Power of the past, Force of the future

Theesan Moodley
The power of the past
Financial Services in SPF: The way forward
Why do we get up in the morning?
What is the reason for our existence?
What is our purpose, cause or belief that inspires us to what we do?
What is the impact of our actions on the lives of other people?
Industry trends and market forces
Sanlam Financial Advisers
Industry trends and market forces
“The financial services sector touches the life of each and every South African. It enables economic growth, job creation, the building of vital infrastructure and sustainable development for South Africa and her people. It is, therefore, crucial that the sector is well-regulated and stable.

However, stability is not the only policy objective for the financial sector. The sector is characterised by high and opaque fees, and needs to be more transparent, competitive and cost effective.

Moreover, many South Africans do not have access to financial services. Not only does this inhibit economic growth, it also keeps people trapped in poverty.”

National Treasury - 2011
Industry trends and market forces

- Digital to be preferred engagement method by majority by as early as 2020 in SA - PWC
- Clients value experience over products
- Clients are increasingly engaged in own financial decisions
- FinTechs have experienced strong growth
- Different engagement models with eco-system necessary
- New technologies used to address growing cost pressures
- Financial services regulation is increasingly complex and uncertain
- There has been increased focus on market conduct risk
- Established players are facing increasing potential disruption
- Partnership opportunities

Source: PWC Strategy and Analysis
Five most disrupted sectors:

- Insurance: 67% Over regulation, 42% Speed of technological change, 45% Changing customer behaviour, 22% New market entrants
- Entertainment and media: 41% Over regulation, 42% Speed of technological change, 43% Changing customer behaviour, 25% New market entrants
- Banking and capital markets: 60% Over regulation, 35% Speed of technological change, 22% Changing customer behaviour, 15% New market entrants
- Power and utilities: 53% Over regulation, 36% Speed of technological change, 20% Changing customer behaviour, 11% New market entrants
- Healthcare: 54% Over regulation, 21% Speed of technological change, 27% Changing customer behaviour, 16% New market entrants

Source: PwC’s 20th CEO Survey
Where should the focus be?

Q: Given the business environment you're in, which one of the following do you most want to strengthen in order to capitalise on new opportunities?

- Digital and technological capabilities: 28%
- Customer experience: 24%
- Human capital: 11%
- Innovation: 9%
- Competitive advantage: 7%

Source: Insurance CEOs participating in PwC’s 20th CEO Survey

28% of insurance CEOs believe technology will completely reshape competition in the industry over the next five years, and another 58% say it will have a significant impact.
Financial Services landscape in SA:

- Evolving regulatory framework
- Constantly evolving consumer demands
- Alternative intermediary value propositions
- Client base is transforming
- Technological disruption
- Alternative distribution
- Significant competition
Insanity: doing the same thing over and over again and expecting different results.

Albert Einstein
To be the most professional and client-centric financial advice sales organisation in South Africa, that treats clients fairly whilst doing business in a profitable and sustainable way.
Strategic drivers

- Sustainable growth
- Financial advice
- People
- Digitalization of distribution
- Client experience
Sustainable growth
Sustainable growth

- Manpower
  - Experience vs Newcomer
- Vesting model
  - Incubators
- Acquisition of new clients
- Retention
  - IVP / EVP
- Optimisation of key accounts
- Agricultural Focus
- Productivity
- Tighter lapse controls
- Optimal usage of our resources across distribution
Financial advice

- SANFIN
- Short term (STI)
- Build on success of Reality Integration in 2017
- Section 14 retention
- Investment specialist policy
- International vs Domestic
- Fees for advice
- Partner with our product businesses
People

- Leadership development
- Manage top talent and build succession
- Effective change management
- Effective communication strategy
- Transformation
- Ongoing accreditation and high quality training
- Constantly review remuneration models
- Development of staff
- E-Sales Consultant
- Recognition
Digitalization

- Alternative mechanisms to ensure optimum efficiency
- Alternative engagement mechanisms
  - Skype, Team viewer, etc
- Effective usage of the web for acquisition and engagement
- Usage of data to predict customer behavior
- Optimal usage of the BlueStar websites
- Document imaging and conversion
Client Experience
“Creating a unique customer experience is one of the best ways to achieve sustainable growth, particularly in industries that are stagnating. If a telco, a utility, or an insurance company can create a highly differentiated customer experience that turns dissatisfaction or indifference into delight, it will recruit an army of vocal advocates online and offline, gain market share, and generate revenue growth.”

– A T Kearny, How to Create an Entirely Differentiated Customer Experience
Client Experience

- Define, design and evolve the client value proposition
  - Segmentation
  - Offer customized experiences based on the segmentation
- Engagement
- Develop service level agreements and stick to them
- Leverage the technology to interact with the client base
- Ultimately create positive memorable client experiences
- Increase customer loyalty
- Higher retention rates
- Drive sales
The force of the future...
questions®
thank you