

MMI embraces external innovation through new Exponential unit

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MMI Holdings Limited announced today that it has created Exponential, a business unit to focus on potentially disruptive innovation opportunities around financial wellness globally and domestically in South Africa.

Exponential is headed up from the UK by Jaco Oosthuizen, previously in charge of MMI's loyalty and rewards programme, Multiply. In total, Exponential comprises four members, with two of them located in South Africa and the other two in the United Kingdom. Oosthuizen says, "Entrepreneurship is driving ongoing technological advances and changes in consumer behaviour are making it easier for innovative new business solutions to be brought into the marketplace. Exponential will identify and develop new business models showing the potential to fundamentally disrupt the insurance market space".

"Exponential's ambition is to harness the entrepreneurial ecosystem to leverage powerful new technologies and business models to bring about an exponential leap towards universal financial wellness. It will adopt key operational principles such as remaining

lean; being open and collaborative; and being agile and flexible. Furthermore, the business unit will be an autonomous unit with a simple three-tier governance model, while remaining connected to the larger MMI group,” says Oosthuizen.

MMI undertook its first external innovation initiative in June 2015 through its investment in the first ever insurance incubator programme Startupbootcamp InsurTech, managed by leading international start-up accelerator Startupbootcamp. Based in London, the programme invited global start-ups (including from South Africa) from across different areas within insurance, to apply to take part in the three-month accelerator programme. Startupbootcamp InsurTech selected 10 start-ups that are currently developing their insurance technology solutions to be demonstrated to investors in April 2016.

Exponential has partnered with Anthemis Group, a United Kingdom based venture investment and advisory firm, to leverage its experience and vast network to help drive the process of finding, investing in and growing innovative tech-driven start-up companies that have the potential to disrupt the insurance market space.

An investment partnership agreement is also being finalised for the South African market and an announcement will follow soon, Jonathan Stewart, Managing Partner for Africa Investments at Exponential says, “Exponential looks forward to uncovering and supporting those start-ups and initiatives that have the potential to be scaled up not only in the local SA market but also in other African countries where MMI operates. Together with our investment partners, we shall work closely with entrepreneurs to

create maximum value, sustainability and thriving businesses that drive the creation of a portfolio of options, some of which we hope may turn out to be the dominant financial wellness players of the future”.

Exponential will explore scaler opportunities where technology-based businesses, which when combined with MMI’s assets, show meaningful potential to rapidly generate exponential growth in revenue and profit. It will also look for optimiser opportunities where technology-based businesses have the potential to deliver significant efficiencies for MMI’s existing business. In addition Exponential will pursue venture developer opportunities where it will identify and develop brand new and disruptive ventures that reach new markets, meet new needs, leverage new business models and show the potential to fundamentally disrupt the insurance market space over longer time horizons.

Exponential is also involved in Enterprise Development and is one of the founding members of Tshimologong, a digital technology hub in Johannesburg’s Braamfontein suburb in partnership with Wits University and other corporates. Tshimologong, which means new beginnings in Sesotho, aims to grow skills, create jobs, encourage the establishment of new businesses and promote the regeneration of Johannesburg’s inner-city area.

Oosthuizen concludes, “We look forward to making great strides in the insurance technology space while we work together with our partners and the entrepreneurs towards creating and building sustainable businesses, and making a meaningful contribution to MMI’s stated purpose of enhancing life-time financial wellness.”

