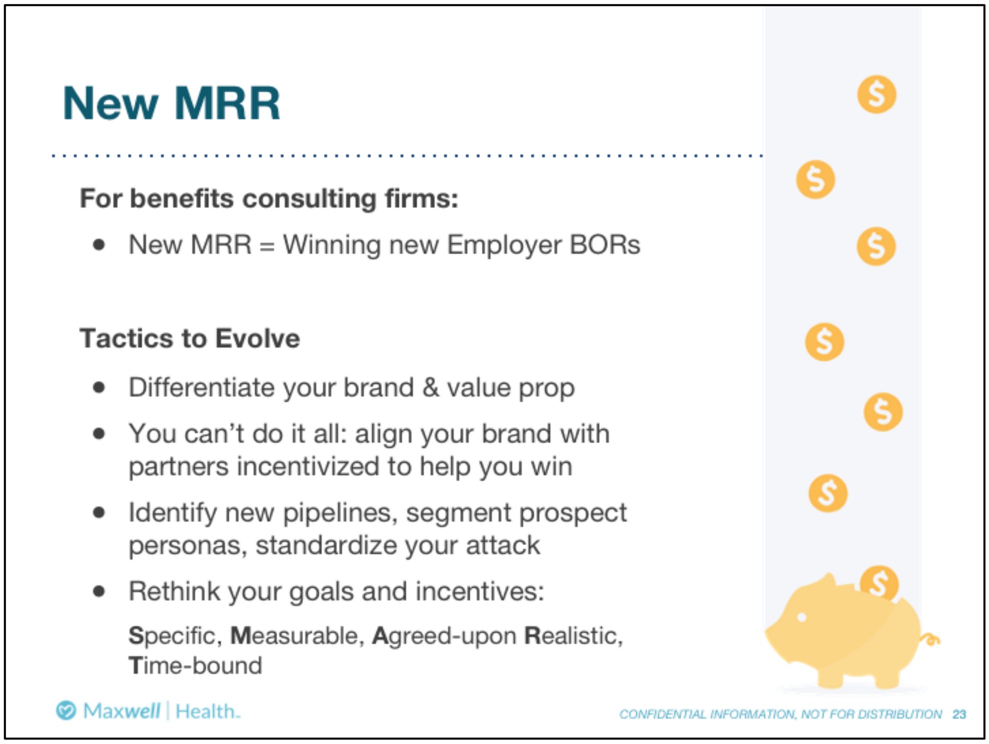
Product	Premium PEPM (Enrolled)	Commission Level**	Monthly PEPM Commission	Estimated Participation Levels	Total Monthly Commission
Basic Life	$5	15%	$0.75	100%	$75.00
Voluntary Life	$13	15%	$1.88	25%	$46.88
STD	$24	15%	$3.60	25%	$90.00
LTD	$21	15%	$3.13	25%	$78.13
Dental	$133	10%	$13.33	25%	$333.33
Vision	$15	10%	$1.50	25%	$37.50
Critical Illness	$28	15%	$4.20	25%	$105.00
Accident	$21	15%	$3.13	25%	$78.13
Hospital Indemnity	$25	15%	$3.75	25%	$93.75
Telemedicine (with Teladoc)	$3	15%	$0.46	100%	$45.75
Identity theft protection	$9	20%	$1.78	25%	$44.58
TOTALS	$296		$37.50		$1,028.05

Maxwell | Health

The point here is that these things add up.

These are just some of the commissions and products available on our marketplace. You don't need to add everything, different products make sense for different groups,

Context for this: explaining the potential of what the MKP adds. Every dollar is incremental growth - this is easy margin to be adding.



I bet a lot of you grow through referral-based business. That's important, but it alone is not a sustainable strategy to grow in a selling environment that has changed so dramatically.

Differentiate your value proposition and market positioning:

- Your clients mainly care about the impact you're going to have on their organization. Marketing is not about you, it's all about your client. Start there.

You can't do it all: Find partners incentivized to help you win.

- Your competition -- the Zenefits, Namelys, and Gustos of the world -- are sales and marketing machines in the small group market, and they lead with technology. Where benefits advisory firms ultimately win is through your bespoke service and expertise, but in order to get in front of the same prospects, you need to hitch your wagon to a technology solution, a brand, and a modern experience that can compete and that sets you apart.
- Choose a technology partner that is incentivized to help you win. It costs money to implement a client on a new system, you need to make sure you get a positive return on that investment. "All you can eat" tech contracts are designed in the hopes that you'll buy a system and not use it. Ours is the opposite. You invest in us, and in return, we invest in you. Our marketing team helps you redesign your brand, your website, and your messaging. Our sales team will run demos for you and helps your team sell. They win 50% of every deal we're put in front of. We can help you win and we're incentivized to do so.

Identify “green space” pipeline, segment prospect personas, standardize your attack.

- The quickest way to cut sales cycle time is to get purposeful about your prospecting. Developing buyer personas is the first step. Start with your current customer base, and identify the demographics that determine their behavior patterns, motivations and goals. You cannot approach every prospect in the same way, but you can standardize your approach for segments that behave similarly.
    - One of our clients realized realized a green space opportunity amongst the doctor and law offices in their area, in that these employers have similar demographics and benefits needs. They standardized best-in-class benefits packages for them, leveraging our Marketplace, and delivered the products within a technology platform that would solve their HR problems and confusion for their employees.
    - As a result, they have cut their sales cycle in half and identified hundreds of thousands of dollars in new pipeline opportunity.

Rethink your Goals and incentives

- Set aggressive, but SMART goals and hold your team accountable to them on a monthly or quarterly basis. Post them publicly, and tie bonus compensation to hitting your goals.
    - Specific
    - Measurable
    - Agreed-upon
    - Realistic
    - Time-bound
- Segment your sales team to achieve your goals as an organization.
    - Maintaining a healthy sales pipeline is often one of the toughest challenges an agency faces, followed closely by renewal business. It might make sense to segment your sales team to think about these actions differently.
        - Keep your sales team hungry by having producers focus on new business, and perhaps paying out commissions for closing new deals up front, not over time.
        - For producers that have longstanding relationships with current clients, align their incentives towards deepening those relationships by focusing on voluntary cross-selling and renewals.

Thank You

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