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## FastForward Small Business Strategies

# Staking his claim

Insurance exec turns to the unconventional to retain employees — and clients

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Three years ago Tom Frye took his employees to see Cirque du Soleil in Las Vegas, and they were astounded.

"It's just a circus," he said to them. "Clowns, acrobats, all the usual stuff. Why are you so amazed?"

His employees replied that the show had been much more than just an ordinary circus. Frye acknowledged this distinction and turned it into a business lesson for his staff.

"They took an ordinary circus experience and made it so spectacular that they wowed you. They made it so you couldn't wait to tell your friends about it. What if we wowed our customers the same way?" he asked.

Using the circus as an instructional

seminar may seem unusual, but Frye is constantly looking for innovative ways to educate and motivate his people. He has taken them on annual retreats to Mexico and to Paris. He has donned a wig and played Tina Turner in a lip synch contest. As a reward for ten years of service, he offers employ-

'What I wasn't prepared for was the difficulty of finding the quality of people I needed. I kissed a lot of frogs to get the princes and princesses I have.'

**Tom Frye**  
Frye Claims Consultation and Administration



MAURICE RAMIREZ

**PROTECTING HIS ASSETS:** Tom Frye's insurance firm brought in \$4.5 million last year.

ees a six-week sabbatical or \$5,000.

As a result, his company, Frye Claims Consultation and Administration in Hayward, has a tightly-knit core of loyal employees, some of whom have stuck with him for a decade. "Ray Reed, the first guy I hired, is still here," Frye says. "So is my second employee, and my fourth."

Those dedicated employees helped the company — which investigates insurance claims and acts as a third-party claim administrator for other firms — bring in \$4.5 million in revenue last year. "We've had an incredible line of growth for 10 years," Frye says.

### SNAPSHOT

**Name:** Tom Frye  
**Title:** President and chief executive officer  
**Company:** Frye Claims Consultation and Administration  
**Headquarters:** Hayward  
**Year founded:** 1990  
**2000 revenue:** \$4.5 million  
**Three-year revenue growth:** 25 percent  
**Funding:** Personal savings, proceeds from sale of a house  
**Number of employees:** 55  
**Elements of success:** Emphasis on hiring and retaining quality employees

# FRYE: Treating employees like royalty pays off

Frye, who attended Lincoln University in Pennsylvania and John Marshall Law School in Chicago, worked for 13 years in the Department of Labor, where he was assistant regulatory administrator in the Office of Workers' Compensation Programs. He also worked extensively in the private sector before founding his own company at age 45.

"Because of the age at which I began, and the rich experience I had in my background, I was prepared for a lot as a manager," Frye says. "But what I wasn't prepared for was the difficulty of finding the quality of people I needed. I kissed a lot of frogs to get the princes and princesses I have."

Frye realized early on that he had to take care of his princes and princesses. During a tour of his office, he carefully introduces every single employee, from the seasoned executives down to the newest hire, telling a positive anecdote about each one.

His series of company retreats was designed with the same care in mind.

"After two years, I saw we were successful," Frye says. "I wanted to renew our staff and build a culture of care. We had people in several different offices — in L.A. and Sacramento — who didn't know each other." While visiting Las Hadas resort in

Manzanillo, Mexico, with his wife, Frye decided he wanted to take his entire staff there on a retreat, but he couldn't see how to make it happen.

"The rooms there were \$300 a night," he recalls, shaking his head. "I didn't know where I'd get the money for the flight down, or how I would be able to just shut down my business while we were away."

A combination of luck and determination made the retreat a reality. He received an infusion of cash from a customer who'd borrowed one of his employees as a temp and wanted to hire her full time. The customer paid a hiring fee for her which helped to defray the cost of the retreat. Frye then negotiated a group discount with the hotel's managers and set a condition that employees had to have worked a certain number of months to go on the trip. This enabled him to leave a skeleton crew at home to run the business.

Now Frye takes his employees somewhere every year, and he chooses even their hotels with business lessons in mind. "We went to Phoenix and I put us in the Biltmore," he says. "I wanted them to receive a level of service they'll someday return to our customers."

Frye's recipe for success doesn't just in-

volve treating his employees well. Everything comes back to the customer. Framed posters in the office warn: "If we don't take care of our customers, somebody else will."

When he founded the firm, it was because he knew many companies treated their customers very poorly. "I saw an opportunity to add value to the market," Frye says. "We improved the quality, timeliness and the cost of service."

He added white space, bullet points and color to claims reports that had previously been page after page of gray text. As an incentive to get work done faster, he introduced a \$25 bonus for every report finished in 10 working days.

Frye's emphasis on hiring and retaining "princes and princesses," and improving service has paid dividends with his clients, who recognize and praise his efforts.

"His employees are second to none," says Joe Kristel, senior claims examiner for the Markel Corp., an insurance company in Richmond, Va. "He hand picks the best people. They go the extra mile. He's the only insurance adjustment company I will use in California, and I've got a lot of choices."

Steven E. F. Brown is a staff writer for the San Francisco Business Times.

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