

# A True Community of Car Lovers

## An Interview with Jack Butcher, President, Hagerty

**EDITORS' NOTE** *Jack Butcher is responsible for maximizing stakeholder value and growing Hagerty's global insurance business. This includes assessing and implementing the strategic business plans to achieve the overall profitable growth of Hagerty's operations through continued growth in existing markets and to diversify into new markets, particularly outside the U.S. As President, he leads and is responsible for Hagerty's Insurance Company and Agency, including sales, distribution and product development. Prior to joining Hagerty, Butcher served as the National Business Leader of Commercial Lines and Business Development for Marsh & McLennan Agency. In this role, he held client service, sales and geographic business leadership roles with other MMC companies, including Marsh and Johnson & Higgins. Butcher began his insurance career with Chubb Insurance as a property and casualty underwriter. From 1998 to 2003, he served as Executive Vice President & Chief Operating Officer of TransForce, Inc., a rapidly growing national transportation and logistics outsourcing company. Currently, he serves his community as a first responder. He serves on several not-for-profit and for-profit boards and is an avid mariner and car enthusiast. A graduate of the University of Richmond, Butcher has attended executive education programs at the Harvard Business School.*



Jack Butcher

**COMPANY BRIEF** *Hagerty (hagerty.com) is an automotive enthusiast brand offering integrated membership products and programs. Hagerty is home to Hagerty Drivers Club, Hagerty DriveShare, Hagerty Valuation Tools, Hagerty Drivers Club magazine, Hagerty Media, MotorsportReg, Hagerty Garage + Social, the Greenwich Concours d'Elegance, the California Mille and more. Hagerty is the world's largest provider of specialty insurance for enthusiast vehicles.*

**Will you discuss the history and heritage of Hagerty and how you define the Hagerty difference?**

Hagerty has been a home-grown and passion-based company since the beginning. It started in 1984 when Frank and Louise Hagerty, who lived in a small coastal town on

Lake Michigan, couldn't find coverage for their beloved wooden boats. Frank and Louise decided to create a company catering to people like them, forming Hagerty Classic Marine Insurance in their basement. Within a few years, half of all vintage boat owners were Hagerty clients. Seven years later, in 1991, the company added coverage for classic cars which was also a big hit. As leadership of the company transitioned to the next generation and ultimately to Frank and Louise's son, McKeel Hagerty, who is now CEO, the

company intensified its focus on the collector car market and accelerated its growth. Today, the company has become not only the world's largest provider of specialty insurance for classic car owners, but also the largest automotive enthusiast brand offering an array of services and products to more than 1.6 million people.

**Will you provide an overview of Hagerty's suite of automotive services and how Hagerty is expanding these service offerings?**

McKeel realized a long time ago that the vision was to be more than an insurance company. He wanted to build a true community of car lovers. So, in support of that, we have invested heavily in events and services to support that passion, and we've made sure to adapt to what people want throughout their car-loving lifecycle. *Hagerty Drivers Club* magazine, for instance, which features the work of the nation's top automotive journalists, has become one of the biggest and best car

magazines in the world, with more than 660,000 subscribers, and our Hagerty YouTube network has 1.5 million subscribers watching original shows like *The Barn Find Hunter*. Hagerty's Automotive Intelligence department tracks the value and pricing of 40,000-plus enthusiast cars, trucks, vans and motorcycles from the post-war era to the present. We have also created Hagerty Drivers Club, which is a hub for the automotive community, offering a variety of exclusive automotive discounts, our magazine, of course, and members-only events. We have another really interesting service called DriveShare, which is a peer-to-peer car rental app for people who want to try out cool collector and modern cars. Most recently, we've started to acquire and operate nameplate events on the collector car calendar like the California Mille, the Greenwich Concours d'Elegance and the Concours d'Elegance of America. People told us they need more space to safely store their cars, so we now have a business across North America called Hagerty Garage + Social, where enthusiasts not only store their vehicles, but enjoy each other's company in cool social/lounge-like settings around cars. For the next generation, the Hagerty Driving Academy teaches thousands of teens how to handle routine driving situations safely, and they have a lot of fun using those skills on tracks and autocross. There is a lot more to come, as well.

**Where do you see the greatest opportunities for growth for Hagerty and will you highlight Hagerty's global footprint?**

We've enjoyed growth by tapping into automotive passion and delivering what people

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ask for. There really is no growth ceiling in sight for that globally. As our CEO says, we didn’t have to invent the automobile or teach people to be passionate about cars or convince them that coming together as a community of car lovers would be fun. That raw material was already there. It doesn’t matter to us what vehicles people enjoy, or even if they own one. If they love cars and driving, it’s an opportunity for us and for them. Tapping into those passions – and learning and innovating as we go – has driven our growth certainly in North America, but also with our continued focused investment in the U.K. now, and longer-term, into the EU and beyond. Automotive enthusiasm is borderless. We will keep listening to our members and evolving to deliver what they enjoy and where they want to enjoy it. While I can’t get into specific investment plans or timing, suffice it to say that we still have a lot of smiles to create.

**How do you describe Hagerty’s culture and how critical is culture to the success of the company?**

If a company’s product or service is “what” a company does, its culture is “how” it does it. Hagerty’s culture is celebrated within our four walls as one that is underpinned by five published core principles: Act as One Team Hagerty, Improve Every Day, Take Care of Each other, Work With Purpose and Energy, and Enjoy the Ride. These are not throw-away platitudes. They manifest themselves in the work we do for our members and partners. We review these principles quarterly with each team member, and we hire and promote people who exhibit these behaviors and principles. Coincidentally, those tenets turn up in member feedback all the time.

I think people work to make a living for themselves and their families, but they tap-dance to work because a challenging and fun work environment energizes them and allows them to become their best professional selves. Inspiring people to want to tap-dance to work is such a key part of my job and our culture. It makes work a lot more fun and fulfilling.

It is also a culture built on a relentless pursuit of personal learning and growth. The book *Mindset: The Psychology of Success* by Dr. Carol Dweck is a perfect depiction of how we work. If one is a continual learner and is willing to grow through the inevitable soft failures that come with experimentation and innovation and pushing, they will find a dynamic place here

where they can evolve and grow a career. I like to say that it is hard to trip if you are standing still. Put another way, if you expect greatness from your team, you need to also expect failures from time to time and support team members when they trip, help them recover, reset and retry – over and over.

Additionally, I think it’s important in a growth mindset culture to discern between skeptics and cynics. Skeptics question and challenge things without loss of optimism and are not given to negativity. Cynics, on the other hand, tend to assume the worst in people and circumstances – their toxic view of the world derails innovative and exploratory thinking and repels people who possess a “can do” worldview. There is an expression that sums it up nicely: “Skeptics ask whether a beautiful bouquet of flowers could possibly be real; cynics look around for a casket.” People give us their careers when they decide to work with us. If we don’t treat that as a gift and reciprocate with a great place and environment and team with whom to work, they’ll take their gift back and give it to someone else.

**How has Hagerty adapted its business to address the challenges caused by the pandemic?**

Last March, like the rest of the world, we faced uncertainty. This is where our growth mindset culture was really put to the test and I am pleased with the outcome. Like many businesses, we had to pivot and innovate. It’s said: “never waste a crisis.” We didn’t. We moved most of our 1,400 employees in North America and Europe to work-at-home status within a matter of days. It was an incredible effort. We doubled down on our focus of taking care of our people and on taking care of our members and partners. We may have been shut in, but we relentlessly reached out to one another and our members and partners.

Finding new ways to communicate and keep people connected was also critical. Part of our answer was creating a daily, company-wide online communication platform called “Driven Daily.” It’s a collection of company news, insights and growth tips that is emailed daily to all of our employees across North America and Europe. The most popular feature of Driven Daily are the twice-weekly videos from our CEO and senior leaders who offer updates and insights to animate and energize communication and progress we are making across the firm. They have

been very effective and well-received, and are going to be something we keep doing long after the pandemic. Also, various departments have adapted similar approaches for their own use, holding all-team update video calls. In this way, our folks feel “connected” even if we can’t be physically together.

We have also realized that the physical office space we occupy can be used differently and more creatively to drive more intersections, more collaboration areas, and energetic innovation space versus buildings full of individual offices and workstations which naturally create separation and isolation space.

These best practices, and more, have become common practice for us – all because a crisis forced us to learn, evolve and lean hard on our growth mindset and on the cornerstones of our culture.

**How important is it for Hagerty to build a diverse and inclusive workforce in order to bring diverse perspectives and experiences to the table when making business decisions?**

Extremely. You become who you hire. If you hire one type of person from one part of the world, you risk a more constrained worldview and perspective. One of my favorite quotes attributed to Cyrus the Great who simply posited that he wanted “Diversity in counsel; unity in command.” To get diversity in counsel, thought and perspective, you need to consciously hire for that. For us, it’s been a conscious decision. Today, 50 percent of our workforce is diverse; women occupy over 30 percent of seats on our Executive Council (senior leadership committee), and 40 percent of our board of director seats, and 60 percent of our regional executive roles. For me, though, diversity goes beyond characteristics you can see. It must include factors you can’t see with the naked eye – diversity in socio-economic backgrounds and diversity in cultural and life experiences. These things drive rich perspective and discussion and better-informed decisions. In a world that can be polarized in places, we simply want to hire and become like the world we want to serve, which includes all car lovers. I’m pleased with our progress and know it’s a never-ending quest to build a dynamic workforce in a dynamic world. When you continually share with all your people why you are in business and what the mission is, you will find a shared unity in purpose across the enterprise. ●