



AN INTRODUCTION TO

# THE BUSINESS OF RUNNING A FIELD INSPECTION BUSINESS

## WELCOME

This training is all about you, the commercial insurance field inspector, and was developed in response to numerous phone calls and emails requesting information on how to build a successful business. This course is a compilation of fundamental skills designed to help you succeed by building your reputation as a professional inspector.

Professionalism converts into real-time, tangible revenue. Your reputation is your income in field work. Reputable vendor companies seek out professional inspectors and will pay higher rates to work with reliable, professional field personnel.

If you're serious about building your business, this course is for you.

## **Who should take this training?**

This training was developed specifically for commercial insurance loss control inspectors. It is tailored toward commercial lines and refers to businesses and commercial exposures. Many of the principals outlined in this course are universal and can be applied not only to commercial insurance inspection work, but also to other field work professions.

This course is specifically designed for the field inspector with some experience who is searching for ways to grow his or her business. The principals and concepts presented are developed to help you shift your mindset from that of “employee” to that of “business owner” and “entrepreneur.”

New inspector? Welcome! You are in the right place! Experienced inspector? We have some great training tips and tricks to benefit you as well. Retired and looking for a flexible, part-time income? Field inspection work might be the right fit for you.

Insurance field inspection is a great opportunity for those looking to start an independent business with little upfront investment. This course, coupled with technical inspection training, will provide a solid foundation to anyone just starting their business journey.

## **What this course is NOT**

This course will NOT teach you the technical inspection skills needed to become an insurance inspector. You will NOT learn how to determine construction classifications or how to identify hazards or assess risks.

The purpose of this course is to teach you the professional customer service and business-building skills needed to operate and grow a successful field service business.

## **What topics are covered?**

This course is divided into three sections. Topics covered in the FREE INTRODUCTORY MODULE are a back to basics refresher, or Quick Start Guide, and include:

100: Introduction to The Business of Running a Business

101: Establishing a Business

102: Setting Up a Home Office

103: Startup Supplies

104: Dress for Success

## **UP NEXT: 200 Modules – Doing the Work**

The paid portions of this course are divided into two separate sections – Doing the Work and Running a Business. To get the most out of this course, it is recommended you take both sections, sequentially.

The 200-modules are aptly titled Doing the Work, and cover the following topics:

- 200: Introduction to Doing the Work
- 201: Hardware, Tools, and Equipment
- 202: Software and Apps
- 203: Calendaring
- 204: Phone Etiquette
- 205: Completing the Inspection

The 300 Modules are all about Running a Business (thus the name):

The 300-modules, Running a Business, teach the hard skills, habits, and systems that form the backbone of your success:

- 300: Introduction
- 301: Reporting
- 302: Recordkeeping
- 303: Organizing Vendor Information
- 304: Metrics
- 305: Sourcing for Work

## **Your road map to success.**

This course literally provides a road map for your success.

Hidden gems inside these modules include:

- Speaking confidently and credibly with insureds
- Pricing your work
- Business tax deductions
- Expenses and documentation

and MUCH more!

No more trial and error.

## **Success is a mindset.**

The first concept you should absorb, right now, is simple:

*You cannot succeed as a field consultant  
if you think like an employee.*

You are a business owner. You must think like a business owner.  
Your vendors and clients expect you to act like a business owner.  
Your success is your responsibility.

Field consultants are everywhere. If you don't distinguish yourself from the crowd, you will receive standard or low paying work that presents no challenge. Vendors will not seek you out. It is up to you to develop the professional skills and knowledge that

will attract challenging, profitable work from reputable vendors and private customers.

### **Why are these skills important?**

- You are a business and must shift your mindset to think like a business owner.
- Time is money. Welcome to the Gig Economy!
- Independent thinking is critical to your professional success.

Anyone can check boxes on a form. You need to know when to dig deeper.

Reporting skills are KING! You must learn to tell a story.

Every report is a narrative, and the report is the crowning glory of your work. You are an entrepreneur. It is up to you to generate business, provide a quality product, and deliver a timely service. You are 100% responsible for your success and your income.

## Who is your instructor?

[Lynn Simmons](#) is the owner of [Commercial Risk Management of Kansas City, LLC](#), an independent safety and risk management consulting company serving the Midwest region. She began her career in insurance and law over 25 years ago. In addition to her Missouri insurance license, she has completed OSHA-36 Train the Trainer coursework, achieved her Occupational Safety & Health Professional designation, and is registered with the State of Missouri Department of Labor Worker Safety Program as a Certified Safety Consultant. Lynn approaches risk management and safety from an educational perspective. She strives to educate business owners on risk and safety factors that impact their bottom line. After all, when business owners win, everyone wins.

# THE BUSINESS OF RUNNING A BUSINESS

## 101: ESTABLISHING A BUSINESS

### Establishing a Business

Most reporting companies contract services only with business entities. Your first decision, then, has to be which entity is best suited to your needs. Limited liability companies and S-corporations are common entities for field consultants. This is a decision you should discuss with an attorney, accountant, or other trusted advisor. Your choice may have a substantial impact on your tax liability obligations and should not be taken lightly.

### What's in a name?

Before you register your business, you should consider a name. This may be your name or you may establish an independent company name. This is wholly at your discretion, with the following caveats:

- (1) Choose a professional sounding name, and
- (2) Check the availability of a matching web domain before registering the business name.

If you create a website or an email address, you want it to be professional. You will be communicating with both customers and insureds. Far too often, we see emails such as [hotbuns@email.com](mailto:hotbuns@email.com). This is never appropriate, and is a direct reflection on your professionalism.

NOTE: Some vendors prohibit direct email communication between loss control consultants and insureds. A few provide field consultants with an email through their company domain. It is up to you to know your customer's rules and requirements with regard to email correspondence between consultants and insureds.

Practically speaking, you should limit email communications as much as possible. When you do use email, communicate clearly and convey only the information necessary. Be professional. Never represent yourself as an employee of the insurance company or vendor; rather, you are a representative of those companies.

## **Registrations and Licenses**

Once you have decided on the form your business will take, you need to complete the appropriate Articles of Incorporation or Articles of Organization and any additional documentation required by your state to create the business entity. You may be required to obtain a city, county, or state business license (or a combination of more than one). It is up to you to research these items and ensure you have filed all required documentation and obtained the appropriate licenses and/or permits.

Once you have completed the documents, you will need to pay any necessary filing fees and file the paperwork with the applicable agencies.

## **Taxpayer Identification Number (TIN)**

Once you have created the business and received your state registration certificate, you will need to apply for a [Taxpayer Identification Number \(TIN\)](#). This application is available from the [Internal Revenue Service](#).

This is the number you will provide to your customers via [form W-9](#) in lieu of your social security number. Your payments will be linked to this number. You will want to provide this number to your accountant and your bank.

## **Business Banking**

After you have created your business and obtained your taxpayer identification number, you will want to set up a new business checking account. It is important to have a dedicated business account to keep your business revenue separate. You can pay yourself a draw or a payroll check, depending on how you have set up your business, but all deposits should be routed into your business bank account.

Be prepared to provide your bank with a copy of your organization or incorporation documents as well as a copy of your TIN issuance letter from the IRS.

Sign up for direct deposit whenever it is available from a customer to receive payments more quickly and create steady cash flow.

## Insurance

You should discuss your insurance needs with your agent to assure you have the proper coverages in place to protect you in the event of a claim.

**General Liability.** You will want to purchase a commercial general liability policy for your business. This is generally a few hundred dollars per year and affords you standard general liability coverage.

**Automobile.** You will also want to check your automobile coverage limits to verify they are sufficient for your needs. You may or may not require a commercial auto policy, and your insurance agent can advise you of the proper coverages for your business needs.

**Cyber Liability.** Cyber liability is a growing concern for all businesses and small businesses can be easy targets. You will want to discuss this protection with your local agent.

**Errors & Omissions.** Some companies may require that you carry E&O insurance. Many will not. E&O tends to be significantly more expensive than general liability or automobile coverage and you will need to determine whether or not this coverage is required for your business. This is not “standard” coverage for all inspectors.

Two potential providers are listed below, although CRMKC does not endorse any provider of E&O or other coverages.

- <https://orep.org/mortgagefieldservices/>
- <https://www.inspectorproinsurance.com/>

### **To web or not to web?**

Optional, but recommended, is that you establish a web presence. This may be a single page site used mostly as advertising or a blog, or it may be a full-fledged website. Your web presence represents your vision for your business and allows people to find you. Your website may be as simple or as developed as you choose. There are any number of affordable, DIY design platforms available for creating a website, or you may opt to pay a designer.

Optional, but strongly recommended, is that you set up a paid email account with a professional email address. Remember our hotbuns example. You don't want to be that person.

## **Congratulations!**

You now possess the basic skills and knowledge to create your business:

- Consult with an attorney and/or tax professional to determine the proper entity for your business.
- Register your business, obtain the proper licenses and permits for your area, and obtain your taxpayer identification number.
- Open a business checking account.
- Consult your insurance agent to assess your coverage needs.
- Establish a web presence.

# THE BUSINESS OF RUNNING A BUSINESS

## 102: SETTING UP A HOME OFFICE

### Setting Up a Home Office

You will need to decide if you will set up a working office in your home or if you will simply work off your laptop, in a corner of the bedroom, or sitting in front of the TV at night. Everyone is different, and the choice is yours. If you plan to build a successful business, you should carve out some dedicated space somewhere in your home to work. The IRS has very specific requirements regarding home office deductions and you will want to be able to prove the validity of your home office deduction if you are ever audited.

### Home Office Tips:

- Assure good lighting over your work area
- Keep your frequently used items close at hand
- Create systems to keep yourself organized
- Get a desk with a keyboard tray so you can work comfortably
- Invest in dual monitors
- Purchase a supportive chair
- Purchase a printer

Dual monitors are often considered a luxury when they should be considered a staple of any office. Having multiple documents and browser tabs open is a way of life; being able to view

multiple windows at one time will make you much more efficient.

As a loss control consultant, setting up an ergonomically friendly home office also allows you to lead by example, as you may find yourself conducting ergonomic evaluations in the field.

## **Organizational Systems**

Three-ring binders work well for tracking your work orders. You should have one binder for UNSCHEDULED (new) orders and one binder for scheduled APPOINTMENTS. Your Appointments notebook should be tabbed Monday through Friday. Your Unscheduled notebook should be arranged by due date.

Binders are great for organizing and keeping documents at your fingertips, but you may wish to use file folders or desk trays. Find what works for you, and develop a system. Create separate files for marketing, taxes, receivables, continuing education, workflows and processes, and templates.

## **Scheduling Call Time**

We'll talk about calendaring in a later module, but you should schedule time on your calendar for phone calls. Set aside at least one morning and one afternoon each week to make phone calls and schedule appointments.

As a solopreneur, you will also need to field calls while in the field. You should develop a system of responding to calls, whether that means padding time between appointments, building in an extended lunch break, or creating time before or after the day's field appointments.

### **While in the field ...**

It's a good idea to carry a paper calendar or a printed copy of your electronic calendar with you in the field. Having a paper copy to refer to while you are on the phone is usually easier than juggling a speaker phone conversation while trying to access your calendar – many a call has been dropped this way. Alternatively, you might carry a tablet and access your calendar on that device.

Whichever you choose, be consistent.

Keep it simple. Remember that tech isn't always convenient in the field where you will climb ladders and juggle clipboards, cameras, and flashlights.

Update all appointments at the end of every day.

**If it's not in the notes, it didn't happen!**

## **Back at the office ...**

The most important thing to remember when setting up your home office is that it must be functional. It must work for you. Everyone is different. You might have music or the TV playing the background. Some may want a standing desk, exercise ball chair, filing cabinet, or credenza. Others may need nothing more than a couch and tabletop surface for a laptop.

What matters most is that the space is organized and efficient. Comfort matters, but is secondary to organization.

## **Your office, your rules.**

The key is to make your space as efficient as possible, and as welcoming as possible. You will spend a lot of time drafting reports. Efficiency is vital to making money as a field consultant.

## **Children, dogs, TV, oh my!**

Be aware of your environment. Remote work is now common and most people will understand if you are at home with a sick child or even that you work from a home office. Occasional blips happen, but don't allow yourself to be complacent. Try not to make phone calls out in the open where your children and dogs can be overheard in the background. All of these things are a reflection upon your professionalism.

If you know you're going to be on a client call or important conference call with a vendor or broker, take the dog outside or remove yourself to a quiet environment. Likewise, if you are on a conference call, don't eat, chew gum, or participate in other noisy activities without muting your phone. These interruptions are annoying to all participants, and the host of the call can usually identify where the noise is coming from. More than one inspector has been singled out for counseling due to this sloppiness.

## **Congratulations!**

Things to consider when setting up a home office include:

- Physical environment
- Office equipment and ergonomics
- Organizational systems
- Scheduling calls
- Differing needs between office and field environments

Always think about your audience. Who are you speaking to? Respect their time and attention. Value your business relationships. Strive to deliver excellent customer service.

# THE BUSINESS OF RUNNING A BUSINESS

## 103: STARTUP SUPPLIES

### Startup Supplies

You are in business to provide professional services. You will regularly interact with business owners and executives. You will visit construction sites, bars, Fortune 500, and international corporations. You need a business card. This can be a very simple card, with your name, phone number, and email address, or it can be more complex, depending upon your preference. It is a bit old-school, and it is still relevant. You need to be able to pass a tangible item from your hand to another person's hand. You need to be able to leave them with your contact information. This is one of the easiest ways to present yourself as a professional.

### Business Cards

A printed card is higher quality than those printed at home on office supply perforated templates. The card is sturdier and looks clean and professional. It is an expense, but there are several inexpensive options available ([www.vistaprint.com](http://www.vistaprint.com)).

Do not worry about design and color or get hung up on the technicalities. A plain white card with standard black print in an easy-to-read font is sufficient. This is not the time or the place to spend a lot of money. You can expand upon the design at a later date, as you grow your business.

Nearly all vendors want you to carry their company business card. Some will provide the cards so all you have to do is carry them. Others instruct you to purchase perforated cardstock and print their cards on your dime. It's your choice, but vendors who cannot provide a company ID or business cards do not have the right to "require" you to spend money and resources printing their cards.

If you carry a vendor's card, be sure to write your name and phone number on the card. This allows the insured to contact you directly with any follow up information, or to provide your name and number to their local agent, if they choose to do so. Alternatively, you may carry both your card and the vendor's card, although that can get confusing.

## **Identification**

You should carry ID with you at all times. Many vendors will provide you with an ID or business cards. In addition, I suggest you have your own business card laminated and hole-punched to wear on a lanyard. It's easy to keep around your neck, tucked away if you don't need it, but easily accessed if you do. Preferably, this card should have your photo on it. You can likely upload a digital headshot on the back side of your card for this purpose, or you can get a passport-style photo taken for this purpose. Don't overcomplicate it, but always be prepared to present ID when in the field.

## **Supplies**

You will need some basic business supplies to get started. Most inspectors still carry printed forms into the field, but some work on tablets or laptops. This is a personal preference. Carrying printed forms into the field allows you to take them anywhere and alleviates the risk of drops, spills, or lack of internet connections. Printer paper, pens, and a hinged clipboard will get you started.

## **Laptops and Tablets**

There are times you will want to take a tablet or laptop into the field. Certain carriers have secured forms that cannot be printed. It may be easier to carry a tablet or laptop into the field for these interviews and complete the form online. Alternatively, you may want to take the time to create your own checklist for completing these forms, and carry the printed checklist into the field. This requires extra time and effort on your part, but can pay off repeatedly by saving time and frustration in the future.

## **Cameras**

We'll talk about equipment and tools in a future module, but be aware that you will take a lot of photographs in the field. Many consultants take photos on their smartphones while others continue to take photos with a point and shoot camera.

Carrying a camera requires you to juggle one more piece of equipment in the field. It also requires you to maintain SD/XD

photo cards and batteries. There are two distinct benefits to carrying a camera:

- (1) It preserves your smartphone battery, and
- (2) A standard point-and-shoot camera is much less expensive to replace than a smartphone.

Drops and spills happen in the field. Only you can decide if you are willing to risk your \$500 to \$1,000 smartphone every day.

That said, technology is ever-changing. Mobile apps already exist and are widely used in the residential sector. The day is coming where vendors will develop their own mobile apps and require you to use them. Some vendors already have apps; others are in various stages of development. Early reports at this time are that the apps may actually slow inspectors down in the field, as you have to upload and tag each image as you take it. Time will tell how this technology impacts the field inspector.

## **Time Tracker**

Download a timeclock or time tracker app on your phone and use this tool when billing time and expense. There are many easy-to-use, free apps available that help you track travel time, site time, reporting time, and expenses. This can be a valuable aid in preparing an itemized invoice for your customer.

## Mileage and Tolls

- Download a mileage app on your phone or purchase a simple mileage log to leave in your car. Your mileage can represent a substantial tax deduction at the end of the year. Get in the habit of logging your mileage right away.
- Charge TIME for your travel, rather than requesting reimbursement for mileage. This allows you to deduct the mileage from your taxes at the end of the year.
  - If you have a local gas station with a rewards or points program, try to fill up your tank at the same location (or franchise) as often as possible to maximize discounts on your gasoline expense.
- If you will frequently travel toll roads, think about getting a toll pass. This will save you time on the road, the inconvenience of having to make sure you have cash on hand at all times, and will likely earn you a discount on the toll charges.
- Maintain your receipts!

## Business Credit Cards

It is wise to maintain one credit card exclusively for business use. You may be asked to travel on behalf of a vendor and be required to stay overnight at a hotel. Most companies require you to pay for expenses (hotels, meals, tolls, parking, etc.) and submit those expenses for reimbursement along with your report.

A few tips for successful credit card usage are:

1. Use the card only for business expenses.
2. Pay the card in full each month or, alternatively, when the expenses are reimbursed.
3. Choose a card with reward points that benefit you whenever possible.

## **Congratulations!**

Consider the following list as basic supplies and keep your investment to a minimum:

- Business Cards
- Identification
- Basic Supplies
- Laptops and Tablets
- Cameras
- Mileage and Tolls

# THE BUSINESS OF RUNNING A BUSINESS

## 104: DRESS FOR SUCCESS

### Dress for Success

Most vendors have a dress code that is covered during their onboarding or new inspector orientation program. Many require that you maintain a minimum of business casual dress when in the field. It is up to you to know your vendor's requirements.

The guidelines here are generic in nature and will aid you in erring on the side of caution. The insurance business remains a very conservative and traditional industry. You can rarely go wrong with business casual.

If you do not have a strict dress code, dress for the exposure. If you are going to be on a construction site, jeans may be appropriate. If you are meeting with the VP of a Fortune 500 business, dress slacks may be more suitable. Khakis tend to work for more casual exposures. Formal dress is rarely, if ever, required and, if it is, your customer (the vendor) should provide you that information in advance.

## **Minimum Male Dress Code Standards:**

- No athletic wear
- Khaki, blue, or black slacks
- Dickies or Uniform Pants
- Collared shirt – Polo or Button-up
- Casual shoes
- Steel-toe boots for industrial, manufacturing, agricultural, or construction sites
- Closed-toe shoes with a defined heel and non-skid sole are appropriate for most non-industrial exposures.

## **Minimum Female Dress Code Standards:**

- No dresses or skirts
- No yoga pants or athletic wear
- Pants – khakis, blue, or black slacks
- Collared shirts – Polo or Button-up
- Sweaters
- All shirts should have shoulder strap coverage of at least 4” in width
- Casual shoes means closed toe, flats, no high heels
- Closed-toe shoes with a defined heel and non-skid sole are appropriate for most non-industrial exposures.
- Steel-toe boots for industrial, manufacturing, agricultural, or construction sites

## General Guidelines:

- Keep your boots in the car at all times, just in case. It is not uncommon to have a full field day of various business types. You may not want to wear your boots all day, but they may be necessary at some of your locations. There are times you will arrive on site to discover undisclosed renovation work, a broken water main, or some other temporary situation that may require safety boots.
- Keep a spare shirt in the car. Many a road warrior shirt has fallen prey to coffee spills or mustard stains while eating on the road, not to mention the occasional snag or rip from a barb-wired fence. As Murphy's Law would have it, most of these mishaps occur early in a day chock full of appointments. Be prepared!
- Camisoles or tank tops are recommended to be worn under shirts for women, as you will be bending, stooping, and squatting frequently in the field.
- T-shirts are recommended for men to be worn under button-up shirts.
- Belts are recommended for all, as you will be bending, stooping, and squatting frequently in the field.
- Business casual dress is appropriate for all appointments, as you will meet with business owners and executives on a regular basis.

## Blue Jeans

Again, if you do not have a strict dress code, dress for the exposure. Blue jeans are sometimes appropriate. For example, an active construction site or a storm-ravaged area present good reasons to wear durable, protective denim. The key to wearing blue jeans is to assure they are clean and in good condition.

- Use good judgment in this regard. Most of your vendors will have rules against wearing jeans in the field. There are exceptions to every rule, and there are times when jeans are appropriate.
- Avoid falling into the routine of wearing comfortable jeans and a fleece pullover into the field. That may be appropriate on occasion, but this should not become your daily uniform.

## Uniforms

Speaking of uniforms...

As a business owner, you make many decisions on a daily basis. It is not a bad idea to give some thought as to how you want to be perceived. Knowing what you are going to wear into the field eliminates one decision every day. Implementing a uniform of a certain color button-up shirt and khaki or black pants can simplify your morning routine. Uniforms may also be tax deductible.

Regardless of what you wear, it should be clean and without holes or stains. You are representing the insurance company, the broker, the vendor, and yourself in the field. Put forth a professional image.

## **Final Word**

The general rule of thumb?

IF IN DOUBT, it is probably not appropriate.

The insurance industry remains a very conservative business. You will never go wrong erring on the side of caution.

## **Congratulations!**

You have successfully completed the introductory module of CRMKC's Commercial Insurance Inspector Success Training, The Business of Running a Business. [Click here to continue your training with the DOING THE WORK and RUNNING A BUSINESS modules.](#)