



Clement F. Shearer  
EDA Micro-Grant Program

Client Application/Information

Business/Organization Name: Sonja Ziemann Agency Farmers Insurance

Type of Business: Insurance

Business Owners: Sonja Ziemann

Contact Person: Sonja Ziemann Title: Owner/Agent

Phone: 507.581.1096 Fax: 952.300.9595

E-mail Address: sziemann@farmersagent.com

Yearly Sales: \$ See attached No. of Employees: 0 Average Wages Paid: n/a

Employee Benefits Offered: n/a

Have you utilized the Micro-grant Program in the past? No, I have not.

Amount Requested: \$ 5000 What type of assistance is needed?

Funds for a marketing, part time employee and relocation project.

What is the expected impact of the assistance? How will you evaluate this impact?

My plan should return at least 25% increase in new business.

Have you contacted the Small Business Development Center or SCORE for these services? No

Have you identified a consultant/organization willing and able to provide assistance? Yes

If Yes, please provide the name and address of the provider and the cost of the assistance.

CJ Whillock of Northfield Enterprise Center

Client Signature

Sonja Ziemann

Date

10/05/2017

I'm a proud business owner in Northfield, MN. Northfield isn't my hometown but I sort of feel like it has been. My grandparents moved here in 1981, when I was just seven years old. I used to spend weekends in Northfield with my family, visiting my grandparents and went to many concerts, games, and DJJD parades. I always told my grandma, when I was a young child, I wanted to go to St. Olaf when I grew up! When I was a sophomore in high school, I visited St. Olaf and wanted to apply then and there. I applied through the early decision program through St. Olaf my senior year, and enjoyed every minute of the challenge of that college. While at college, I received a Finstad Grant for studying the feasibility of opening a music store in the Northfield/Red Wing areas. It was the mid to late 1990's and the internet was really starting to take over about that time, and also larger music stores, from surrounding communities were dropping off supplies at the schools and repairing instruments. It would have taken a lot of money to get started too, so I put it on the back burner, but never left Northfield. I worked some outside of town until 2001 when I took a job with another insurance agent in Northfield and then bought my own home in 2002. Over the years I have participated in BNI, Lions Club, helped in the schools and many music organizations including: the Northfield Community Band, Cannon Valley Regional Orchestra, and LeDonne women's choir. I've also directed church choirs and taught Sunday school in the area, and even been an election judge.

In 2007, I decided to take on my entrepreneurial adventure, and start my own insurance agency through Farmers Insurance. I worked out of our district office until I rented my first office here in Northfield in 2008. I had my office on Professional Dr and later moved downtown. That downtown office, the past four years, has been in the lower level of the Nutting Block Building with no large signs or outside windows. I also wanted to expand and since they wouldn't allow more signage and I didn't have enough space there I recently moved our office to 1066 Hwy. 3 S.

This grant will enable me to better protect clients in our community, and in turn, really grow my business! Since I took the first step and moved to a larger office to begin that growth, I would like to also add a part time position to help with the growth by paying someone to work about 5-7 hours per week. This would cost me about \$3,500. I would like them to help me expand on what I have started with in regards to social media including Facebook contests and ads, Twitter, LinkedIn, a

new blog I'm planning to start, and some other marketing. I also plan to spend about \$3,000 on the actual extra marketing costs through ad placement and working with a social media company to get this accomplished.

Since we just moved, we also are going to need to spend about \$2,800 on the new signage for our office, which includes the signs, installation and city permit fees. Our office is supposedly in the highest travelled stretch of road in Northfield, so this should also help people connect our office with the additional marketing, and bring in more clients. We also plan to expand our marketing through mailing postcards about our products and agency. It will be through the EDDM (Every Door Direct Marketing) focused in the Northfield area, and they will receive several postcards over a span of 6-8 months and will cost about \$4,400.

Last, but not least, with all the breeches of security and keeping clients' information safe, our company has required we upgrade our computers to include certain protection. We want to keep our community safe and secure and also keep our clients information safe and secure, which will cost about \$1,950.

In summary, between the office move, adding a part-time staff person, and all our marketing planned for the next 12-18 months, I am planning to see an increase of at least 25% in new sales. I am looking forward to moving everything forward with my business and this grant money will allow me to: add part time staff, work with more community businesses, and of course write more insurance to ultimately protect more local families!

## **Project Costs for 2017-2018**

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|--|---|
| Signage for new office                         | \$2800 (for sign, permit and installation of all)                           |
| Two Computers (updated for safety of clients)  | \$1700 (\$850 x 2)  |
| Software                                       | \$ 250 (Microsoft office \$125 x 2)   |
| Improved online presence/Social Media Contract | \$3000 (blog, fb contests, LinkedIn etc)                                    |
| Office employee for creating leads & follow up | \$3500 (to run social media campaigns<br>\$10/hr x 50 weeks x 5-7 hrs/week) |
| <u>EDDM Marketing Plan</u>                     | <u>\$4400 (see attached quote)</u>  |
| <b>Total</b>                                   | <b>\$15,650</b>   |
| <b>Grant</b>                                   | <b>- \$5000</b>   |
| <b>My personal investment</b>                  | <b>\$10,650</b>   |

## Business Plan

The Sonja Ziemann Agency offers insurance through multiple companies but mainly through Farmers Insurance. Our agency started in 2007 and relocated to Northfield in 2008. The agency offers many insurance services including, but not limited to: Auto, home (including homeowners, renters, condo and townhome), life insurance, business insurance, pet insurance, and the fun property like snowmobiles, golf carts, motorhomes, etc.

We are able to solve many problems for people from comforting them in time of need to covering the replacement of income with life insurance if someone dies unexpectedly. We also protect property in the event of a loss such as a fire or even theft and/or vandalism. In addition, we protect against liability losses and fulfill loan requirements with proper coverage on autos, homes and other personal property.

Our top features of our products include a brand new home policy that allows the customer to pick and choose what coverage best fits their situation. We offer full reviews so they are educated on what they purchase and can make the right decision for them. We also provide insurance to protect your pets from illness and injury. In addition, we have one of the best claims departments, so if you do have some unfortunate event happen, you can rest assured you will be taken care of and we are right there willing to work with you, and the claims department, to be sure you are satisfied with your claim.

The activities that drive our revenue include the movement of people. This happens either when they decide to move to a new city, buy a new or previously owned home/auto, and/or if they are upset with their prior insurance company or agent. We are happy to sit down and go over the policies they have currently to be sure we give them equal or better coverage at a fair price. If we can't help them we even make suggestions and educate them further so they are better off in the end for taking the 20 minutes or so to go over their insurance.

Why should the people of Northfield (and throughout MN) buy from us? Sonja started her own agency because she loves to help people prepare for what could happen and assist them in their worst time of need. After the 2006 Northfield hailstorm she looked for a company that stood out by paying claims and was prompt at helping clients, one she'd be proud to represent. She started with a laptop, cell phone, and internet wifi (something quite new back then) so she could go to our clients. She built her agency up from scratch right in the middle of the worst economy since the crash of 1929. We work weekends and evenings (the late and off hours when people are available). We go to see people at their homes and workplace to assist them. If you need to leave a message for us, even on the weekends, we return it as quick as possible. Over the years, she has been communicating through phone, email, mail, and especially, quite a bit more lately, through text messaging, Facebook, and LinkedIn messaging.

The Ziemann Agency path to customers includes a variety of methods including almost 10 years of membership of BNI (Business Network Int'l) Rice River Referral chapter here in Northfield,

referrals from a health insurance agent here in Northfield, referrals from clients, friends, and family, throughout Minnesota, and ads on facebook, or other online social media. Our goal is to get about 40-50 leads per month to run quotes from.

Insurance is the pooling of everyone's money in the event that if a loss occurs, we have adequate money to pay out our claims. Farmers started in 1928, and after the Great Depression they were one of the only companies that were able to pay out claims. Some companies at that time had to give out IOU's to their customers. Our company, and also our agency, wants to have the majority of our customers reliable and able to pay their bills. We prefer people that understand, or are willing to learn, about insurance and are appreciative that coverage exists, and aren't going to take advantage of it for their own profit. We are willing to give extra discounts to certain occupations because due to studies, our company has found certain occupations to be better risks, so they are able to offer them extra savings on their insurance. (Military, Teachers, Doctors, Engineers, Police and Firefighters, etc.)

Also, since we love to educate and share about insurance, we like to work with younger people on the importance of getting your license and also teach first time homebuyers the first steps about homeownership and buying new homes.

Basically at my agency, there are a few income streams. Our main income comes through Farmers Insurance. We also offer other products through companies connected to Farmers and then I am also a contracted licensed agent with AFLAC where we help individuals with supplemental health insurance products both for individuals, and through businesses in the area.

People who are short on funds or don't see the value of proper insurance through a licensed and trained agent often just see price as the most important part of choosing insurance. Oftentimes TV and other advertising of certain insurance companies lead them to think that way, without even realizing it. Looking back, I think my biggest competitor is the internet and advertisement of "cheapest is best" and this is the largest hurdle we fight. Also, the smaller companies that are only in a few states, that don't have the risk that our company does, also can be competitive but often undercut coverage that we offer. Some don't even cover all the perils that we do, but it is our job to teach clients and show them these differences. Other local competition here in town includes local independent agents, American Family, and State Farm in addition to internet companies like GEICO and Progressive.

We would like to expand our business networking with more realtors, mortgage brokers and others in the community and throughout MN to get more referrals in the next year. We have a program we plan to implement to help them get more referrals and in turn want them to share their other clients with us to get more insurance policies.

I am currently the owner operator of my agency. As I stated earlier, I have been helping people through my agency for the past ten years. We are currently located at our new storefront office at: 1066 Hwy 3 S., and are open Monday through Friday from 8:30-5PM. During the

evenings and weekends, since I use my cell phone as my business phone, I am able to pick up my calls, texts, and emails, check voice messages, run appointments and file claims as needed to help my clients rather than sending them to our call center. Our clients appreciate that!

Our clients realize you can purchase some things online, but many don't understand insurance enough to shop online for it alone. They do research online and then come to us and we point out coverage and other parts to the policy they don't learn about online by themselves. There are some call centers people use, but since you don't have one specific person to continually work with, people get frustrated having to share their information over and over again. They want one agency to turn to, that they can trust when they need to add a vehicle or change their address. Also they want to pay a reasonable price for good coverage (not extreme overpayment) but will pay slightly more to have our advice. They also would like a one-stop shop to offer many products so they don't have to work with several agents. Finally, when something does happen from a minor fender bender, to a home fire, they want us to help them work with the claims adjustor to be sure they are taken care of. Afterall, isn't that the real reason why we all buy insurance?