



## Strategic implementation considerations for inclusive insurance

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**4<sup>th</sup>** | EASTERN AND SOUTHERN AFRICA  
REGIONAL CONFERENCE ON MICROINSURANCE

EXPERTS IN CREATING  
**INCLUSIVE DIGITAL**  
INSURANCE MARKETS

# AGENDA



1. Introduction
2. Innovation structures
3. Conclusion

# INTRODUCTION



“Vision without execution is hallucination”

Walter Isaacson

Author of “The Innovators”

# INNOVATION STRUCTURES



## STRUCTURING TO SUPPORT INNOVATION

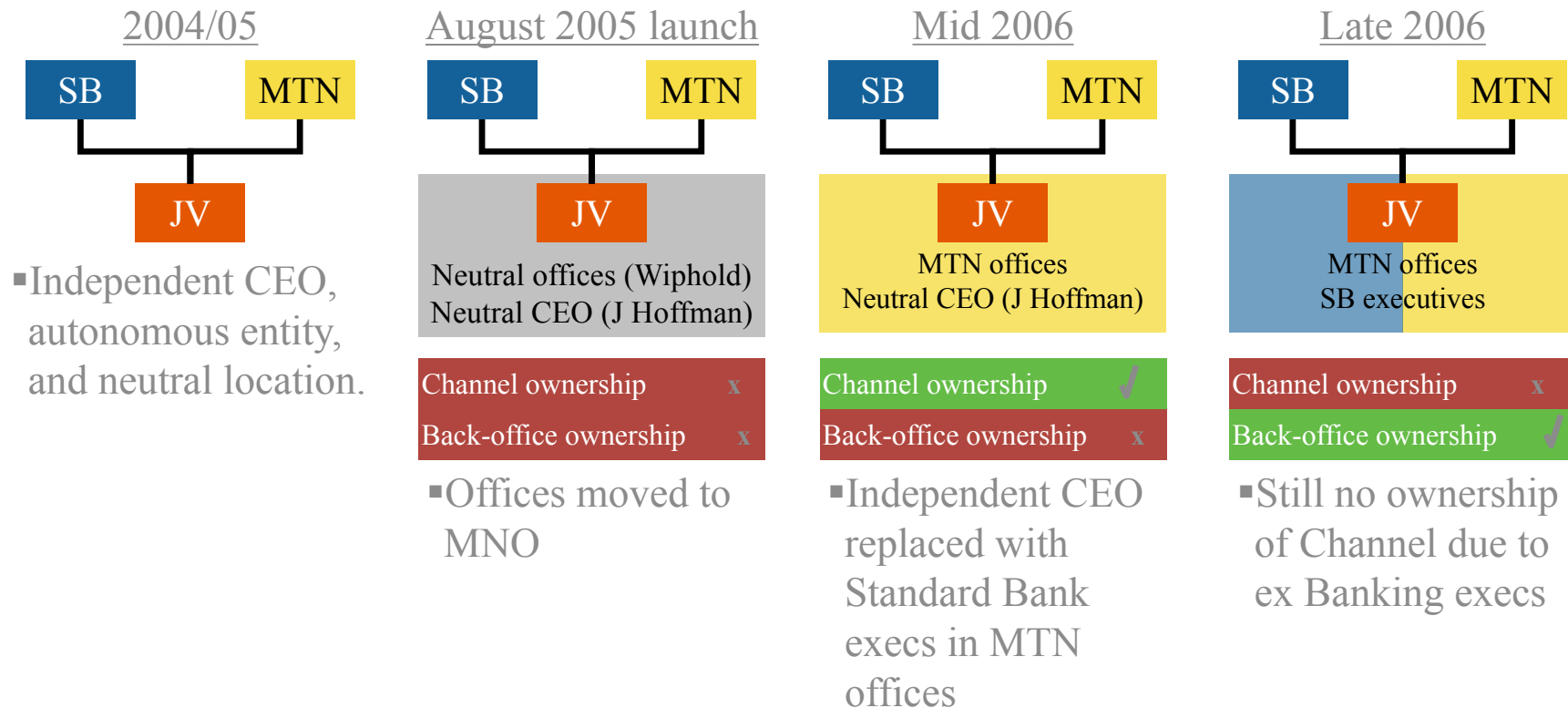
"Weak" link in innovation process	Strategic requirement	Potential structures
Identifying opportunities	Stimulate innovation	<ul style="list-style-type: none"> <li>• Training organisation</li> <li>• External advisory board</li> </ul>
Prioritising and resourcing opportunities	Shepherd innovative ideas	<ul style="list-style-type: none"> <li>• Growth council</li> <li>• Intrapreneur fund</li> </ul>
Shaping and building new businesses	Spearhead new growth businesses	<ul style="list-style-type: none"> <li>• Incubator</li> <li>• Autonomous growth group</li> </ul>
Launching businesses and leveraging strengths of others	Strengthen external innovation efforts	<ul style="list-style-type: none"> <li>• Corporate venturing unit</li> <li>• Business development group</li> </ul>

} **Hollard.** Selected components



Sources: The Innovator's Guide to Growth, Anthony et al

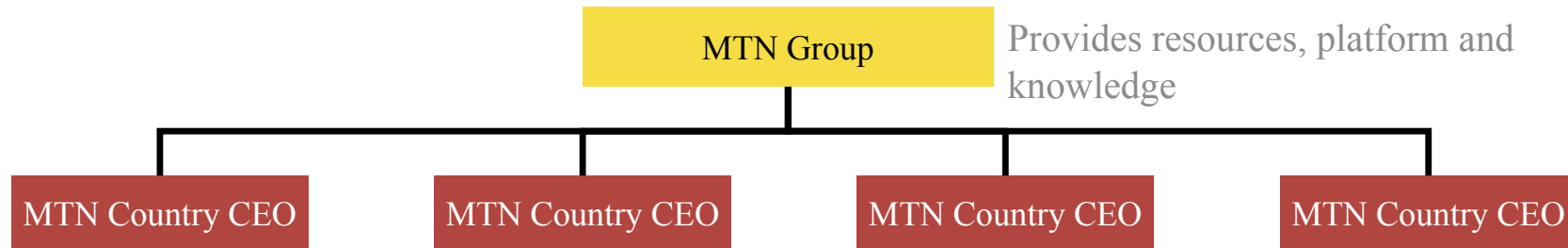
# MTN MOBILE BANKING IN SOUTH AFRICA PROVIDES A CASE STUDY OF A FAILED AUTONOMOUS GROWTH GROUP...



It was eventually realised that there was no alignment between MTN and Standard Bank and the JV exited at a huge cost and minimal clients

Sources: Interviews with people familiar with the JV; Financial Mail; MTN; Moneyweb

## ... AND WHERE MTN ROLLED OUT MOBILE MONEY IN THE REST OF AFRICA, THEY ADOPTED A DIFFERENT APPROACH



Mobile Money tied into country CEO's KPIs, ensuring that the channel and back-office owner drives roll-out and implementation – the same approach has also been taken for rolling out data.

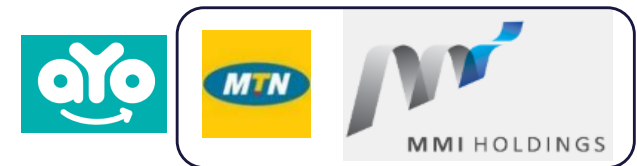
- Mobile Money registered customers increased 18.4% to 41 million, supported by Ghana and Benin
- Mobile Money revenue up 50.7%\* to R2 829 million



# MTN MOBILE INSURANCE



- However, MTN didn't fully apply the lessons for mobile insurance where, whilst all CEO's were incentivised to launch insurance, there was no common team providing learnings:
- MTN rolled out insurance to 12 countries
- ..and subsequently exited ~6 due to the same mistakes being made
- Before relaunching a JV, aYo Holdings, with MMI.
  - Will aYo suffer the same fate as Standard Bank?



## CONCLUSIONS

# SO, WHAT LESSONS FOR INCLUSIVE INSURANCE?

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- Ensure alignment between the channel and the insurer
  - Aligning incentives are key
- Empower the business with decision making and autonomy
  - One insurer we work with has a dedicated MI unit but all products need to be signed off by 12 committees from the conventional business, the Exco and a Board committee
  - Cost structures need to be different and cannot absorb the typical overheads and can kill a nascent business. Whilst we are backed by RGAX we are completely autonomous
- Smart use of ‘componentising’ can address failings and high costs in ones business model
  - Malcolm, our mobile claims assessment platform, allows one to allocate and manage assessors in a Uber-style model to cut out usual delays and ensure rapid turn around time





# EXPERTS IN CREATING INCLUSIVE DIGITAL INSURANCE MARKETS

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