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MAKE CHANGE HAPPEN
Getting insurance providers ready to better serve low-income households

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International Labour Organization

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EXECUTIVE SUMMARY

In order to serve low-income and emerging consumers effectively, insurance providers need to make significant changes to the way they do business. Changes can include finding cost-effective ways to understand the needs of a new market segment, reaching clients through different distribution channels, managing expenses to accommodate for lower margins per policy, and building systems to tackle large volumes of transactions. Insurers may also need to make changes to how they recruit, train, incentivize and retain their staff, how they structure their organization, the technologies they use, and the partners they work with.

Starting a change process for an insurer can be daunting, especially given the difficulties in making the business case to serve this market segment. Successful implementation of change requires that the process is managed carefully with a systematic approach.

This paper presents a process that can be used by insurers to initiate and manage the changes required to serve low-income households. The paper presents the experiences of six partners who have tested this change process. The following is a summary of the steps involved in the process.

Step 1: Identify the desired future

Clearly define the destination before embarking upon the change management project. The more specific and detailed the end-goals – referred to as the "desired future" – the greater the chance of achieving them. An insurer must understand the current internal and external situation, define a clear vision and milestones, and build an understanding of the low-income market among management and staff. In all the cases featured in this paper, the desired future was developed by senior management and was aligned with a broader organizational strategy.

Step 2: Secure buy-in

Ensure that buy-in is secured with senior management, staff and partner entities, so that they embrace the changes and are ready for their implementation and consequences. Use evidence to create a sense of urgency for the changes needed. Staff must believe they have a stake in the change process.

Step 3: Organize for change

Insurers are large institutions with multiple structures and processes. Depending on the scale of the proposed change, some or all of these structures may need to be involved. This requires a planned approach so that ongoing business objectives are not affected and the transformation is achieved smoothly. It is important to first create a governing and reporting structure, develop incentives and accountability measures for staff, and finally remove structural obstacles to change.

Step 4: Implement changes

Whatever the length and quality of preparation, the implementation phase is the moment of truth. If implemented well, the vision, strategic objectives and plan become tangible during the implementation stage. Key tasks within the implementation phase include focusing on priorities, building tools to help staff develop new skills and complete assignments, and building systems that cater to the needs of low-income customers. Where implementation proves slow, it is crucial to understand why: was it lack of skills, resources, culture or trust? Finally, no change is possible without failures. Risks of failure should be analysed at the start of the project and monitored throughout. Particular attention should be paid to the risks with the biggest impact, and to highly correlated risks. This risk analysis can be updated every quarter to take into consideration new developments.

Step 5: Measure and communication success

With work plans spanning two to three years, managing expectations and defining success can be a challenge. The commitment of staff, management and financial backers depends on tangible results. Without success in the initial stages of a change process, operational staff may become discouraged and senior management commitment may be lost. Therefore, a change management project should be planned in a way that quick wins can be achieved and demonstrated in six to eighteen months. Furthermore, the change process and its successes should be widely communicated. Change faces the strongest resistance when information is confined to a small group made up of the project team and top management.

Step 6: Mainstream change

With any new process or change, there is a danger that things will revert back to the way they were before. Therefore, changes should be embedded into the processes and structures of the company and anchored in its culture. Culture will only change after actions change and those new actions yield results. As a result, culture is usually one of the last things to change. The focus of the change management exercise should be to change people's behaviours and create systems to enable these behaviours to persist over time, so that the core culture eventually shifts. Be alert to the opportunity to reverse innovate; the experiences of our partners have shown how changes made for the micro or emerging customers segment can also result in improvements to the traditional business.

Serving the low-income market effectively requires insurers to go through a systematic change process. Organizations need to become more client-centric, more efficient, and more innovative. To do so, they will need to better understand and respond to client needs; improve operations and staff capacity; build new partnerships; and improve governance, organizational structure, and risk management.

Change is possible. The cases reviewed in this paper have shown that a systematic effort that is planned and implemented properly can be effective. The paper presents tools and a structure to make change easier. However, change never ends. Any desired future needs to be validated on a regular basis as the context in which an organization operates, changes.

1. INTRODUCTION

In order to serve low-income and emerging consumers effectively, insurance providers need to make significant changes to the way they do business. Changes can include finding cost-effective ways to understand the needs of a new market segment, reaching clients through different distribution channels, managing expenses to accommodate for lower margins per policy, and building systems to tackle large volumes of transactions. Insurers may also need to make changes to how they recruit, train, incentivize and retain their staff, how they structure their organization, the technologies they use, and the partners they work with.

It has been argued that teaching traditional insurers to serve low-income markets is akin to “teaching elephants to dance” (Angove et al, 2012). Making changes in any organization is not easy, but it may be especially difficult within the insurance industry because of its conservative outlook. Starting a change process can be daunting, especially given difficulties in making the business case to serve this market segment. Even when this change is a business necessity (in markets with growing competition and market saturation), progress is often hindered by a number of factors, including a lack of vision, strategy, motivation, resources, or skills. Even once change is initiated, it can be difficult to sustain momentum, especially given that the initial phase in any change process is particularly difficult.

In spite of these challenges, change is possible, and a growing number of insurers are making changes to effectively serve the low-income and emerging markets. This paper presents a six-step process that can be used by insurers to manage change. The International Labour Organization’s Impact Insurance Facility, with support from Financial Sector Deepening Africa (FSDA) and the Agence Française de Développement (AFD), has applied the process with six insurance providers in Sub-Saharan Africa. This paper uses a case study approach, presenting the experiences of these providers and drawing out insights that may be useful to others who wish to go through a similar process.

2. CASES

The six cases presented in this paper feature the experiences of four insurers and two intermediaries that went through an innovation and change project with support from the ILO. The following are brief descriptions of the organizations and the focus of their change management efforts. The eventual goal in all cases was to serve the low-income and emerging market segments more effectively, but the strategies used varied in each case, ranging from establishing a new unit focused on the low-income segment to adopting a new digitization strategy or working with new distribution partners.

2.1. AXA MANSARD, NIGERIA

Focus: Independent unit dedicated to the low-income market

AXA Mansard is a member of the AXA Group, a worldwide leader in insurance and asset management in 59 countries. The group is a conglomerate of independently run businesses and operates according to the laws and regulations of many different countries. AXA Mansard was incorporated in 1989 as a private limited liability company and is registered as a composite company with the National Insurance Commission of Nigeria. It offers life and non-life insurance products and services to individuals and institutions across Nigeria.

To serve the low-income market in Nigeria, AXA Mansard decided to set up a new unit that would operate independently of the rest of the business. It was therefore necessary to build the capacities of that team on a range of activities from research and product design, to operations and marketing. With its new team in place, AXA Mansard was keen to develop a broad product portfolio and distribution strategy for the low-income market.

2.2. BRITAM, KENYA

Focus: A more client-centric and digital business

Britam is a diversified financial services group listed on the Nairobi Securities Exchange. The group offers a wide range of financial products and services in insurance, asset management, property and banking in the African Great Lakes region.

Britam is considered a leader in microinsurance in Kenya and has over ten years of experience in the sector. As part of its change effort, Britam wanted to leverage existing strengths and make its microinsurance business more client-centric, lower its administrative cost and risks (primarily through digital innovation), simplify its processes and build strategic partnerships with aggregators (e.g. savings and credit cooperative organizations, schools, mobile network and mobile money providers, and banks). It was hoped that these efforts would make the microinsurance division sustainable and enable it to serve many more low-income customers.

2.3. EQUITY INSURANCE AGENCY, KENYA

Focus: A new digitization strategy

Equity Insurance Agency (EIA) is licensed to offer both life and non-life business. It is a fully-fledged subsidiary of Equity Bank. EIA was established with the objective of addressing the insurance needs of Kenyans with a wide range of incomes. In partnership with insurance companies, EIA offers a range of innovative insurance products and services through a bancassurance model.

The change effort at EIA focused on implementing a new digitization strategy to provide better access to insurance solutions through digital channels and to improve internal operations. The strategy included offering insurance products through a digital platform; offering a freemium mobile insurance product through Equitel, a virtual mobile platform set up by Equity Bank; and digitizing the insurance back-end procedures.

2.4. KIFIYA, ETHIOPIA

Focus: A broader insurance portfolio aligned with its digital service

Kifiya is a digital financial services provider. It leverages innovative technology to provide branchless banking and mobile money services. Kifiya provides digital infrastructure to enable the development and delivery of insurance products. Its digital financial services platform enables enrolment, premium collection and claims payment processing.

Kifiya's change management project focused on establishing insurance as a sustainable business. It aimed to scale and make sustainable its agricultural insurance offering that was launched in partnership with Ministry of Agriculture and four private insurers. It also aimed to introduce new health, funeral and livestock insurance products for the urban and rural markets.

2.5. NYALA INSURANCE COMPANY, ETHIOPIA

Focus: A new microinsurance department and new products (beyond agriculture)

Nyala Insurance Company (Nyala) is a privately-owned insurer operating in Ethiopia. It was established in 1996 and currently provides general insurance, microinsurance and long-term insurance products. The company has been a pioneer in introducing microinsurance in the country, particularly agriculture insurance products.

In 2016, Nyala decided to expand its microinsurance business. The goal of the change project was to broaden Nyala's microinsurance strategy beyond agriculture products and to work with a range of aggregators in Ethiopia. The project focused on strengthening the microinsurance strategy, establishing a business case, and setting up new distribution partnerships to serve the low-income market.

2.6. SUNU ASSURANCES, CÔTE D'IVOIRE

Focus: Expanded distribution partnerships to increase access

SUNU Assurances Vie (SUNU) is a leading life insurance company in Ivory Coast and in the CIMA region. The organization has a strong presence with enterprises and has pioneered bancassurance in Ivory Coast. Since 2013, SUNU has been offering microinsurance products and considers it a priority for the company. In 2015, SUNU Assurances Vie acquired Le Millénium Assurances Vie (LMAI Vie), making it the biggest life insurance company in the country.

SUNU's aim was to refine its new alternative distribution strategy. It therefore established a new unit, enabling SUNU to take up activities that have traditionally been performed by intermediaries. As part of this strategy, SUNU was able to provide life insurance to the low-income segment beyond mobile customers. In addition, SUNU established systems and assumed functions independent of the existing mobile network operator's platform.

3. THE CHANGE MANAGEMENT PROCESS

The change management process[1] includes six steps that organizations can take to initiate and sustain change. This section outlines the objective of each step and guidelines for achieving it.

Figure 1. Six-step change management process

[1] The framework is adapted from John Kotter's *8-step process on Leading Change*, CGAP's change management work, and a framework developed by DotXML in partnership with the Facility. The framework also incorporates lessons from *SWITCH - Direct the Rider, Motivate the Elephant and Shape the Path.*

Before embarking on the change journey, organizations need to decide who should lead it. Should the project be led by an internal person or team or by an external resource? An external person can bring a new perspective that is not burdened with legacy practices. However, the outsider may not have all the information and may be viewed negatively by staff, making it difficult to "sell" the idea within the various levels of the organization. On the other hand, Britam found that using an internal change agent can be difficult as the internal person may be part of the change needed. Furthermore, although internal agents have more credibility among their co-workers, they generally have limited time to plan and execute the changes needed. AXA Mansard decided to keep an internal person dedicated to the change project to lead the project, but found that it needed to raise the profile of the that person in order to demonstrate organizational commitment.

A combination of the two may be the ideal option. A change process requires a high-level internal project sponsor who has the ability to influence those reluctant to change; whereas, the role of project coordinator can be played by an external resource who can be more neutral. At EIA, having an external resource coordinating the projects was necessary to maintain a sense of urgency as internal team members were stretched with day-to-day activities and could not oversee the change management activities. The external person also had the freedom to maintain a singular focus on the unpopular task of holding everyone accountable to the project deadlines. Further, a fresh perspective helped identify alternate ways to accomplish tasks.

At the start of the projects, the majority of the insurers studied were convinced that they had the internal knowledge and skills to go through the change process by themselves. It took time for them to realize the support needed to complete this journey was beyond their own capacity because of resource, culture and time constraints. In these projects, the ILO played the role of the external change agent. In addition, some partners relied on consultants specialized in change management, or in specific skills at the heart of the change they wanted to bring about, such as data analysis, internal reorganization, or project management.

3.1. STEP 1: IDENTIFY THE DESIRED FUTURE

> ***"Change is the only constant"***
>
> Heraclitus, Greek philosopher

While recalibration to a changing world is often necessary for business survival, there is a difference between arriving accidentally at a future state buffeted by the forces that be and proactively steering a course towards a particular desired future. Change management aims to implement the changes needed within a changing environment, with clear end goals always in sight. It is therefore important to define those goals before embarking on the journey. The more specific and detailed the goals – referred to collectively as the "desired future" – the greater the chance of actually arriving there.

3.1.1 UNDERSTAND THE CURRENT SITUATION

Figure 2. A template for a SWOT analysis

Before defining the desired future, some organizational self-reflection and external analysis is needed. Simple strategic tools that can be used are SWOT (Strengths, Weaknesses, Opportunities and Threats) and PESTLE (Political, Economic, Socio-cultural, Technological, Legal and Environmental) analyses. A SWOT analysis is a useful tool when considering a particular project or business venture and can be used to identify both internal and external factors which could have an impact. A PESTLE analysis is part of an external analysis when conducting a strategic analysis or doing market research, and gives an overview of the different macro-environmental factors to be taken into consideration. A PESTLE analysis can help a company understand market growth or decline, business position, potential and direction for operations. With both tools, staff members likely to be involved in the project should brainstorm points under each of the subheadings.

For SUNU Assurances, the impetus for change was driven by three factors. Firstly, the acquisition of LMAI Vie (Le Millénium Assurances Vie) in 2015 made SUNU the biggest life insurance company in Ivory Coast and the CIMA region. Management was aware that significant operational adjustments were needed in order to ensure the smooth functioning of its multiple entities. Second, competition was intensifying. SUNU was the first insurer to launch a mobile insurance product in 2011, but by 2017, four other insurers offered similar products. SUNU realized that it needed to diversify into alternate distribution approaches in order to maintain its position in the market. Lastly, economic and demographic changes within Ivory Coast meant that a new class of consumers was emerging who had spending capacity but no access to insurance.

3.1.2 DEFINE THE VISION

> ***"If you don't know where you are going, you might not get there."***
>
> Yogi Berra, American Athlete

It is important for the leadership of the organization to develop a clear vision of their desired future. The vision should communicate the meaning of the organization's activities and compel employees to embrace the challenges associated with the change, as well as make it clear to the outside world what the organization stands for. The process of transformation therefore begins with a clear vision that describes the business as it should be in future. Every vision statement must be made in the context of the current situation and it is critically important that the vision is stated in specific terms and supported by action plans. Without a clear, commonly understood vision, the change process can seem like a list of sub-projects that are confusing, contradictory and time-consuming (Kotter, 2012).

> The vision should so precise and clear that it can be communicated in a 3-minute elevator pitch.

At the start of each project, the ILO, with the support of the project sponsor, conducted a workshop that aimed to define the "desired future". The workshop is a useful exercise to harness the collective knowledge in the room and understand the current situation. The discussion also helps identify and prioritize the main changes needed. During the workshop, SUNU realized the importance of middle management in driving change, as well as the need to revise the responsibilities and skills of its staff. For Britam, the key takeaway was the immediate need to improve its understanding of the target customer. It was felt that this understanding would help it become more client-centric in its product design and operations.

Box 1 details how four of the change management projects went about identifying their desired future.

BOX 1. Tackling Step 1 - identifying the desired future

The process of identifying the desired future differed depending on the situation and culture of the organizations.

- **Nyala**: To define the vision of its desired future for their microinsurance business, Nyala compiled a strategy document outlining a five-year strategic plan. The "Five Year Microinsurance Strategy Plan" was presented to the Board in the early stages of the project. Aside from describing Nyala's desired position in the Ethiopian microinsurance market in five years' time, the document also includes detail on the additional lines of business to introduce in the future, staff and resource needs, and key challenges and opportunities in the market.

- **AXA Mansard**: Based on a strategic venture between AXA and Mansard, a 2020 vision was developed. The vision described the desired future of AXA Mansard as a major microinsurance provider in Nigeria by 2020, reaching 3.5 million customers with a focus on health microinsurance and alternative distribution channels.

- **Britam**: Britam has been providing microinsurance for 10 years and has reached more than 0.5 million lives through various health microinsurance products. Its desired future is to achieve a "Britam Microinsurance 2.0" that includes diversification of products beyond health, more digital distribution (through its own channels and partnerships) and multiplying its outreach by ten to reach 5 million customers by 2020.

- **Equity Insurance Agency**: For EIA, the change needed was to align the agency with the broader strategy for all the entities that are part of Equity, namely digitization. The desired future for EIA was to digitize operations, and offer new products through digital platforms, such as mobile providers and online portals.

A vision for the future must:

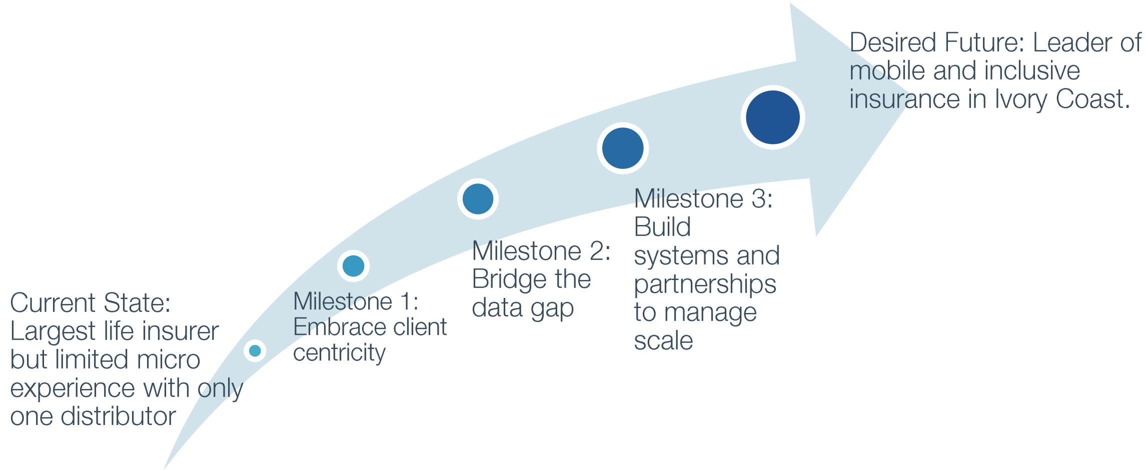
- Set out the business objective clearly;
- Deal with the expectations of the target audience and inspire them;
- Cover the important milestones that must be achieved to reach the goal(s);
- State why this objective is meaningful and important; and
- Be made in the context of the current situation (i.e. with reference to SWOT, PESTLE, market research or other such analysis)

The vision may also include targets that need to be achieved in order to reach the desired future. For instance, Britam included a concrete goal of "reaching 5 million customers by 2020". A useful framework for goal setting is the SMART framework (SMART is an acronym for specific, measurable, achievable, realistic and time-bound). The main advantage of such goals is that they help translate the desired future into quantifiable and measurable objectives that can be used to track progress.

3.1.3 BREAK DOWN THE HIGH-LEVEL VISION INTO ACHIEVABLE MILESTONES

Once the desired future has been defined, it may seem overwhelming; the desired future is a set of statements – usually ambitious – about a future state of being and not yet a full project plan. In order to move from the current position to the desired future position, a number of steps or milestones might be needed. Thus, it is important, at the stage of identifying the desired future, to break it down into milestones, which can be celebrated along the way. The projects analysed for this paper had diverse end-goals, such as starting a business line for low-income households (AXA), digitization of processes to achieve greater efficiency (Britam) and establishing new partnerships (a goal in almost all cases). In each case, the desired future could not be attained in one step. Milestones guide a team towards the desired future, make change more manageable, and help motivate staff along the way. For instance, AXA Mansard broke down their 2020 vision into three important milestones: 1) knowing your customer; 2) being more agile; and 3) creating joint procedures. Senior management at SUNU Assurances also identified three milestones for their vision to become the leader of mobile and inclusive insurance in Ivory Coast. These were: expanding customer centricity, bridging the data gap, and managing change (see Figure 3).

Figure 3. SUNU's path toward its desired future



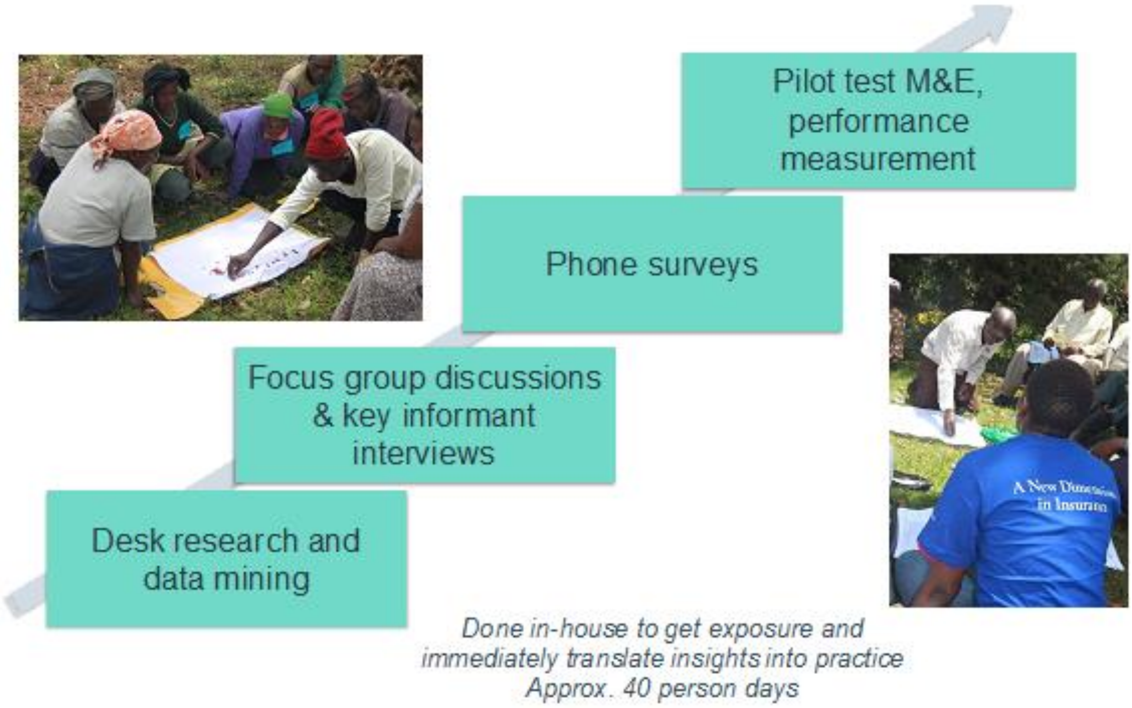
A gap analysis helps to identify where attention is needed in order to move closer to the desired future. Gap analysis involves determining the difference between what is required in order to realize the vision and the current capabilities or the company. One approach to doing a gap analysis is to create a table, listing each business function, structure (e.g. reporting relationships, procedures and reward systems), tasks, roles and technology that will be required, noting what is available and what is missing.

3.1.4 BUILD AN UNDERSTANDING OF THE LOW-INCOME MARKET

The workshop conducted at the start of each project included activities focused on creating customer profiles. This allowed each company to gain a better understanding of low-income customers' needs and to identifying bottlenecks preventing the company from serving this segment. During each workshop, teams examined the lives of the target market and created "client personas" that depicted the needs and desires of various groups.

Understanding the needs of clients is the first step in the product development cycle. The ILO's market research approach (see Figure 4) involves a literature review, focus group discussions and a short phone survey to validate results of the focus groups. Market research does not need to be expensive. The ILO's approach is designed to be quick and cost-efficient, and requires approximately 40 person days of effort. Box 2 provides tips on how to structure the market research activity.

Figure 4. ILO's market research methodology



BOX 2. Tips for conducting market research

Tip 1: Segment the market

Client personas can be a powerful tool to help staff empathize with the target market. Britam, for example, conducted a market segmentation study to understand the different consumer segments within the target market. The results revealed that segments differed in their preferences for digital services and access points. Based on this information, Britam decided to focus on two segments: millennials and peri-urban customers. Furthermore, Britam recognised that targeting customer segments required a different product and distribution approach, using a mix of sales and support staff. It therefore decided to create product development committees for each customer segment, instead of for individual products. This new approach is more client-centric, encouraging staff to think from the client's perspective, rather than as a product supplier.

Tip 2: Build in-house expertise

It is strongly recommended that a cross-functional team from within the organization participates in the market research process. In this way, multiple members of staff learn about the realities faced by low-income clients. AXA Mansard built the capacities of its staff through an ILO market research training and formed an in-house research team that was able to undertake small-scale research projects that had previously been outsourced.

Tip 3: Use a participatory approach involving partners

Nyala met with a range of potential distribution channels (mainly MFIs) and carried out market research together with them. Nyala designed the product in an open and iterative process with inputs from the MFI distribution partner. This proved particularly powerful at the branch level, and gained Nyala an impressive level of support from the MFI branch staff. Such a participatory product design process can be powerful but may not be suitable for all partners. Some MFIs were accustomed to a more traditional approach and expected a ready-made product. Nyala has worked with the MFI most open to a participatory approach to design a suitable product. It then plans to circle back to other partners with a ready-made product that can be adapted to suit the needs of their clients.

Prioritising the low-income segment may be a challenge for some insurers. For AXA Mansard, the focus of its traditional business units was the attainment of their key performance indicators, making it difficult to persuade staff to consider the long-term change management required to serve a new market. This challenge was addressed by bringing together staff from a range of functions within the company for a retreat. During this time, they shared customer insights and co-created a digital insurance solution. The retreat was followed by further market research and joint work to establish a value proposition for the target market. Bringing diverse parts of the company together to understand clients in depth provided a powerful experience for all staff involved. In addition, the time spent away from the office allowed staff from different functions to form stronger connections than could have been achieved through meetings.

3.1.5 INVOLVE SENIOR MANAGEMENT

In all the cases studied, a vision for the desired future was developed by senior management and was devised based on the broader organizational strategy. It is important that senior management is engaged in developing the vision for the desired future from the start. Further, it is important for organizations to stay nimble and focused on the finish line. The way to reach the desired future might evolve as obstacles are discovered, but it should not result in deviating away from the end goal.

3.2. STEP 2: SECURE BUY-IN

> *"By far the biggest mistake people make when trying to change organizations is to plunge ahead without establishing a high enough sense of urgency in fellow managers and employees."*
>
> John Kotter in Leading Change (2012, p. 4)

In the context of change management, buy-in can be defined as the understanding, acceptance, and ownership of the proposed change by the entities (people and institutions) who are responsible for its implementation or will be impacted by it. Thus, to secure buy-in means to ensure these entities have embraced the change and are ready for its implementation and consequences. Three types of buy-in are required: strategic buy-in, operational buy-in and partner buy-in (see Figure 5). Strategic buy-in is important as senior management is responsible for defining and executing the strategic vision of an organization. Therefore, a strategic change needs to be accepted and owned by the senior management. Operational buy-in is important as middle-management and operational staff are generally responsible for implementation and are also most directly affected by the changes to organizational processes. This makes them a very important stakeholder in the change management process. Partner buy-in is important as the changes being made within the organisation will affect how it selects and manages partnerships.

Figure 5. Understanding buy-in at an insurance company

3.2.1 ALIGN THE CHANGE MANAGEMENT AGENDA WITH THE BROADER ORGANIZATIONAL STRATEGY

> Aligning change agenda with the broader strategic goals of the organization makes it easier to secure buy-in from senior management.

For the majority of partner organizations featured in this study, obtaining buy-in among senior management was relatively easy. The change management objectives were generally derived from the company's broader strategic goals and were thus acceptable to the senior management. In the case of EIA, digitization of sales and operations is a strategic goal, and the change management objective was to achieve this by forming partnerships with digital sales partners such as mobile network operators. Therefore, this objective was readily supported by senior management. However, to secure strategic buy-in, it is important to communicate carefully how planned changes will feed into the company's broader strategy. At Kifiya, senior management was brought on-board by explaining how the microinsurance business case complements the overall goals of Kifiya. The case was made by highlighting future opportunities, such as cross-selling other Kifiya financial products to microinsurance clients, allowing management to see beyond the initially small-scale microinsurance market in Ethiopia.

3.2.2 USE EVIDENCE TO CREATE A SENSE OF URGENCY

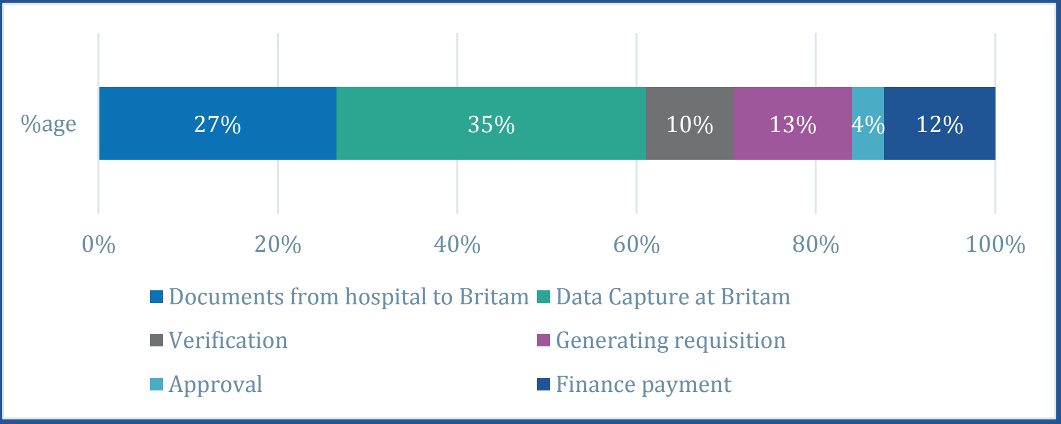
Senior management and staff may not initially be convinced that change is needed, but evidence (especially quantitative evidence) that highlights a specific problem can be persuasive. For Britam, such evidence came from a review of its existing claims processes. The results highlighted bottlenecks within the process and the scale of the problem convinced senior management to take action. A process review should start with understanding the "as-is" status to identify gaps, bottlenecks and potential areas of improvement (see Box 3). Such a review can produce a roadmap for proposed process improvements. Reviews can also help in getting buy-in as empirical findings can be used to make a case to the relevant stakeholders.

BOX 3. Britam's experience with claims processing

Britam's Microinsurance business unit processes a large number of medical claims. In 2016, a total of 79,000 claims were processed by the unit. Processing such a high volume of claims results in many challenges, including managing expectations around slower claims processing times, data management issues, and an excessive burden for operational staff. To address these challenges, Britam decided to improve its claims process, including automation, where possible.

A claims process review was the first step. Its objective was to identify pain points by mapping the claims process and analysing the work stream of operational staff. Process mapping identified all the steps involved and measured the time taken to complete each of them.

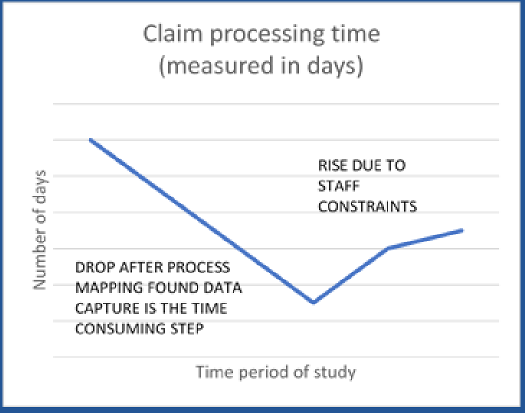
Figure 6. Medical claim processing time breakdown at Britam



Britam found that data capture and document transfer were the most time-consuming steps (see Figure 6). The time taken for data capture was addressed by allocating more staff and reducing the number of data fields. The findings were used to convince senior management to invest in a technology solution to enable digital capture and transfer of claims from Britam's partner hospitals, impacting two steps in the existing process that together make up 62 percent of total processing time.

After automating part of the process, the initial results were positive, showing significant reductions in claims processing times. However, over time, the processing time started to increase again due to staff constraints (see Figure 7). Given that data capture was the bottleneck, additional staff members were appointed to address this challenge. Making best use of existing resources is one important way to improve processes.

Figure 7. Increases in processing time



3.2.3 USE MIDDLE MANAGEMENT AS ROLE MODELS FOR CHANGE

Buy-in from operational staff can be secured through positive communication about change and creating value for the staff via skill-

In all projects, securing buy-in with middle-management and operational staff was more difficult than with senior management. Staff may be fearful of the change, distrust the process or see no value for them in the changes. Changing the way staff has been operating for years in a fast-growing and competitive environment requires them to take a leap of faith, embracing a radical change in their behaviour as well as in the way they perceive their job. For this mind shift to happen, the insurer must plant the seed during the implementation phase at the latest. Staff members must believe they have a personal interest in the change management process and that it will improve procedures and the working environment. These fears can be mitigated when middle management and operational staff serve as role models for change.

3.2.4 CREATE AND COMMUNICATE TANGIBLE VALUE FOR STAFF

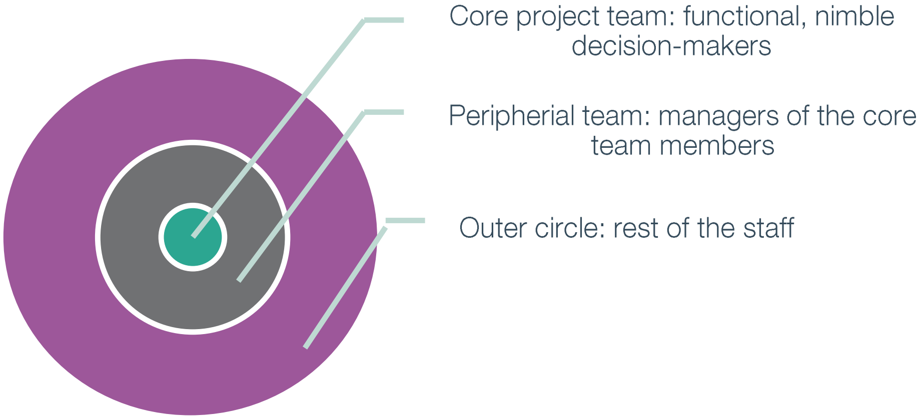
At Britam, a lack of clarity about the value of change affected the process initially. Operational staff were busy with their day-to-day tasks and did not see value in their involvement in implementing change. When managing business-as-usual and side projects, employees balance their usual work with the extra effort needed for a possible future benefit. The more abstract and uncertain the benefit, the less likely they are to commit to it.

Britam addressed this issue by breaking down the broader change management agenda into easily understandable and executable tasks that aligned with roles of individual staff. This helped highlight their contribution and also brought recognition when these tasks were successfully completed, thus, creating value to the staff. AXA Mansard had a similar challenge in trying to get staff involved in market research activities for the low-income segment. AXA Mansard addressed this challenge by creating value through capacity building and skill development activities. Staff were enrolled into the ILO market research training that helped in developing skills while also achieving buy-in to research activities. SUNU focused on communication and reminded the staff of the final goal on a weekly basis, reminding them how their job will be positively impacted by the work they were asked to perform now.

3.2.5 USE A GRADUAL APPROACH TO SPREAD INFLUENCE

Failing to achieve buy-in from the staff is a deal breaker. SUNU developed a gradual approach to spread the vision and grow commitment as depicted as concentric circles in Figure 8. The inner circle was composed of a core project team, which was ambitious, nimble and flexible, and included opinion makers. This core team had to achieve quick wins to generate tangibility. The middle circle was the peripheral team, composed of the line managers of the core team, as well as middle managers. The role of the peripheral team, once emboldened by the short-term wins, was to get buy-in from the outer circle, representing the rest of the staff.

Figure 8. Circles of influence



3.2.6 COUNTER FEAR OF CHANGE

Words matter. Pay attention to how staff react to the term “change”.

Fear of change can be a huge constraint. Often, even the word "change" is perceived negatively by staff and triggers defiance and resistance. Staff often fear that it is synonymous with "termination", "replacement", and "substitution". As change can sound scary, it is important to frame it carefully. SUNU addressed this by employing the internal communication team to frame change in a positive manner. It helped in preventing the creation of a negative atmosphere regarding change. They stopped using the word "change" and started to use the word "evolution" or "transformation" instead. Time was set aside for staff to identify the fears they felt, diffuse these fears, and help learn new ways to go about the roles they would need to play. Articles in an internal paper, town halls and social media were also used to increase awareness.

As EIA realized, a digitization project always brings a fear of change as automating processes requires the company to redeploy staff to other departments or jobs, often requiring retraining or up-skilling. This fear initially resulted in slow progress on tasks related to organizational restructure, as managers were concerned about losing staff. Equity management dealt with this situation in two ways: on one hand, it set clear deadlines for operational managers to redeploy their staff; on the other hand, it provided coaching on how the existing functions could be performed with fewer staff. Further, staff members were reassured that they would be moved to new roles and trained on the skills they would need. This combination helped to overcome some of the reluctance to change.

3.2.7 VIEW PARTNERS AS STRATEGIC STAKEHOLDERS

Organizational changes have far-reaching effects across the value chain. This can slow down the change process if partners have not accepted or are not ready for the change. For example, EIA, as an insurance agency, needed support from its partner insurers to execute its digitization strategy. As Equity digitized its sales and operations, partner insurers also needed to digitize their operations. Equity hopes that by being an early adopter and demonstrating the value of digitization, its insurer partners will follow its lead. AXA Mansard adopted a collaborative approach, supporting one of its distribution partners in seeking grants from various funders.

Strategic partners, with a long-term stake in the partnerships, can often be more supportive of the change journey. For SUNU, it realized that it needed to approach partners in a new way in order to build long-term relationships (see Box 4).

BOX 4. Approaching partners in a new way

SUNU accepted that there was a considerable distance between the company and the customers it wanted to serve. Customers often did not know about insurance, and those who did generally did not trust insurers. However, analysis of one particular segment (in this case smallholder farmers) highlighted that many organizations were already in regular contact with these customers, sometimes with an established trust relationship. These included community-based organizations, microfinance institutions, mobile network operators, corner stores, input providers, cooperatives, and agribusiness companies. The challenge was to identify a suitable partner to distribute insurance.

SUNU started by conducting a simple distributor assessment using evaluation questions such as:

- What is their objective or strategy?
- What is their value proposition?
- How do they operate?
- How do they interact with their customers?
- What are the profiles of their customers?
- What challenges do they face?
- Could we help addressing some of these challenges?

Based on the answers, SUNU presented its approach, based around providing both economic and social value to all stakeholders, to potential distributors. Instead of approaching distributors with a ready-made product targeting a wide or non-specific audience, SUNU now approaches distributors without a set product, but rather as a strategic partner wanting to design and test prototypes together.

This was the first time these partners had been approached in this way by an insurance company, and the approach proved powerful. The distributor assessments were vital to this approach, allowing SUNU to understand distributors' challenges and potential synergies before approaching them. The assessment also made market research easier and led to a stronger and more constructive relationship with partners.

What matters is for both partners to see their relationship in terms of co-creating value, rather than simply as a distribution process. Monitoring customer satisfaction is therefore crucial.

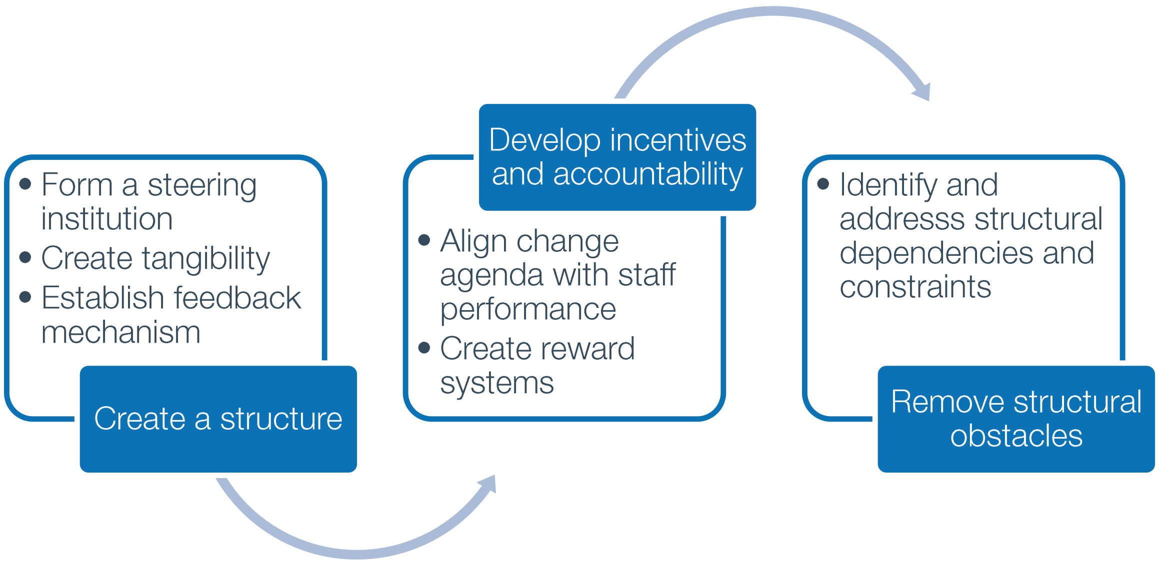
The experiences described above show the importance of buy-in at all levels of the insurance value chain and presents some possible ways to achieve this, depending on the organizational context. While obtaining buy-in is critical, sustaining it at all levels is equally important. This is especially true for large insurers, where the change process can be slow and time-consuming. Organizational priorities may alter and stakeholders' commitment can start to wane. At Nyala it was observed that while strategic and operational buy-in was obtained at the beginning, it had to be secured again when a new distribution partnership was developed. This required a similar process of engaging senior management and operational staff. Securing buy-in is not a one-time initiative but something that should be repeated multiple times during the project. Partners adopted varied approaches to sustain buy-in at all the levels as described in Step 5.

3.3. STEP 3: ORGANIZE FOR CHANGE

After obtaining buy-in, the next step is to organize for change. Insurers are large institutions with multiple structures and processes. Depending on the scale of the proposed change, some or all of these structures may need to be involved. This requires a planned approach so that ongoing business objectives are not affected and the transformation is achieved smoothly.

Change, such as a new unit to serve the low-income market, usually requires further changes to business structures and staff organization. All companies included in this study followed a similar pathway for change, despite their differing objectives. This pathway is illustrated in Figure 9.

Figure 9. Pathway towards organizing for change



3.3.1 FORM A (CROSS-FUNCTIONAL) STEERING COMMITTEE

> A steering force, in the form of cross-functional team, is an indispensable requirement to lead and guide the change process.

A steering committee is needed to plan, guide, and monitor the change process. The steering committee should have sufficient senior members to give the project legitimacy. Further, it is useful to have a cross-functional committee in order to bring together knowledge and expertise from various departments. Britam created a Business Excellence Committee for this purpose. As operations were driven by different departments, Britam's Business Excellence Committee was a cross-functional team that included members from claims, underwriting, risk, IT and finance. This team was the driving force behind the process improvement initiatives. The committee's vision was to achieve excellence in all operations of Britam's microinsurance unit. Similarly, AXA Mansard formed a project team with nine members from different functions to drive its various emerging customer projects.

3.3.2 CREATE TANGIBILITY AND PLAN IMPLEMENTATION

The steering committee has two immediate responsibilities. The first is to create tangibility by translating the vision into business and operational objectives, in turn helping to secure internal buy-in. The second is to plan and guide implementation and assign responsibilities to the project team (see Box 5). A timeline-bound implementation plan needs to be inclusive of all organizational dependencies. The cross-functional nature of the team is important during the implementation phase. For instance, in Britam's Business Excellence Committee, while IT, claims and underwriting staff were sufficient to guide the digitization of processes, a member from the risk team was needed to identify financial and operational risks.

3.3.3 ESTABLISH FEEDBACK MECHANISMS

Feedback loops are created when outputs from a process are reported back in the form of either inputs or recommendations. Such loops are critical in avoiding a purely top-down change process. Staff feedback can help leadership identify constraints and adapt to the organizational context, and should be a key input for the steering group. Feedback loops help keep Britam's Business Excellence Committee informed and well-positioned to continuously improve its implementation plans.

BOX 5. Revising the organogram

The change management process starts with identifying the desired future and includes analysis of available information, for example through SWOT and gap analyses. At this point, it usually becomes clear that a project team will be needed to implement the change. It is very important to find the right people for the job and to make sure their roles clear. In the ILO change management projects, such as those with AXA and Britam, an organogram chart was useful to clarify roles.

With the help of the ILO, Britam started by drafting an organogram based on the existing structure of its microinsurance unit. This was subsequently used as a guide to assign responsibilities for the change management work. This revised organogram was later adopted by Britam's human resources department to formally define the microinsurance department's structure.

With innovation projects, "chicken-and-egg" situations are common. The organization wants to see results before investing in human and other resources, but it is difficult to achieve results without additional resources. A typical approach is to borrow resources from existing functions to test new processes or products, and then invest in those that prove successful. In such situations, it can be confusing for members of staff who are playing multiple roles within the organization (e.g. an actuary who has been asked to support the microinsurance business, but is already at near-full capacity with non-microinsurance work). A project organogram therefore helps clarify roles and highlight potential clashes. If a company-wide organogram already exists, this can be updated with the new roles and responsibilities. It is important that this is done at the start of the change management process and endorsed by senior management.

3.3.4 CREATE AN APPROPRIATE REWARD SYSTEM

Both staff incentives and accountability are needed to deliver change management projects. It is the role of the project team and steering committee to develop and align staff incentives with the project objectives. Creating incentives for non-revenue related tasks can be difficult at an insurance company. Generally, rewards are given for activities that affect a company's bottom line, such as sales. This makes it difficult to create financial incentives for change-related tasks. Non-financial incentives are one way to address this challenge. For example, SUNU

> Positive recognition of staff's contribution towards change objectives can be an effective non-financial incentive.

provided recognition for members of the project team to reward cooperation. In fact, recognition can be a powerful motivation tool and is one of the most effective non-financial incentives. This was also observed at Britam, where a staff member was rewarded with the role of internal change agent and was tasked with giving project updates to the management team.

3.3.5 LINK THE CHANGE AGENDA TO STAFF PERFORMANCE GOALS

A number of issues that may hamper adoption of change can be addressed by aligning staff's performance goals with change objectives. Staff are more likely to allocate their time to new activities when such efforts count towards their annual performance appraisals. This will both incentivize staff and ensure accountability for activities. Britam, for example, incorporated change-related activities into the annual personal score cards of their staff. It first broke the overall vision down into tangible business objectives, then identified supporting activities to achieve these objectives. These activities were then assigned to individual staff members. For instance, market research tasks were allocated to the marketing staff member on the microinsurance team. This ensured that this staff member was accountable for the timely completion of marketing research.

3.3.6 IDENTIFY AND REMOVE STRUCTURAL OBSTACLES

Structural obstacles are constraints that arise from an insurer's existing systems and processes. Obstacles can include the existing structure of teams or departments, current performance measures, existing business processes and IT systems. It is the role of the steering committee to identify these obstacles and to find ways to address them. While it is advisable that obstacles are identified during planning, constraints may come up at a later stage and should be dealt with at that time.

Traditional business practices can lead to dependencies and constraints in bringing about change. AXA Mansard's Emerging Customers' team aimed to develop new products which would be distributed through digital channels. This required agile project teams to manage the product development and engage with distribution channels. AXA Mansard knew that its traditional business processes would cause delays. It therefore formed a project incubator, tasked with developing a new product from scratch and coordinating with all internal and external stakeholders. Once the product was ready-for-market, it was handed over to the operational team. SUNU faced a different constraint when it realized that the company lacked project management expertise and experience. It therefore decided to introduce a gradual training program for staff on project management.

When EIA was setting up its first mobile insurance product, Riziki, it had to circumvent its usual project management processes to expedite the product development and pilot process. Traditionally at Equity, contracts between all partners need to be in place before work can begin on any product. However, in the case of the mobile insurance product, five partners were involved in the process: EIA as the intermediary, the insurer, the mobile network operator, the technical assistance provider and the bank. Management felt that momentum would be lost and the project would be jeopardized if they waited for all the contracts to be in place. EIA therefore decided to begin the internal work (such as making IT changes) while the contract negotiations were ongoing.

3.4. STEP 4: IMPLEMENT CHANGES

Whatever the length and quality of preparation, the implementation phase is the moment of truth. If implemented well, the vision, strategic objectives and plan become tangible during this stage.

3.4.1 FOCUS ON PRIORITY ACTIVITIES

Momentum from the early stages of the project must be maintained. To do so, the desired future identified in Step 1 should be turned into clear operational objectives and aligned with strategic priorities. This alignment emphasises to staff that the change management project is not just a "side-project", but vital for the company's strategic priorities.

Operational objectives are subsequently translated into activities. The sum of activities and milestones might seem overwhelming. Communicating only one to three key activities as top priorities to staff can make them more manageable. This approach allows the staff to keep these activities in mind while they are planning their work and deadlines and requesting resources.

When EIA initially defined its vision for digitization, it included a broad spectrum of processes, including enrolment and claims. However, over the course of the project it realized that it made sense to focus the first wave of digitization on marketing and sales. These were the processes that it was able to control completely, as opposed to the claim process where it was reliant on its partner, the insurance company. By setting the focus on sales, EIA was able to generate the necessary stakeholder buy-in to push the digitization agenda internally and with its partners.

Britam started its project by focusing on ten activities, but realised after a year that it was only making progress on two of these. It subsequently started communicating a "task of the month," identifying one task at a time in order to bring about incremental change. AXA Mansard, on the other hand, chose to keep the details of all activities in the work plan, as it felt that that only highlighting a few priorities would not allow them so secure adequate resources or technical support from senior management.

3.4.2 USE TOOLS TO HELP STAFF IMPLEMENT CHANGES

Tools that make tasks easier prevent staff becoming overwhelmed by the magnitude or complexity of the project. AXA Mansard implemented tools for each of the three pillars of its change project. The first pillar was understanding the customer. Through capacity building in the form of the ILO's market research training, an in-house research team was formed. This team was able to complete small-scale research projects which otherwise would have been outsourced. The second pillar was to become more agile. Process mapping was conducted to identify ways to improve the product approval process. The third pillar was to streamline internal procedures. Several tools were developed to support product design and speed up the product approval process, including a pricing tool, a product factsheet and a business development tool. In addition, a dashboard is currently being developed to showcase key performance indicators in a succinct way.

3.4.3 BUILD SYSTEMS THAT CATER TO LOW-INCOME MARKETS

Often microinsurance team structures and processes are inherited from other business areas. This is not ideal, as microinsurance business from traditional businesses considerably in terms of product design, price and sales volumes. Therefore, both team structures and processes should be customized to suit the needs of microinsurance business.

Efficient operations are key to achieving success in inclusive insurance. Improving business operations generally has three broad objectives:

1. Increase efficiency in order to reduce processing times and enhance customer service standards

2. Reduce operational expenses in order to scale up in a cost-effective way and achieve profitability

3. Improve data management practices so that data can be stored, consumed and analysed effectively.

Kifiya improved business operations by equipping agents with a mobile phone application connected to a biometric device to digitally enrol members in its crop and livestock insurance products. This application can be used to collect "know your customer" (KYC) information, biometrically identify the farmer, geo-position her farm and print a premium receipt as a proof of insurance for the farmer. Kifiya has also developed a cloud-based digital marketplace where various insurance products from its partners are available for purchase.

Britam focused on streamlining the enrolment and claims process for its partners. A new partner portal allows hospitals to submit claims and distribution partners, such as farmers' associations and other large aggregators, to directly enrol members and submit the requisite KYC documents. The portal is expected to reduce the time and cost spent on the physical transfer of documents, enhance communication between Britam and its partners, and improve their data management practices.

The change management projects highlighted in this paper have shown that successful digitization does not depend solely in introducing technology, but on how well people are placed to handle change. Understanding what it takes to encourage and sustain behavioural change, both internally and externally, is key to reaping the rewards of going digital.

3.4.4 SOURCE THE RESISTANCE

In some of the cases reviewed, implementation was slow, despite careful planning and resource allocation. In this situation, it is important to take the time to understand why change is not happening: is it a question of skills, resources, corporate culture or trust?

A change project may be part of a boarder portfolio of projects that the senior management is responsible for. Project difficulties may be linked to an executive decision which, from a single project's point of view, does not make sense but is necessary given the whole portfolio of projects. It is the role of the project sponsor (the high-level internal supporter of the project) to ensure that each of the sub-projects gets the resources that it needs and to ensure progress across the portfolio of projects. Box 6 provides insights from SUNU on how to manage a portfolio of projects while maintaining the momentum of individual projects.

BOX 6. Role of the project sponsor - An interview with Gildas NZOUBA, Deputy CEO, SUNU Assurances Vie Cote d'Ivoire

ILO: How do you conciliate your manager role on some projects with your sponsor role on others?

Gildas Nzouba (GN): Projects are rarely seen individually by the sponsor, but rather as a project portfolio, each project of the portfolio contributing to reaching a part of the strategic vision. Within this portfolio, projects have different levels of priority and criticality. Some projects are correlated. Some are managed by people who are slower than others. Managing projects as a portfolio is key to reach the vision. Right from the start the sponsor knows which projects are likely to slip, and therefore applies different levels of pressure accordingly. Quality, Cost, and Delivery cursors might come into play and be influenced by the sponsors for this purpose.

ILO: What are the risks at the project level?

GN: The contribution from other projects might be partially known or unknown by the individual project managers. For the stakeholders, this portfolio logic takes shape with time, when each project starts delivering results, and bringing tangibility. It requires a lot of groundwork, at times associated with deliberate vagueness in the sponsor's guidance, leading to progressive goal clarity. The sponsor role is to make sure this portfolio logic moves forward, while enabling the emergence of synergies, in order to achieve the strategy.

ILO: How do you maintain momentum?

GN: In this environment, the communication strategy of the sponsor is key, and can make the difference between a sponsor perceived as pulling projects out of his hat, and a sponsor able to reinforce his legitimacy and his ability to lead people through change, by reframing each new project as an inherent part of the strategy, and supporting it along the way, not just at its inception. The project sponsor must be able to incrementally demonstrate that they are a knowledgeable individual, determined to reach a clear goal, and convince more and more people to follow their lead.

3.4.5 MANAGE RISKS, INCLUDING THE RISK OF FAILURE

No change is possible without failures. Lessons learnt from failure provide important inputs during the project review and in planning future projects. Risks of failure should be assessed at the start of the project, and thoroughly monitored throughout it. A simple risk analysis is enough to get started. Particular attention should be paid to the risks with the biggest impact, and to highly correlated risks. This risk analysis should be updated at least every quarter, to take into consideration any new developments.

Leadership should not be afraid to communicate the risks of failures, in order to manage expectations within the team. The sooner the team accepts failure as an inherent part of change, the quicker they will be ready to address it. As a result staff will be less likely to become demotivated should failure occur. In addition, understanding the risks helps ensure teams are given credit when risks are avoided or overcome.

It is ultimately the responsibility of the board and senior management to ensure that the risk management system is adequately designed and works to identify, assess, monitor, manage and report on all reasonably foreseeable material risks in a timely manner (see Box 7). Other staff members are usually involved in assessing risk, including the actuarial team and others who may have special training in risk management. The risks identified will vary depending on the type of changes being brought about – for example, the risks associated with automating a particular process will be different to those associated with introducing a new range of microinsurance products.

In the context of insurance for low-income households, the concept of proportionality is important. Payouts are typically small and clients are usually unfamiliar with insurance. A light touch is usually taken when applying risk management techniques so not as to frighten away an already distrustful client base. In the end, a balance needs to be reached between protecting the insurance company and providing products that are valuable and easy to understand.

BOX 7. Risk management and governance techniques

There are many ways to tackle the risks connected to a new project. Once all relevant risks have been identified, a good starting point is to compile a risk register. The register, at its simplest, is a table listing all the risks, with columns for the probability, impact, significance, risk score, mitigation strategy, owner/person in charge, contingency plan, time limits and other notes for each risk. Thinking through possible scenarios can help make sure nothing is missing from this table.

Organizations should consider the following risk management techniques: use customer satisfaction surveys to gauge whether the product and/or service is being well received; review the terms and conditions and monitor performance of products; and put in place controls for sales channels and ensure adequate salesforce training.

An effective way to ensure good corporate governance is to create a governance policy document that is adopted by the company's board of directors and implemented at all levels of the business. When a business transformation project is introduced, care should be taken to review the governance policy to make sure that the project is in line with that policy and that any new risks are taken into account.

3.4.6 BE AGILE

During implementation, the project team will require agility in its methods, activities and team structure in order to keep the project progressing in the face of adversity.

SUNU Assurances' management learned that in order to manage such projects while running its business as usual, it would need to become nimbler. Its cross-functional project team tested new processes on a small-scale, before deciding to make difficult changes across the entire organization. They also learnt that rolling out a new operating model across the company would require agility in managing its staff. The cross-functional team was an ideal structure for the planning phase, while brainstorming new ideas and creating a viable action plan. However, the structure became less effective during the implementation phase when tasks needed to be taken on by each functional unit. Therefore, the team members were embedded back into the functional organization chart, allowing the project to benefit from the existing operational structure.

SUNU also needed to find ways to make the insurance product more accessible and affordable. For this purpose, it applied for a microinsurance licence. The licence allowed it to better serve its clients by simplifying the vocabulary used, using a wider network of partners as distributors, and designing more flexible products with enrolment and administration process better adapted to the lifestyles of microinsurance customers.

SUNU decided to introduce new products gradually. Clients were not used to savings and insurance, and SUNU was not comfortable with handling high-volume/low-ticket transactions. SUNU therefore decided to start by piloting simple products with more controllable claims patterns, like life insurance, in order to test the ground, build the capacity of SUNU and its distribution partners, and start collecting customer data. It then planned to move on to more complex product offerings.

3.5. STEP 5: MEASURE AND COMMUNICATE SUCCESS

With work plans spanning two to three years, managing expectations and defining success can be a challenge. The commitment of staff, management and financial backers depends on tangible results.

3.5.1 DEMONSTRATE SUCCESSES AND CELEBRATE SMALL-WINS

> Securing buy-in is not a one-time process. It needs to be sustained during implementation by demonstrating intermediate successes to stakeholders.

A lack of tangible results in the early stages of a change project can lead to discouragement among operational staff and loss of commitment at the senior management level. Therefore, a change management project should be planned in a way that quick wins can be achieved and demonstrated in the initial phases. According to Kotter (2012), most people will not persist with long-term change projects unless they see results in the first six to eighteen months. Opportunities to achieve small but concrete results and reach milestones should be included in the broader change agenda. For example, at Britam, improvement of business operations was the final objective. However, as technology-related changes can take a long time, the initial focus was on identifying and implementing quick improvements in the claims operations that were not dependant on technology. After a thorough review of claims process, a few changes were introduced that led to a decrease in processing time (see Box 3). This demonstrated that the project was on the right track and ensured continued buy-in towards the final objective.

Change is ultimately possible through a series of small wins. In fact, it is impossible to achieve the major change that an organization desires without identifying, recognizing and communicating small wins. Achieving and communicating small wins makes the change process tangible and helps maintain the buy-in of all stakeholders. Wins can be activity-based achievements initially (for example, the completion of market research or signing a new partnership) and later output or outcome-based (for example, achieving sales targets).

Recognizing these small wins is easier said than done. It is important to identify the prerequisites for meeting the final change objective and include them in the work plan, so that staff recognise small wins that are necessary, but less obviously related to, for the overall objective. For example, when focusing on digitization, it would be easy not to recognize the importance of small wins such as finalising inter-service level agreements, or rolling out a training programme. These are not details, but vital steps in the plan, and their completion should be celebrated. As a result, management should highlight how these small wins contribute to achieving the final goal, and the potential consequences had they not been in place. What matters is to recognize and present the wins to staff as the tangible results of the extra efforts they have put into the project.

> Use the momentum gathered from the small wins to push forward larger initiatives. Complacency is a risk if staff or management feel that the work is already done.

Nyala emphasized the importance of project portfolio management by highlighting best practices that had brought about short-term wins and applying these to other projects. Similarly, SUNU identified best practices among the team, and communicated one of these to all staff on a quarterly basis, to celebrate the team´s ability to find solutions and improve its working practices. Thanks to a small-scale pilot, Kifiya demonstrated that an adequate technological tool, coupled with a good distribution strategy and pay-out ceremonies, increased awareness around livestock insurance, thus significantly increasing sales and reducing the administration cost for the underwriter. This demonstrated to partners that Kifiya was the right partner for this type of insurance.

3.5.2 COMMUNICATE BROADLY

Change must be inclusive to succeed. Change faces the strongest resistance when information is confined to a small group including the project team and top management. Even if contributions are limited to the project team, everyone in the company must understand how they will benefit from this change. The psychological battle of change is the hardest struggle for any company going through this journey. The communication should be aimed at a broad audience, so that no one feels left behind in the process. Feeling left behind is likely to trigger staff members' worst fears. Communicating frequently with the entire staff limits the risk of rumours spreading through the team and triggering resistance to change. It also encourages others to believe in and support the change process, even if they are not directly involved.

Communication should be institutionalized so that the vision, small wins, and project progress can be communicated quickly and repeated through various channels. Communication may build on existing media such as internal memos, newsletters or intranet postings; or may be communicated separately in "town hall" meetings, dedicated emails, or focused breakfast meetings. The involvement of top management in delivering such communication makes it much more powerful.

AXA Mansard institutionalised the reporting of project updates to the CEO on a weekly basis, and also created a monthly newsletter containing project updates, news, insights, and learning from the industry. This newsletter was shared with the entire AXA Group. Britam implemented bimonthly reporting during management committee meetings, as well as quarterly reporting to Britam's Board.

3.6. STEP 6: MAINSTREAM CHANGES

The final step is to mainstream changes, so that the desired future can become a sustained reality. With any new process or change, there is a danger that things will revert back to the way they were before if the changes are not embedded within the processes and structures and anchored in the culture.

3.6.1 EMBED CHANGE INTO PROCESSES AND STRUCTURES

Dealing with vulnerable customers requires a different business model to that of traditional insurance. This new business model requires changes to operational procedures. Some job descriptions will evolve as the portfolio of products serving the low-income market grows, while other new roles will be created. In order to ensure that staff are capable of implementing new processes, training and involvement of the human resources department is essential. For instance, at both AXA Mansard and Britam, the personal staff goals or performance evaluations were changed to include the achievement of goals related to the change process.

3.6.2 ANCHOR CHANGES IN CULTURE

Embedding change within an organization's culture is vital, and should not be left until the end of the project. Rather, mechanisms should be in place to institutionalize change within the corporate culture and procedures throughout the change process. If new practices are not compatible with the culture, there is a risk of practices reverting back. Culture will only change after actions change and yield results. Hence, culture is generally one of the last things to change. The focus of the change management exercise should be to change people's behaviours and create systems to enable these behaviours to persist over time, until the core culture shifts (Kotter, 2012).

AXA Mansard's new cross-functional approach to designing products for the low-income segment influenced other teams to experiment with co-creation. The project team acted as the incubator for new ideas, and, by collaborating with other teams, helped other departments learn new ways of going about their work. One of the benefits of this approach was a cross-pollination of ideas between teams working on microinsurance and non-microinsurance products.

3.6.3 REVERSE INNOVATE

Reporting the outputs of new processes and tools to the Board and staff encourages them to consider the relevance of a similar changes in other lines of business and other subsidiaries. At AXA Mansard, for example, the product factsheet developed by the Emerging Consumers team was adapted by other departments. A major success for Britam's microinsurance team has been the board's appreciation of the value of market segmentation studies. The findings and follow-up steps presented to the board were subsequently shared with other business units, in order to initiate similar market research activities.

The launch of a new product required approval of multiple internal departments at Britam, including direct departments such as sales, underwriting, claims and finance; and support functions such as IT, risk, and marketing. Traditionally, direct departments first developed the prototype and support functions were involved at a later stage. This slowed down the development process as feedback from support functions had to be incorporated by taking the prototype back to the direct departments for changes. Sometimes this step was undertaken multiple times, leading to delay in product roll outs. To address this, Britam's actuarial department developed a product design template. This template provided guidelines for each department on their inputs and involvement at each stage. As a result, most departments were involved in product development from the first stage, decreasing the time taken passing the prototype between departments and ensuring progressive changes at each stage. This has helped Britam's microinsurance team to reduce product development time from six or more months to less than three months. Britam is considered applying the same process beyond microinsurance.

4. CONCLUSION

In order to serve the low-income market effectively, insurers need to go through a systematic change process. The cases featured in this paper illustrate the specific changes that are needed to serve low-income markets. Organizations need to become more client-centric, more efficient, and more innovative. To do so, they must improve operations and enable staff; secure new partnerships; and improve governance, organizational structure, and risk management. All these components should be addressed as part of a change management strategy.

Change is slow and inevitably comes up against obstacles and constraints that arise because of the existing structure and culture, or because of a lack of resources, skills or incentives for staff. Efforts must be made to identify and resolve such constraints. In addition, there will be a need to balance the demands of daily business and of change projects.

At its core, change is about people. A structure, such as a cross-functional team, is needed to drive the process, and the involvement of an external agent may be useful to mitigate conflicts of interest. Incorporating change activities into staff's priorities and performance measurement systems will help create ownership and accountability.

Failure is part of change and it is important to expect and plan for it. Many of the planned changes may not work or take longer than planned, and it will be important to identify and communicate small-wins in order to maintain buy-in at the strategic and operational levels.

Change is possible. The cases reviewed in this paper have shown that a systematic change effort that is planned and implemented properly can be effective. Eighteen months into the change journey, SUNU had launched four new partnerships with MFIs, agribusiness and cooperatives; Britam had set up a new partner portal and instituted a new product development process; Equity launched its first mobile insurance product; AXA and Nyala introduced new mobile health solutions for low-income households; and Kifiya had expanded its insurance portfolio to include crop, livestock and health.

Finally, it is important to remember that change is never complete. The objective of these change process was to create tools and establish structures that make future changes easier. The organization's desired future needs to be validated on a regular basis and may need to be adapted as the context in which it operates, changes.

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