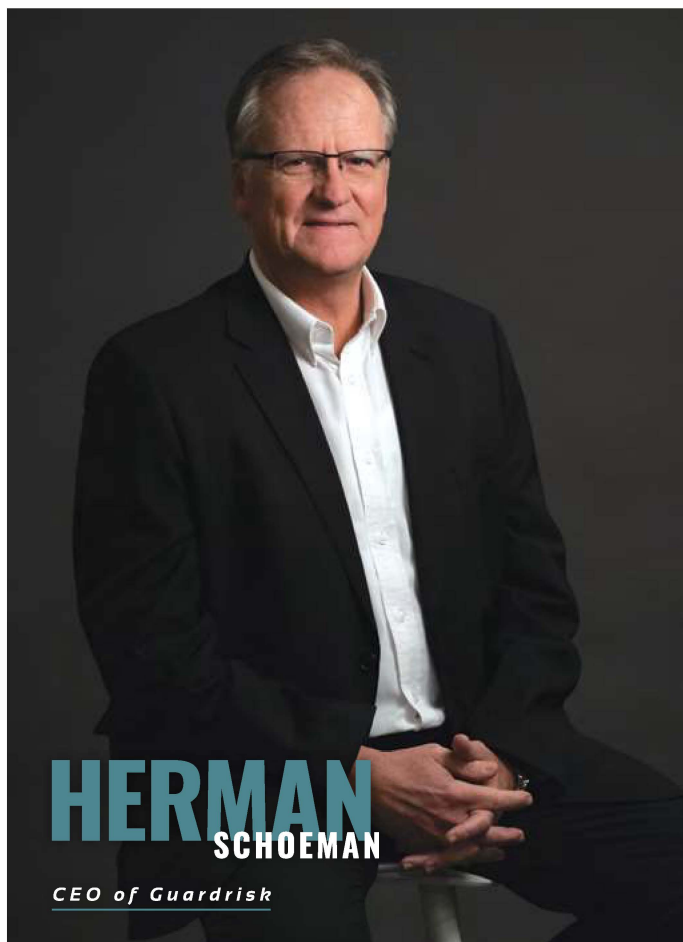


BRINGING INNOVATION TO LIFE WITH LAUNCHPAD



Part two of a conversation with Herman Schoeman, CEO of Guardrisk and Xolani Nxanga, Insurtech Lead, LAUNCHPAD. In this episode we talk about entrepreneurship and enabling entrepreneurs in the insurtech environment.

Tony: Please tell us what LAUNCHPAD is all about and how you intend to assist entrepreneurs.

Xolani: The answer is in the name itself, LAUNCHPAD. What we wanted to create is an enabling ecosystem for entrepreneurs so that they can launch their businesses. This way we can make sure that we contribute to the success of those businesses, nurturing great ideas, and giving them a chance to succeed using our expertise and our networks, because if you come from outside the industry, you also need this kind of social capital.

There are a lot of key stakeholders who's thinking you need to understand and that you want get on board. One of which, for example is the regulator, you have to understand how regulations impact your innovation. We wanted to create an environment where entrepreneurs can feel that they have a partner who can help them navigate this complex environment, not only of entrepreneurship, but of insurance.

Secondly, from a Guardrisk perspective, LAUNCHPAD really is an agile way to drive innovation. We want to remain relevant; we want to shape the trends that relate to customer engagement, we want to shape the trends that relate to new product design and innovation and tap into new emerging business models through LAUNCHPAD.

Tony: I love the concept of an enabling ecosystem. What would you include in that ecosystem when you say enabling ecosystem?

Xolani: It is interesting that we talk about access to funding being the challenge. One of Harvard's Business School professors, Tom Eisenmann, picked up that there were two other important things that have led to business failure. He said that "bedfellows" are one and the other one is just "a false start", when the business fails before it has gotten off the ground.

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So, to address the first challenge, we want to create an ecosystem where we become a strategic partner, as well as a client network, to be good bedfellows to the new venture. We do that by giving them access to our insurance expertise, because it would take years for an entrepreneur to accumulate the experience that Guardrisk and its clients have.

Secondly, we want to provide the entrepreneurs with a controlled environment where they can test ideas and test their business models. This is where Tom Eisenmann's point rings true, you must speak to customers, you must speak to intermediaries to test your concept.

For example, we have recently had meetings with intermediaries testing a concept and it was quite a revelation where the intermediaries said to us you are addressing the wrong problem, and pointed us a different direction, and not what we had originally thought was the issue.

It is also encouraging to see that the regulator has created a sandbox, which then also helps with the testing of ideas. The provision of access to our ecosystem is really meant to give that new business a soft landing during the start-up phase, the riskiest time of any business.

Tony: What is the benefit of having such a comprehensive offering rather than just saying I have a cell captive that you can use? Why get more involved?

Herman: It goes back to the benefit specifically for the entrepreneur, as Xolani said, it is access to an ecosystem. Normally the entrepreneur would have had to knock on tons of doors in different environments, in different industries and so forth where now they can knock on one door, and remember we are talking insurtech, they can knock on one door, and we are the gateway. We provide access for such key elements that they require to make their business a success.

The biggest one for me is access to a truly diverse client base. Guardrisk is probably the most representative insurer from a cell captive point of view when it comes to different industries, such as general manufacturing, mining, motor manufacturing and retail industries. As you can imagine, for an entrepreneur to have access to all those industries, is a lifeline. We can sit with them, go to one of our clients or an industry that we represent and work with the entrepreneur to solve a pain point, for the client. That is the ecosystem, as Xolani has mentioned, that is really the big benefit, like a One Stop Shop, to use that cliché.

Tony: Xolani, do you have a specific target market in mind? Are you going to approach people, are people approaching you, how does this work?

Xolani: It is going to be both. There is the reactive part of it, where entrepreneurs approach us. As I mentioned earlier on, we get approaches all the time. We have a dedicated team that is going to look at these ideas and see how they fit in with our drive for innovation. On the other hand, we are also going to be very proactive in looking at specific insurance ideas, which we believe can add value to the Guardrisk cell owners in the Guardrisk ecosystem.

LAUNCHPAD is designed for start-ups and scale up businesses that have significant growth prospects. That is what we are looking for, because we want these businesses to be forces to be reckoned with, within insurtech. The insurtech space is really buzzing now, opportunities are endless, and we want to be part of that success.

We will only target businesses that add value, businesses where Guardrisk can also add value, as we want to create successful insurtech businesses. Guardrisk is open for business.

Herman: We will be creating awareness and we will be creating a position for Guardrisk, under the LAUNCHPAD initiative, in those markets and in those sub-segments of markets where entrepreneurs are, where funders are, and where venture capital funding is. That is an area where, specifically via social media and very targeted forums and events, we will make sure that the Guardrisk LAUNCHPAD name is heard and taken note of.

