

OCTOBER  
2021

# FAN NEWS

FINANCIAL & ADVISORY NEWS

TIGHTENING OF POLICY WORDINGS...

WEATHERING  
THE RISK OF  
CLIMATE  
THREATS

Disability claims  
aggregation

FSCA weighs in as  
universal life policy  
premiums rocket

**Tightening of policy  
wordings... likely in the future?**

No short cuts for the short term broker

INVESTMENT LESSONS WORTH SHARING

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PLAN FOR THEIR FUTURE.

**FROM JUST ABOUT  
ANYWHERE.**

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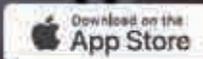
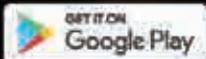
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## Editor

Rianet Whitehead  
Tel 011 768 2299  
Cell 082 467 1924  
editor@fanews.co.za

## Journalist/Researcher

Myra Knoesen  
Cell 082 291 8760  
myra@fanews.co.za

## Freelance Journalist

Gareth Stokes  
Cell 073 373 3580  
gareth@stokesmedia.co.za

## Ads & Subs

Michelle Schreuder-Rankin  
Tel 011 768 2299  
Cell 083 787 4567  
michelle@fanews.co.za

## Design & Layout

Noël Schreuder  
Tel 011 768 2299  
noel@fanews.co.za

## Website and privacy statement

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Fax 011 768 3032  
info@fanews.co.za



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# What will your new normal be?

## LETTER FROM THE EDITOR



**A**lthough it feels like we might reach some form of normality in the not-too-distant future, the perception of normal has probably changed for most of us. Many of us prefer the new normal of Webinars (instead of being out of the office the whole time, to attend events, so that we can get some Continuing Professional Development (CPD) hours going), virtual meetings (because I don't have to drive an hour to attend a half an hour meeting which could have been handled over the phone) and working odd hours because we don't have to dress up and show up. The next big challenge for corporates and event organisers will be to find the perfect balance... because it's doable, and it's great that we can do it, after so many years of trying to get the message over that employees can be trusted to work from home. What will your new normal be?

While writing my editorial, we received the news that the Supreme Court of Appeal brought legal clarity and finality on the interpretation and application of certain contingent Business Interruption policies. Santam has accepted the appeal and will now finalise all outstanding claims. Lessons were learnt, and although we would like to believe that COVID-19 was a once in a lifetime event, nothing is certain anymore. Policy wordings most certainly received a lot of attention in the last year, because of this...

something that was overdue for a very long time. Let us, however, always remember what our core purpose is, and let's make sure it is fair for all.

Silly season is most certainly approaching, and I am sure everyone is ready for a decent break. With this, we know that crime will be increasing and it's just another reminder of the importance of brokers and our industry per se... we've recently received a 'feel good' article from Netstar, featuring one of their crime-fighting pilots, Megan Heine, where she shared her passion and why she loves what she does... flying the chopper and making criminals sweat. Netstar forms an integral part of the value-chain and it's great to see how teamwork makes the dream work. Just type in Megan Heine in our search box on [www.fanews.co.za](http://www.fanews.co.za) to read the article.

The Financial Intermediaries Association (FIA) recently held their yearly summit, and from our side, we would like to congratulate all involved on a fantastic line-up of speakers, excellent topics and a really smooth production. Every topic was relevant to the intermediary... big and small, and the panel discussions really gave us a lot of insights and things to think about. We are also looking forward to the Financial Planning Institute (FPI) Convention, happening on 25 and 26 October. The theme is 'The future is human' and there is still time to register.

Enjoy the read. And if there's anything you want to read more on, let me know. ●



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Over the years, South Africa's insurance industry has battled to address an immobilising skills shortage.

Without deliberate interventions such as the prioritisation of education, lifelong learning, job training, skills development strategies, and embracing new normal activities like remote working, the situation may deteriorate further.

Moreover, the Status of Skills in the Insurance Industry 2019 report by the Insurance Sector Education and Training Authority (INSETA) paints a worrisome picture. In a survey conducted, all the respondents believe there needs to be more comprehensive exposure of learnerships to a greater variety of opportunities and skillsets within an organisation.

made available and through partnering with like-minded individuals and organisations, young people are developed.

The GDP has been running since 2015, taking in 140 interns who are allocated to various business units within PPS. The absorption rate of these interns at the end of the internship has been very high – consistently over 80%. Interns that cannot be retained at the end of the programme become available to the industry. The programme is robust, making it easier for the interns to work for other companies and

relate primarily to finding black candidates with the desire and the skills to embark upon a career in the short term insurance market, playing either specialist or management roles. In this regard, females and previously disadvantaged students and graduates are encouraged to participate in the development programmes.

Many studies have shown that diversity, both from an ethnic and gender perspective – and from many other angles, helps drive better financial performance. So, it is a business imperative.



## CLOSE THE SKILLS GAP

# and take the industry forward

### Empowerment of youth

This can be achieved through collaborative efforts by the government and the private sector. Time and resources are required to train graduates and retain inexperienced personnel through in-house training and development programmes. These initiatives are crucial for the transfer of skills from older experienced employees to newer employees.

Cognisant of the industry's challenges and as a public benefit organisation for the advancement of future graduate professionals, the PPS Foundation provides several programmes aimed at arming students and young professionals with the necessary skills, tools, and mechanisms to help address the critical skills gap.

The PPS Foundation's initiatives, such as the University Support Programme, Bursary Programme, the Learned, Engaged, Accelerated Professionals (LEAP) Work-Readiness Programme and the Graduate Internship Development Programme (GIDP), are instrumental in the empowerment of youth. Resources are

transition into other areas within or out of the sector.

### Tackling the crisis

Statistics South Africa reported the 2021 second quarter youth unemployment statistics for those between 25 and 34 years to be at 64.4%, while graduate unemployment is at 23.4% points lower than the national official unemployment rate of 34.4%. Therefore, interventions by all stakeholders will assist in tackling the joblessness crisis, while simultaneously addressing skills shortages.

This is important, given the growing pipeline of graduate professionals. For example, first-time job applicants are still required to possess a level of preparedness as they crossover from being a student into entry-level employees. LEAP assists aspirant young professionals in being ready for the work environment.

In empowering graduates and young professionals, one of the key focus areas is transformation. According to the INSETA report, transformation challenges appear to

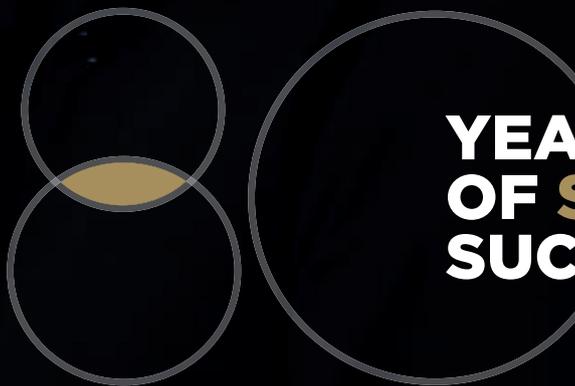
### Take someone under your wing

How can experienced professionals play their part? Professionals in the industry have a significant role in passing on their knowledge to young professionals in helping close the skills gap and take the industry forward. Most employers provide structured programmes. Should your company not have a structured way of assisting recruits, as an experienced professional, you can take someone under your wing and help them along their growth journey.

Unless the entire value chain focuses on addressing the chronic skills shortage, there is no doubt the problem will be with us for years to come. It is time for the industry to act and do so decisively.



Masenyane Molefe  
Executive Trustee  
PPS Foundation



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# IST GRADUATES GEAR UP TO

In June, FAnews attended the launch of the Information Systems and Technology (IST) Graduate Programme 2021, where experts from various short term specialist areas spoke to IST graduates.

## A first of its kind

The IST Graduate Programme, which commenced on 28 May and concludes on 14 December 2021, is internationally benchmarked and delivers at a post NQF level 7. Powered by The Graduate Institute of Financial Sciences (GIFS), the Insurance Institute of Gauteng (IIG), and SASRIA, the IST Graduate Programme is the first of its kind in Africa. It introduces young tech experts to the intricacies of the short term insurance space, as well as its unique challenges and requirements so they can quickly and viably harvest technology to implement solutions.

Corporate Athletes in the short term insurance sector and niched experts provide insight in specific insurance areas and current industry challenges, so the IT pros can learn the ins and outs of the business first-hand and can fast-track solutions.



**Dr Kershen Pillay,**  
CEO of GIFS said,  
"The IST Graduate  
Programme 2021 is  
designed to accel-  
erate change to  
bring the short term  
insurance industry

in line with the extraordinary tech-driven transformations currently driving global business. It's a digital renaissance accelerator programme that includes interactive micro-learning sessions with STI (short term insurance) subject matter specialists, guided mentorship sessions with STI's Corporate Athletes and a strong focus on developing an EQ skills-set among participants. It's exactly the future-fit approach that the STI space needs right now."

The programme provides a MACRO perspective (global and local view), identifying challenges exclusive to the STI space so IT graduates can speedily address these pain points with tangible outputs. This creates a sustainable workforce, platforms for innovation, and allows the industry to scale through technology.



"Technology has undoubtedly allowed for innovation in many local and global industries in various ways and insurance is no exception. A great deal of efficiencies can be brought about within the short term insurance industry, if we harness the full potential of the IT space. We can see technology allowing for innovation in the development of new products, more efficient client servicing through digitalised client experience, operational efficiencies, assisting clients with risk management and improved claims management solutions to name a few. This increases



our relevance as an industry in today's business environment," said **Tshepiso Chocho,** President of the Insurance Institute of Gauteng (IIG) and

Executive Manager for People Management at SASRIA SOC Ltd.

"We are in an era where we cannot continue to ignore the impact, but more significantly the benefits of technology in the insurance industry. Developing of systems and software to aid the work we do is critical. This has been happening, but more can be done. A lot of efficiencies can be brought about if we harness the full potential of the IT space. This could also drive down certain costs, increase the ability to underwrite and ultimately lead to increased profitability if used correctly," added Chocho.

## Activities and workshops

More than a knowledge-exchange, specialist-guided and mentored programme, the IST Graduate Programme 2021 includes a variety of activities and workshops to

# TRANSFORM STI SPACE

## Speed date concept

There was much excitement as the young graduates tapped into extraordinary industry insights and experience from STI connoisseurs, to enable meaningful change.

The 24 young IST graduates are:

1. Andani Joyce Namakanga
2. Asif Mahomed Hoosen
3. Brendan Draper
4. Daniëlle van der Merwe
5. Geoff Brookstein
6. Irshaad McDonald
7. Israel Mphako
8. Keokopile Motshidisi Mosia
9. Lerato Mohlala
10. Lord Mahlahle Kgasago
11. Lubabalo Ndobe
12. Mahlatse Constance Nhlapo
13. Million Maringa
14. Mohamed Reza Abdul Gaffar
15. Nicholas Naidoo
16. Ntombifuthi Mkhonza
17. Peter Rashaya
18. Phumzile Nxumalo
19. Samkelo Mndaweni
20. Senelisiwe Nqadini
21. Thabiso Edwell Dibakoane
22. Thandeka Claudia Khoza
23. Thapelo Robina Mothemanane
24. Tshilidzi Ratshilumela



## The experts leading the speed dating concept programme segment included:

1. Caroline Da Silva - Independent Non-Executive Board Member of Santam and Retired Deputy Executive Officer of Regulatory Policy at Financial Sector Conduct Authority (FSCA);
2. Darryl Grater - Executive Head at Discovery Insure;
3. Kopano Radebe - Executive Manager. Professional Development at the Insurance Institute of South Africa (IISA);
4. Mileshea Chetty - Head of Directors and Officers, Medical Malpractice and PI Schemes at Leppard Underwriting and Gauteng Women in Insurance (GWII) Committee Member;
5. Peter Olyott - CEO of Indwe Broker Holdings and President of the Financial Intermediaries Association - FIA); and
6. Tshepiso Chocho - President of the IIG and Executive Manager for People Management at SASRIA SOC Ltd.

These experts engaged with the graduates on a one-on-one level and answered all the questions posed by the graduates.

navigate learners through levels of career articulation.

Semester one focused on developing emotional intelligence (EQ) and immersed graduates into the short term insurance industry, by helping them understand what organisations within this space do.

Semester two continues with the critical Building Corporate Athletes module, drilling deeper into developing EQ skills, mindfulness, communications skills, resilience and work-life balance. Participants continue with the Simon Sinek series, this time focusing on building an infinite mindset to successfully navigate the STI workspace. Semester two also introduced a fun, virtual speed dating networking session on 16 September, so graduates could engage with industry players on a one-to-one level.

## What's next?

Technology, as a tool for innovation, takes on a practical learning exercise with the tech experts applying their newfound learning and skills at the IST Town Hall Presentation in November, before their graduation in December.

The Town Hall concept is to discuss industry wide issues and how technology can aid innovation, drive profit and foster sustainability and longevity within the insurance industry.

This Town Hall Presentation will allow for meaningful dialogue to discuss important issues within the Insurtech space.

## A formidable combination

"We are in the midst of a paradigm shift on a global scale. As new technologies disrupt and transform the financial services sector,

we must fully embrace this digital revolution and find innovative ways to harness the opportunities it presents to ensure relevant, long term industry sustainability. Technology, on its own, is a game-changer; but tech and innovation make for a formidable combination," said Dr Pillay.

"This is the essence of the IST Graduate Programme. It takes talented tech-driven individuals, empowers them with a critical range of hard and soft skills, fills in the gaps in understanding, so they quickly understand how the short term insurance industry operates. It then sets them forth to make incredible changes so, as an industry, we can innovate faster, take away the niggles that customers tend to experience when dealing with this sector, and mobilise data analytics and data science in a way that will completely transform the insurance space for the better," he concluded. ●



# HOW IMPOSTER SYNDROME can hurt your clients' finances

Impostor syndrome is a phenomenon that manifests when people feel like frauds, even if they are very capable.

While research shows that one out of every five people experience this in their work or academic life, many do not know that this destructive phenomenon is even more prevalent in many peoples' financial lives.

## Fear of not being capable

This is when people start to believe that their financial position will never improve, or that they are not 'money-minded'. A lot of the time, they can get into the mindset that their past financial mistakes cannot be fixed, or that the financial world is too complicated to get their heads around. As a result, people often start avoiding their money instead of facing and fixing issues head-on.

These feelings are particularly common among women. The fear that an individual somehow does not deserve to improve their financial position can make it much more difficult to make their own decisions. This is probably the easiest way for people to get stuck in a pattern of living month-to-month and not saving.

However, a solution exists. As financial advisers, asking questions about your clients' financial paths can be very enlightening. As professionals, you are able to provide sound financial advice that

will help your clients to make informed decisions about their money - so they can achieve their dreams and goals. Whether your client is moving up the corporate ladder or planning for retirement, having a certified financial adviser that they can rely on will help them overcome this fear of not being capable or fear of the unknown.

## Financial tips advisers should consider

For those suffering from impostor syndrome when it comes to their finances, here are some financial tips that financial advisers should consider, to help their clients combat financial impostor syndrome.

- 1 Break the silence.** Many people are stuck in a cycle of financial impostor syndrome because they feel ashamed of their financial position. No matter how hard it may be, they should speak to their financial adviser about everything that is currently going on in their financial life.
- 2 Learn to budget and stick with it.** An integral part of effectively managing finances is learning how to budget and then sticking to that budget. For financial advisers, assisting clients with dividing income among needs, wants, savings and debt repayment is important.
- 3 Track spending and stick with the plan.** Tracking spending on a regular basis can give your clients an accurate picture of where their money is going and where they'd like it to go instead. This takes practice, but it is crucial. Once you know exactly what they have left, you will need to try to work with that, but impart knowledge around how they can live on a smaller budget.
- 4 Create an emergency fund.** The important thing is to ensure that savings are accounted for the minute their salary comes in, and to account for any debit orders that come off. Helping your clients create a savings account especially reserved for unexpected events or expenses that may occur is imperative.
- 5 Establish a good credit score.** One should always advise that their clients use credit carefully and use a credit card either as a debit card or make sure that limits are low and are payable every month. Keeping the balance at a small percentage relative to the credit limit is best for building good credit.

## Overcome impostor syndrome

The earlier one starts working with individuals and planning for the future, the more likely they are to reach their financial goals. With that said, it's never too late to get back on track and move past mistakes.

Financial advisers are in a perfect position to help work out short-, medium- and long-term goals, prioritise them and manage finances effectively to achieve them. Because preparation and foresight are the best ways to overcome impostor syndrome.



Ernest Zamisa  
Financial Adviser  
Momentum

South Africa's agricultural sector has expanded notably over the past decade and is currently enjoying another good season.

According to Liza de Beer, Product Development Manager at Old Mutual Insure, the Covid-19 pandemic has brought new appreciation for the pivotal role that South



Africa's agriculture sector plays. She says that the pandemic has also helped people to have a new appreciation for what farmers do every day and to start thinking about where their food comes from.

Last year, the agriculture sector performed exceptionally compared to other sectors of the economy. This momentum is continuing, and the latest gross domestic product (GDP) data released by Stats SA confirmed South Africa's agricultural economy is in good shape.

Notwithstanding challenges, unpredictability and dependencies experienced across the value chain, and drivers involved when it comes to the complexities of sustainable farming, food security and climate change, agriculture is anticipated to be a key role-player of economic growth and recovery.

A wealth of work has been done over the past few months and input has been provided by various role-players on how to address these challenges.

### Food demand

Sustainable farming practices are a high priority not just in South Africa, but as a global issue. Farmers need to increase production to help feed a growing local and global population and this has never been so critical and challenging as it is today.

### Consumer trends

Healthy eating habits and a healthier lifestyle are top of mind for many consumers. "They are interested in where their food comes from and becoming more conscious about food safety, the content and quality, as well as the impact on the Earth", Liza says.

Transparency is important, as consumers increasingly ask how and where their food is produced. This means that role players in the agriculture and food value chain are under pressure to improve the traceability of the food and to also share more information about it.



## Agriculture, technology, and economic growth

### Environment and natural resources

Liza adds that there is also an increased focus on the use of natural resources and technology to optimise production while reducing the impact on Mother Earth. This includes the need for sustainable solutions to respond to water and electricity short-ages by promoting innovative practices.

In short, the long-term health of the agricultural sector relies more and more on sustainable farming, with farming practices that are environmentally friendly.

### The use of data and technology

Technology has completely transformed agriculture and the continued use of new technology and data will help the agricultural sector to modernise at an even faster pace.

Adopting technology and the use of data has become very important, especially in the wake of the pandemic. Liza believes that the quick progression of technology adoption has not only brought about a new mindset, but also resulted in farmers who welcome the future with an open mind by giving old and new technology a chance.

"The application of advanced technologies such as artificial intelligence (AI), remote and geospatial sensing, machine learning (ML), unmanned aerial vehicles (UAVs), biotechnology, the Internet of Things (IoT) and Internet of Behaviours (IoB) all have the potential to transform the agricultural

sector and to address emerging challenges and needs".

### Skills shortage and new skills required

"South Africa has a highly diversified and market-oriented agricultural economy, but overall, South Africa is facing a shortage of skills in the agricultural sector, especially in one of the important focus areas, namely the ability to fix the environment", Liza adds.

She says that the recruiting and development of the next generation of farmers and agricultural specialists across the value chain should be a priority for the next decade, as food security in an ever-increasing global population continues to be major concern.

In the face of this changing agricultural landscape, digital literacy and technology skills are essential for innovation to address emerging challenges.

### Key driver of economic growth

Agriculture and food value chains are among the most complex sectors in the world, and important drivers of economic growth and recovery.

"That is why we have great respect and appreciation for producers, various role-players in the value chain and the agriculture sector's valuable contribution, sometimes under very challenging and difficult circumstances", Liza concludes.

Independent Financial Advisers (IFAs) who master the art of digital prospecting should have few problems in keeping their appointment books full, or so we thought. The reality is that most IFAs are still unsure about the rules of engagement that apply in the fast-paced digital world and often struggle to recoup their digital spend.

### Let's start at the very beginning

"One of the biggest challenges facing IFAs, apart from not being skilled in, or having enough time for digital marketing, is knowing where to start," says Tim Slatter, founder of Slatter Communications. There are, however, some core components that underpin every digital outreach initiative, including the digital platform, the content or message and the target audience. But we are getting ahead of ourselves.

Brian Foster, creator of *The Financial Caddie*®, says there are three steps that advisers should consider before embarking on their digital journeys. First, you need to be talking to the right clients about problems and issues that those clients can identify with, and are motivated to resolve. Knowing this helps you choose the digital platform that you should focus your attention on.

Secondly, you need a value proposition that you can articulate in a way that clients can understand, and via a process that delivers on its promise of resolving the challenges. This is a critical component in any business, because if you are not clear about what you offer then you can hardly expect to sell it, regardless of the channel. And thirdly, you need a compensation model that works for the right client, fits your value proposition and is commercially viable.

### An accelerated digital evolution

Once you are clear on these steps you can begin considering the sheer variety of digital platforms available to you. This can be daunting, as many IFAs have found in the aftermath of the COVID-19 pandemic and ensuing lockdowns. "The pandemic forced customers to move their attention online," says Frans Nel, founder of *Leap First*. "Clients could reach IFAs with an established digital footprint, whereas those without became technically unreachable".

The question is: How does an IFA 'go digital' these days? To answer this we must first define what is meant by the phrase. The web is full of answers; but for your purposes you can think of 'going digital' as the process of establishing an online presence that will allow clients and potential leads to find and interact with you or your advice practice in the virtual world.

There are five main channels for digital prospecting including blogs, direct messaging, email campaigns, social media and websites; but success is not as simple as building a digital empire to span each of these touchpoints. Slatter opts for a multi-pronged communication approach built around quality content.

"Blogs, uploaded to your personal website and distributed through monthly email campaigns are the best way to leverage your content or story into a conversation," he says, adding that today's tech-savvy IFAs are even making WhatsApp work for them.

### Cloud-based solution overload

But what about social media? There are dozens of cloud-based social media platforms that allow you to set up online profiles and connect with thousands of potential clients with a few mouse clicks. We would be surprised to learn of any serious IFA who does



# IFA NUGGETS:

## Prospecting for clients

not use one or more of these platforms, such as Facebook, LinkedIn, Profile-Me and WhatsApp, to name the most obvious.

Facebook and LinkedIn are two popular examples that have been around since the mid-2000s. According to Nel, a Facebook profile gives an edge on a sheer volume metric; but is not essential. LinkedIn, meanwhile, offers the ideal platform for building professional relationships that can lead to doing business, without being sleazy.

Relevant, quality content is non-negotiable regardless of the platform or combination of platforms you turn to. "LinkedIn is useful for building brand reputation and opinion leadership through posting and sharing quality content that is relevant to your audience," continues Nel.

He encourages IFAs to use the platform to build an effective pipeline with qualified prospects over time. To fully benefit from this and other social media platforms requires growing your following in a natural and organic way.



## in the digital world

### **Give freely, but not too freely**

It helps to offer something to prospective leads to encourage both initial and ongoing engagement; but you need to be careful about what you give away. "There is a big difference between sharing information and ideas, and your core and remarkable product, which is financial planning and advice," observes Foster. He suggests e-books and white papers that refer to the generic challenges that your potential clients face.

Slatter, meanwhile, advocates a strategy of "attract, connect and engage" to contribute to an integrated online brand. "Connecting is where the conversation starts and engaging is where the conversation continues," he says. Much of the ongoing support he offers IFAs is directed at keeping the critical conversation between IFA and their potential clients 'in motion'.

It takes longer to establish a digital relationship compared to a face-to-face or telephonic relationship. "Digital relationships are built up over time by repeatedly reinforcing the value you add; online is not the place to try to sell or be pushy, and your prospects might

run for the hills following any hint of being sold," says Nel. So, your typical LinkedIn engagement process might consist of daily posts that contain advice tips and writing and sharing thought leadership content.

### **Entertaining, relevant content**

The word 'content' has evolved to mean different things to different people. Marketers see content as anything that exposes your brand to your potential audience. But in the context of this article, content is any communication representing your brand to the outside world. "Your content should be relevant, informative or entertaining to the targeted audience; it is only through sharing regular, consistent, high-quality content that a reputation of authority is established," says Nel.

The trick, reckons Slatter, is to make sure that your content aligns with your targeted audience. Far too many IFAs make the mistake of feeding their potential leads with content that is relevant to financial planners rather than consumers. "You might get the website right; but if the content supplied by your product provider is too technical and your email newsletter poorly presented, you end up with little-to-no engagement," he says.

Now that you are primed for digital engagement, your focus can shift to the dos and don'ts of digital lead generation. According to Nel, prospecting should be a strategic initiative. "You should approach it like you do a game of chess; prospecting online is a continuous process that is adjusted and aligned on-the-go to deliver relevant content to your target audience," he says.

You should avoid trying to hard sell your prospects, and delegating your prospecting activities to someone else is frowned upon. "When you are selling your time and experience, the soft-sell approach is way more effective," says Slatter. He adds that blogs and email campaigns are just part of a complex and integrated soft-sell approach that encompasses several stages, including defining your value proposition, identifying your ideal client and then investing the time to build a long-term relationship.

### **Becoming a go-to authority**

Each of the digital prospecting experts interviewed for this article agreed that building relationships takes time, with an early step being to establish yourself as an authority in the financial planning profession. "You must establish your authority relentlessly without ever asking for anything in return," concludes Nel. "Your call to action is the authority that you have built up over time as the go-to person in your chosen profession".

Foster's concluding remarks were slightly unexpected, in that he urges you to hold off on digital prospecting until you have explored your existing client base: "Too many IFAs go prospecting for new business when they already have a client book that could generate all the revenue they need, if they simply approached clients differently".



Gareth Stokes  
Stokes Media

**T**he arrival of the COVID-19 pandemic has had an immense impact on business and presents new problems for institutions that are insufficiently prepared for its long-term effect on the working environment.

While there is some debate around the perfect new model between a formal office environment and work-from-home policies, we know that things are unlikely to return entirely back to the way they were, prior to the onset of the pandemic. The change in societal rules has fragmented the backbone of any business's operations: its people. Those that do not have the systems in place to align operations and a fragmented workforce, or are running legacy technology systems, are fast approaching a critical junction.

### Technology and quick-fixes

Changing expectations and practical realities have shifted many engrained aspects of our industry, from business operations to the way that clients consume products and services.

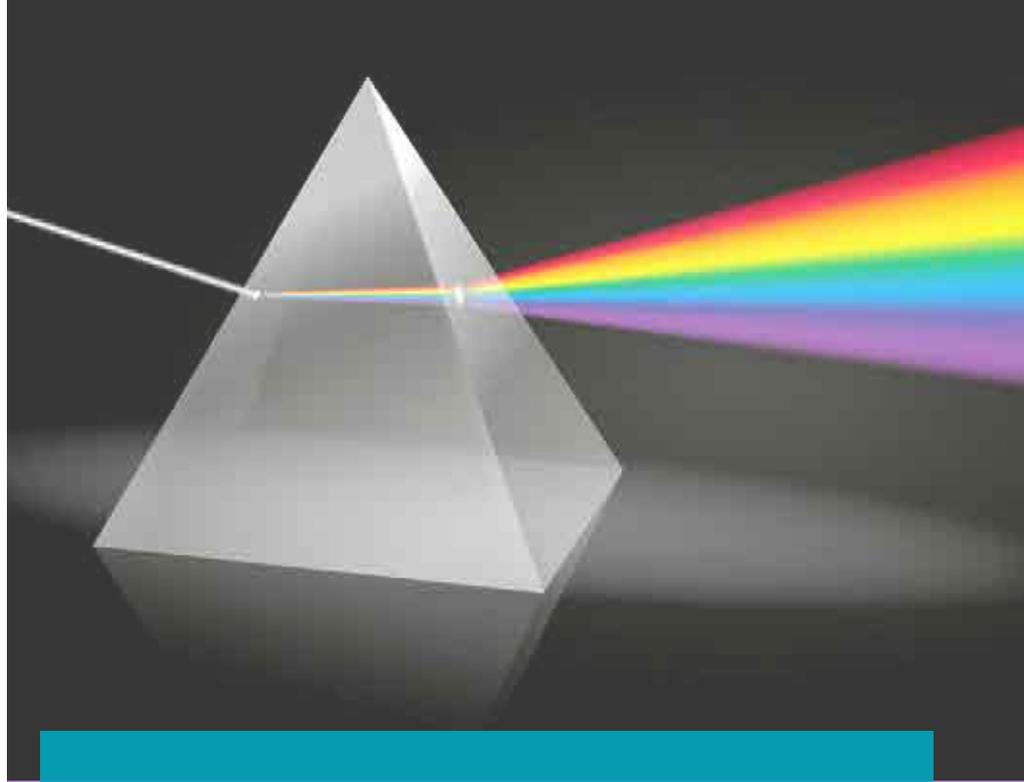
While some organisations pre-empted the imposition of a national lockdown, many institutions were scrambling to mobilise their workforces, without a strong technological foundation and a centralised system providing visibility of data. Having a geographically dispersed workforce highlighted the need for using technology to bring people together, whether through in-house systems, CRM systems, or online meeting platforms.

Eventually, while most found a way to survive using existing systems augmented with new technology, many may have been lulled into a false sense of security, with quick-fix solutions liable to fail over the short to medium term.

Fast forward eighteen months, and there are still institutions in our industry relying on multiple legacy systems across different product lines, misaligned functional departments and units, a glaring lack of a central view of the customer, and no way to tie these aspects together without a massive capital commitment.

### Substandard service delivery

A dispersed workforce and the lack of a central organisation, coupled with fragmented technology, has resulted in substandard service delivery by many institutions.



# FRAGMENTATION AND DECENTRALISATION:

## The straw that may break the camel's back

Customers have become accustomed to the idea of using technology to fulfill their needs, and the standard for seamless, smart product and service delivery has been set. Where clients may have been forgiving of service lapses at the onset of the pandemic, this is no longer the case.

Whether on a personal or professional level, many of us have experienced this lapse in service delivery in some form, yet there are ways to mitigate this. Our business, like most others, is operated on three core pillars: a synergy of our people, efficient processes, and the integration of technology, all run on one system.

In using this single-source system, plugging all our products and departments into the same platform, and the near-instant visibility of data this system provides, we've been able to quickly identify any shortcomings in real time. Having a coherent view of customers and their products, empowers a business to deliver services more efficiently and in much shorter timeframes.

### Ensuring sufficient cohesion

Businesses can only get away with fragmentation in one aspect if they have cohesion in another. The fragmentation of the workforce now necessitates a clear focus on ensuring sufficient cohesion through better technology and process.

The right technology, coupled with a centralised workforce, will also only take one so far if efficient processes are not in place, for example, clients being booted from one department to the next. These manual, time-consuming processes hinder the client journey and display inadequacies the market won't easily forgive.

Ultimately, it is now critical that the synergies of people, process and technology are implemented with the end user in mind, and at the right points in the value chain and customer journey, in order to assist the workforce in delivering premium products and services, while improving the experience for their customers on the platforms and channels they are most comfortable using. ●



Tim Allemann  
CMO  
Fedgroup

# CHANNEL STRATEGY... capitalise on countless opportunities

**T**hroughout history, technological advances have accelerated, out of necessity in times of crisis. The onset of COVID-19 is no exception, with the crisis having fast-tracked innovations by at least 10 years. This has driven many organisations to undergo a digital transformation.

We have seen some tremendous shifts in consumer expectations and behaviour, with customers flocking towards the platforms and channels they previously frequented for pleasure, to now conducting their day-to-day business as well. Whether we like it or not, the world is changing, and those who do not embrace this change, do so at their peril.

Online meeting platforms, Apps and other forms of technology have made it possible for consumers to do almost anything they want, anytime, from anywhere.

### New segment of the market

However, before businesses embark on new technology solutions, it's crucial to gain an understanding of the market, its movements and organisations' roles within this changing environment.

The customer journey is still a highly personal one, especially in the financial services industry, where consumer decisions are heavily dependent on trust. Trust in their adviser, trust in the provider, and trust in the channels they are using.

Understanding market needs, and which channels customers frequent, will help organisations to develop or enhance offerings to suit the ever-changing needs and behaviour of existing customers.

Perhaps more importantly, it will assist in developing offerings and channels that expand reach to penetrate previously inaccessible segments and markets.

### Notoriously tech-savvy generation

Looking at the fall of Blockbuster Video and the accompanying rise in on-demand streaming platforms, it's easy to understand why the rapid evolution of technology could be a cause for concern in many industries. However, the benefits of branching out into new channels or incorporating new technology far outweigh any concerns providers or advisers might have.

As technology continues to evolve, so too do the consumers using it. Customers who grew up without smartphones now depend on those devices, and use them frequently, while their children – a notoriously tech-savvy generation – represent an entirely new segment of the market. By embracing the channels on which they spend a large portion of their lives, financial advisers and service providers alike can capitalise on countless new opportunities.

However, with new opportunities come new challenges. Innovation without strategy and internal cohesion between people, process and systems is a recipe for disaster. This same consumer base has become accustomed to the self-service movement and, consequently, have a higher expectation of the things they are able to do online or on their mobile devices. Ease of use and an uncomplicated user interface are the order of the day.

This is the era where instant gratification trumps brand loyalty, where time is money, and where simplicity is king, because attention spans are shorter than ever. Businesses that use technology to streamline the experience for consumers will reap the benefits. This is particularly relevant in our industry, which is often viewed as complicated, ruled by jargon, and entrenched with processes that all but demand investors jump through hoops.

### Two sides to any coin

There are, of course, two sides to any coin. Making it easier for investors to access financial services means it becomes easier for providers and advisers to access new markets and engage with their clients more often. Empowering consumers to take control of their journey and connect with service providers on their own terms will go a long way towards customer satisfaction and customer retention.

This does not mean that there is no room for human involvement. Investors will always need sound financial advice when assessing investment options and planning for their future, no matter what platform they choose to do it on. By embracing the same channels that they frequent and partnering with providers to provide their clients with financial products that will make investing in their future more attractive, advisers could add tremendous value to clients in both existing and emerging markets. ●

# Astute... servicing the needs of intermediaries

**A**stute Financial Services Exchange is an electronic information exchange company, enhancing the movement and integration of data in the financial services and short term insurance industry.

The company was launched in 2000 and provides intermediaries with a single point-of-entry to client's investment and insurance portfolio data, amongst others.

FAnews spoke to André Tait, Strategic Business Enablement Manager at Astute for a brief overview of what Astute is all about, how they are increasing their offerings across the whole industry, the Astute Investment Switch and how it compares with other offerings in the market.



FAnews caught up with Du Toit. Watch the video here.

## Q Can you give us a brief overview of the Astute Investment Switch?

**A**The Investment Switch was built with the intention of shortening the financial planning cycle for an intermediary, through providing daily, standardised investment data which is otherwise not readily available at Linked Investment Service Provider (LISP) or Manco level. The Switch and its data is designed to fulfil the current industry data gaps at Financial Needs Analysis (FNA) level, as well as offering a cost-effective solution for the non-FNA user requiring access to daily, standardised data. Our data standardisation allows a generic data output across investment companies, facilitating simplified concise data provision.



**Q**What has changed since you launched the Investment Switch?

**A** Firstly we have recognised a dire need for a standardised, daily data feeds across investment platforms, which is our main service offering on the Investment Switch. Secondly, we continuously engage with our stakeholders being the investment platforms, FNA's and end users, in order to ensure that we address industry gaps.

One such example is where we have enabled a non-FNA user to have access to our Investment Switch platform via Astute Online, allowing them access to the following on both Assets Under Management (AUM) and Transactions.

This includes:

- Full access to our AUM & Transactional dashboard for a daily portfolio overview;
- An updated AUM & Transaction breakdown per investment company at client level;
- Fund breakdown and allocation per investment company across a client's portfolio;
- Individual client portfolio accessibility on fund composition, allocation and daily valuations; and
- Daily standardised data, per investment, on both AUM & Transactions.

**Q**Costs are always a concern... what do you charge and how does it compare with other offerings in the market?

**A** Cost was our main consideration, prior to taking the service to market - due to our involvement with FNAs we are acutely aware of the licensing fees which are applicable to each individual user, and we have, therefore, priced our offering as attractively as possible to enable adoption.

For the non-FNA user, our service offering is welcomed, due to the lack of data provision platforms priced in our range. Our commercials work as follows:

Client total	Monthly pricing per client	Clients	Total per adviser
1 - 300	R0.83	≤ 300	R 250 p/m flat rate
300 +	R1.00	> 300	R1 per client over 300

\* R1 per month client where more than 300 clients' data is utilised.  
Example: 325 clients' data would cost R250 + (25 \* R1) = R 275

**Q**Give us some interesting stats

**A** Astute currently facilitates in excess of 21 million transactions per month across all of our services.

**Q**POPI and data... how do you ensure information transfer is secure, privileged and confidential?

**A** Information security and data privacy is a constant top priority within the organisation. Astute is ISO 27001 certified across all of the information security elements, and we have robust security controls in place. We drive a "security and privacy by design culture", and this is evident from our auditors' feedback reports.

**Q**There are intermediaries who are not using the Astute Investment Switch. What do you think the reason for this is?

**A** The main reason I believe is market awareness - Astute is renowned predominantly for our Consolidated Client Portfolio Switch, however, we have been marketing our service on LinkedIn, as well as on our website, to promote adoption. Since any intermediary, irrespective of whether they are an FNA user or not, can utilise our service to enhance their client data, our target audience is therefore any investment intermediary requiring access to daily, standardised data through their platform of choice.

I would also like to urge advisers to visit our website - [www.astutefse.com](http://www.astutefse.com) - for further details, by clicking on services and selecting Investment Switch. You will have access to our visual walkthrough of the service, as well as be able to register for the service.

**Q**Is there anything you believe Astute can improve on? Specifically with reference to the Investment Switch?

**A** As a Fintech company, enhancement of derived data value is paramount to us remaining relevant, and as such, we continuously engage with our users to identify further opportunities. When looking at our data provision landscape, we originally identified the top 30 companies in terms of total Assets Under Management, utilising the logic that these platforms represent the market segment, where the majority of client funds are invested in.

With this being said, we continuously invite our users to suggest further investment company integrations, based on their respective needs, allowing us to then engage with these platforms to continuously provide an enhanced value offering to them. Ultimately, our vision is to integrate to all investment companies, to ensure a direct data feed to the intermediary on a daily basis.

**Q**Any final words to the FNews audience?

**A** In these economic conditions, an adviser needs to focus on service excellence to drive sustainable growth, in both profitability and client base. Through the intermediary's partnership with Astute, our data allows you to make these educated and informed decisions, allowing you to focus on what you do best - which is providing superior investment advice. ●

# NEW BRAND with renewed purpose

**B**raiding a new logo, with renewed purpose, New National Assurance Company (NNAC) has launched a uniquely South African emblem designed to be brave and filled with pride.

FANEWS spoke to **Kalim Rajab, Managing Director at NNAC**, about the new look and where the company is headed.



## Q Why did you decide to rebrand?

It's the final leg of a journey which we began early last year; a journey of evolution to ensure we remain a relevant and important voice in the South African insurance ecosystem. We now have in place a new management team; we've also successfully completed our strategic reinvention from which we have already seen the rewards; and the final piece was to adopt a new logo which spoke to the new culture at NNAC and what we bring to our partners and policyholders.

We needed our new branding to speak to who we are as a company. We've always believed that we are not just another corporate. We're agile and flexible – and also proud of our South African roots. Even though we are 50 years old, we see ourselves as a product of the new economic dispensation.

I took over as Managing Director early in 2020, and with Vedanth Ori as Financial Director, we embarked on a strategic process of overhauling our business and our value proposition. We came up with a new, bottom-up approach of which classes of business we wanted to really focus on, at what levels, and how our people were going to tackle approaching these risks. It also meant relooking at our engagement with our partners. We wanted to continue being “people you can talk to”, and that's what the rebranding speaks to.

## Q Can you tell us about the new logo... what it represents, etc.

It's inspired by classical Ndebele themes. The colours needed to be warm and engaging.

And our slogan was something which came out in the workshop feedback with broker partners – “people you can talk to” was something which they clearly valued and which they associated us with. I want my people to remain accessible, and I want my senior leadership team – including myself- to always be available to our partners.

Above all, the branding needed to be uniquely South African – because we're proud of being the largest black-owned short term insurer in the country.

## Q What will remain the same and what will change?

There's a wonderful line from the classic novel *The Leopard*, where Tancredi says, “For things to remain the same, everything has to change.” Our entrepreneurial ethos will remain, but to do so our approach had to change. We needed a way to remain flexible and solutions orientated. Under lockdown, our Usage-Based Motor Insurance product was well received by brokers. I'm also excited that we've just launched our new fintech solution for digital natives under the brand name Solvency. And our value proposition to our partner UMAs and brokers – where we are there to support them – is something that I am passionate about.

## Q How will the rebrand support the company's bigger vision?

Obviously we want to grow in a sustainable way and maintain our solid credit rating of “A”. But as important as those things are, my vision is for our company and our people to live with purpose. Many of our staff were personally affected by the looting and civil unrest in July. Hundreds of our policyholders have Sasria claims already running into the billions. In the aftermath of the looting, I visited the looted businesses with clients. It was dreadful. Now I spend a large part of my day working with our teams trying to chart a way forward. As difficult as it is, we have to create businesses and people with purpose in what they do, for our country to prosper.

## Q Are there any exciting developments brokers can look forward to?

I'm excited that we've been able to attract a dynamic person with innovative ideas from the industry, Isla Simoes, who has just joined us. She can engage with brokers in a fresh but respectful way and has great ideas. ●

A new logo, with renewed purpose



NNAC was born in the midst of adversity.

50 years on, South Africa is once again beset with pain – yet we are a resilient people, filled with the idea of *ubuntu*.

Shaped by such a spirit, we are proud to announce our new logo – uniquely South African, a new emblem designed to be brave and filled with pride.

We are people moving forward with **purpose**.

**purpose** in how we run our business.

**purpose** in how we work with our partners.

**purpose** in how we interact with our communities.

We are *People you can talk to.*

Come join us on our journey at [www.nnac.co.za](http://www.nnac.co.za)

