Launching a new venture within one of the world’s leading insurance brands

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The leader needs to be everywhere
Context of AXA

Pros
• Great brand
• Capital to invest
• Quality people
• Great at acquisitions
• Visionary Top 2 leaders

Cons
• Not used to building new businesses
• Tight ROI requirements
• Risk averse
• Many senior managers focused on own targets
Our European Footprint

- Live market
- To be launched soon
- TAIK Call center
- Customer Service

Timeline of launches
The business that was built

• In less than 12 months the team built and launched, from scratch, a new direct distribution life protection business for AXA, operating pan Europe under EU freedom of services legislation.

• The business had 1 life company regulated in France, 1 integrated IT platform, 1 back office located in Poland, 1 marketing and sales team, with senior management and key staff located in Paris.

• The business was organised into a complete value chain that could be flexibly deployed to suit markets and opportunities.

• Active in France, Belgium, Spain, Italy and Germany; selling over 100k policies pa, with over 450 telesales agents in 10 locations plus an innovative and successful digital distribution capability.
Launching something very different within a large corporate

• Top level sponsorship of the idea.

• Clear idea linked to wider strategy – grow protection business

• Level of independence to operate

• Visible progress to silence the doubters

• Open communication – don’t hide bad news

• Managing stakeholders – up to the board, sponsors, around to all the team, lateral to colleagues, clients, partners, suppliers, advocates and doubters
Critical success factors when launching a new venture - 1

• Have a distinct **management philosophy**
• Be a **generalist**. Not just sales and marketing – don’t forget IT, Finance, Legal and Compliance
• Balance clear **strategy** with dynamic leadership and a strong team
• Simple **company message** – elevator conversation to explain the business
• **100 day plan** – for focus and speed
• Be big on **oversight** of the build – progress, resource allocation, timeline, milestones, quality, budget. A programme management office is essential
• **People** with the right skills and attitude. Skills - expert or competent not too basic. Attitude open and hungry to learn not static or closed
• Create the right **culture**, give the team confidence and encourage teamship
Critical success factors when launching a new venture - 2

- **Communicate** openly to the team – examples; constantly explain change is normal, 2 new markets simultaneously, why AXA entities are reluctant to say YES
- **Change** – is not indecision, not bad planning, its normal
- Be clear on; target **customers**, needs, propositions, how to reach them – engage, stimulate and convert
- Be prepared to build launch and **change** right away - don’t be afraid to improve immediately
- **Test and learn** – good example is digital. Model constantly changed for the better.
- **Control** – tightly control what you can, understand and monitor closely what you can’t control and ignore what doesn’t affect you
- **Improvement** – analyse as soon as possible, apply lessons learnt
Planning & Building

Traditional
• Strategy
• Structure & Business Model
• Systems & Processes
• Business planning
• Marketing plan
• Reporting
• Control & Governance
• Regulation
• Capital investment

Real Life
• People
• Culture
• Vertical & horizontal communication
• Problems & issues
• Improvement plans
• Grabbing opportunities
• Design, build, change, rebuild
People to recruit

- **SKILLS**
  - Expert
  - Useful
  - Basic

- **ATTITUDE**
  - Static
  - Open
  - Hungry

- **Target A**: Difficult to find and expensive
- **Target B**: Don’t Recruit
Clear simple strategy to grow the business

Build a flexible complete value chain

- Center of excellence: Management Centre in Paris: recruit, train and develop direct marketing talent
- IT business oriented: Limited range of product easy to buy and understand
- Multi Channel direct distribution: Multi-channel distribution based on efficient and international telemarketing platform, direct to consumer On Line and Off line campaigns
- Limited range of Product: IT solutions aligned to business needs, flexible and scalable

Test in France and expand consistently across EU

- Poland
- Germany
- Italy
- Spain
- Belgium
- France

Ensure profitable business mix in markets

- AXA
- AGD
- D2C
- Digital
- Affinity

- Ensure correct split between AXA Cross Sell, Affinity and D2C to:
  - Launch new countries with high and known volumes of qualified sales
  - Reach a high level of performance and low acquisition costs
  - Make benefit to AXA local entities of our expertise and capacity
- Grow digital with speed
- Use Affinity to deliver volume sales

- Manage our activity with a short set of KPI’s:
  - Sales rate
  - Acquisition costs
  - Issued Policies
  - Cooling Off

- Build and launch activity in France, test then lift and drop to others
- For each country, start with AXA cross Sell then expand Affinity and Digital with same approach to new countries
Continuous Improvement

• Marketing planning
• Connecting with customers
• Know your business levers
  – Telemarketing – contracts and capacity
  – Market performance – Belgium; data, TMK, brokers
• Digital model
• IT developments; faster and cheaper
• Finance; bigger team, skills upgrade, better processes
**Marketing Planning**

**Direction**
- 5 year business plan

**Measures**
- 2015 Financial KPIs

**Planning Principles**
1. Split by line of business.
2. Appropriate granular detail.
3. Clear actions (cause + effect)
4. Clear ownership
5. Tight control on implementation.

**Where will the growth come from**

**Incremental**
- Grow current activity
  - 70%

**Step Change**
- To capture obvious opportunities
  - 30%

**Innovation + News Ideas**
- (Step into unknown)
  - = 100%
  - + 20% Stretch

**Output**
= A stretching marketing plan

**New Markets**
- Germany
- Poland

**New Products**
- Serious illness
- New digital ideas

**Keep up momentum for the basics already in place**
- Term life in FR
- Major Partners
- New pan Europe partners

**Can do better + Faster**
- (Unfulfilled Potential)
Value proposition connecting products and consumers

- Value proposition is: « an attempt to be clear about points of interest that might encourage a consumer to be more interested in an offer by a specific company »
- With 4 distinct stages

1. **Understand the consumer:**
   - Be clear about the audience
   - Develop personas
   - Understand needs, behaviours, life style not just for insurance
   - Define insights

2. **Push the right products:**
   - Map products to segments to identify the right products
   - Clarity on features

3. **Turn them into winning propositions**
   - 360° assessment: taking into consideration, the consumer, the environment, the competition

4. **Communication approach:**
   - Tools kit
   - Tips on how to confront your messages: how you currently talk to consumers vs how you should talk to them, based on the Value propositions
Route to Profit

SALES NUMBER OF ISSUED POLICIES

PREMIUM (APE + Average)

ACQUISITION COSTS

COOLING OFF

SURRENDER & LAPSES

2013 PRODUCT MIX 2014

2013 CHANNEL MIX 2014

2013 COUNTRY MIX 2014
Decide Target Audience + Their needs + Our Propositions

Digital Model

REACH

FIND TARGETS

TARGETS DON'T SEARCH

START OF PROSPECT DATABASE BUILDING

BUILD:
- TEAM
- ENABLERS
- INFRASTRUCTURE

ENGAGE

ENGAGE + INFORM

GET READY TO CONSIDER + BUY

USE THE PROSPECT DATABASE

CONVERT + GROW

CHANGE MINDSET + PERCEPTIONS

ENGAGE + SELL

DELIVER KPI’s

CMS – CONTENT MANAGEMENT SYSTEM
WA – WEB ANALYTICS
S/FORCE / CRM / EXACT TARGET