

**The Practitioner Learning Group
on Improving Client Value
2012-2013**

A group of colorful 3D human figures in various colors (red, orange, yellow, green, blue, purple) standing around a long, light-colored table, appearing to be in a meeting or collaborative discussion.

ACCOMPLISHMENT REPORT

December 2013

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PLG Overview

Objectives of the PLG

In early 2012, the ILO's Microinsurance Innovation Facility launched the "Practitioner Learning Group (PLG) on Improving Client Value in Microinsurance", a community of practice that aims to provide a platform for microinsurance leaders to share experience on improving value offered to clients; and more specifically share lessons learned, troubleshoot challenges, and push the boundaries of application of client value creation strategies and measurement tools.

The PLG was formed out of a need expressed by practitioners after attending a training on assessing and improving the client value offering of their insurance products using a tool developed by the Facility called PACE (which stands for Product, Access, Cost, Experience). The need was for practitioners to have a group with whom they can continue to explore questions that were made evident during the training: What do clients really want from insurance? How can the value proposition for the clients be improved? How to balance client and business objectives?

The PLG was to be supported by the Facility for a period of two years and had a change agenda of improving value from microinsurance to low-income households. Specifically, the following measures of success were formulated together with PLG members.

- All PLG members are active in sharing knowledge and recognize its benefits;
- Each PLG member organization assesses client value to improve its products; and
- The lessons from the PLG are promoted beyond the group and to other staff and management within their organizations.

Engagement structure

PLG members were envisioned to continuously engage and learn from each other via a mix of activities which range from face-to-face to online, and from synchronous to asynchronous. These include:

- Virtual meetings held on the webinar platform where members can share their experiences and issues on improving client value;
- Targeted technical assistance provided to PLG members on a need basis (e.g. on PACE analysis)
- Peer exchange visit per year among PLG members;
- Private online space to share insights and documents and update the PLG members (featuring a solution exchange to use client value assessment tools and improve products);
- One knowledge sharing meeting per year; and
- Targeted trainings for PLG members

In 2013, a few more activities were added in response to the evolving needs of PLG members. These included:

- Peer coaching where two organizations engage each other in one-on-one coaching to learn from each other about a pre-defined set of learning agenda questions; and
- A contest on institutionalizing client value culture to encourage PLG members to document their experience of practices that work in institutionalizing a client-oriented culture, a key issue identified by members of the PLG in November 2012.

PLG Membership

The PLG was formed by representatives of nine organizations that attended the client value improvement training in November 2011. Other organizations were subsequently added based on their work on client value and interest in participating in such a community. By end of 2013, fifteen organizations from about a dozen countries across Asia, Africa and Latin America comprised the PLG, twelve of which have participated in at least one major PLG activity.




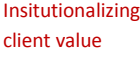








In terms of individuals, the number of persons participating in different PLG activities more than doubled to forty-seven in late 2013 from only 24 in early 2012.



PLG Activities

Summary of activities

During its two-year life, the PLG was able to undertake a wide range of activities that kept members abreast of each other's client value work, helped them discuss common challenges and potential solutions, and provided them with the inspiration, validation and external support needed to continue pushing for client-centric operations within their organizations.

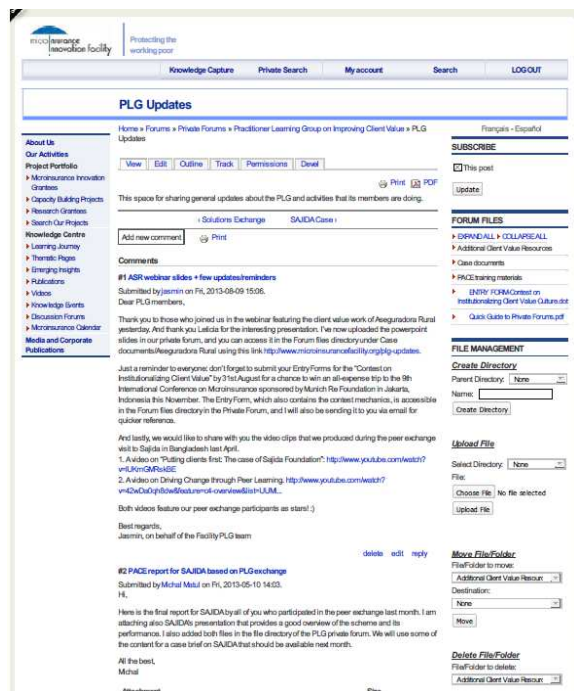
Activity	2012				2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
PLG launch								
Private forum	FORUM	FORUM	FORUM	FORUM	FORUM	FORUM	FORUM	FORUM
Webinar								
Peer exchange								
Peer coaching								
Institutionalizing client value							Contest winner: 	
Knowledge Sharing forum								
Closing of PLG								

Private Forum

The PLG private forum is a secured space in the Facility's knowledge portal created exclusively for PLG members to allow them to:

- exchange ideas, insights, problems, and solutions,
- store all relevant documents including PACE analysis, webinar presentations and peer exchange reports
- receive updates and reminders about upcoming PLG activities.

In the span of two years, the private forum has registered almost 40 posts, mostly just before and after an activity, almost 40 documents which include PACE training materials, PACE analysis work of



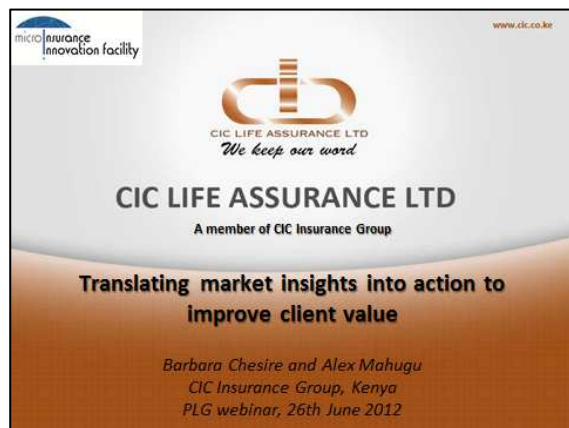
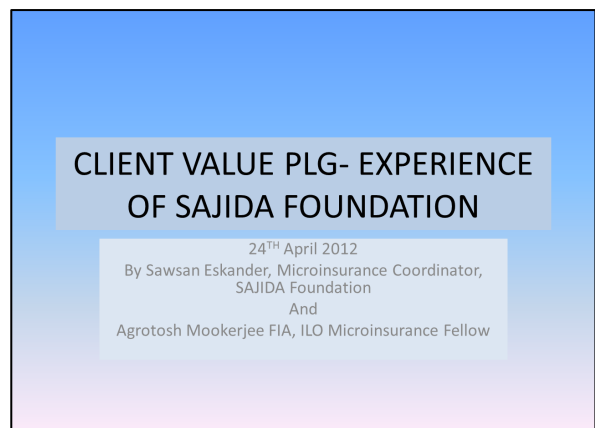
member organizations, and reports and slides related to PLG activities. The pages in the private forum have also received more than 1,000 page views.

Webinars

Five webinars were organized among PLG members. Four of these webinars featured the client value work of a specific organization, highlighting results of the PACE analysis, recommendations for improving client value and results of implementing such recommendations, when available. One webinar focused on a key issue that PLG members identified as a challenge— how to institutionalize a client value culture among organizations.

Webinar featuring Sajida Foundation. 24 April 2012.

The first webinar showcased the application of PACE to a composite product of Sajida Foundation called Nirapota. Challenges and solutions along the four dimensions of product, access, cost and experience were identified, and solutions being explored by Sajida were shared. Among these solutions were claims decentralization and the implementation of a simple claims processing tool, product re-pricing and differentiation, and setting up a customer care hotline.

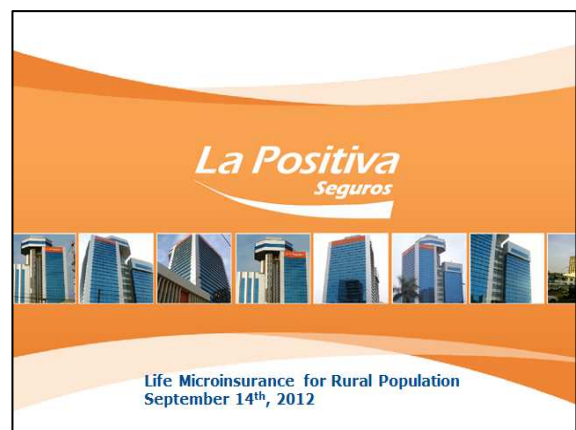


Webinar featuring CIC Life Assurance. 26 June 2012.

This webinar provided some background information on the Kenyan market and CIC's M-Bima Jijenge product description and set-up, and moved on to focus on the results of a competitor analysis performed with the PACE as a framework. Implications on how to make the product more competitive were shared. These included improving value proposition and positioning, better client experience through a call center, improved promotion activities, and incentivizing savings.

Webinar featuring La Positiva Seguros. 14 Sept 2012.

In this webinar, La Positiva presented the results of a PACE analysis of a life insurance product distributed via water boards in rural areas of Peru. Recommendations arising from the analysis included improvements in product features (eg, increase of sum insured), increasing promotion activities, and improving location of point of sales. Some ongoing improvements, including the implementation of an IT system for controlling sales, increasing visibility of the



La Positiva brand, and identifying sales people with La Positiva, were also shared.



Webinar on “Institutionalizing client value”, 13 February, 2013. This webinar was organized to provide a venue to discuss some key challenges being encountered by member organizations, including how to place the customer at the center of the organizational value system, how to create champions across the different business functions, and how to institutionalize a client-centered culture. Small group discussions were conducted on three topics – performance measurement, internal structure and communication, and the impact of client value work on the bottom-line.

Webinar featuring Aseguradora Rural. 9 August 2013

Aseguradora Rural presented the PACE analysis done on its life and health insurance product distributed via its Banrural branches, as well as improvements that they started to implement to increase value to clients. These included an e-learning platform for sales staff training and intensive training on the product which has resulted in a decline of phone inquiries from clients; welcome calls to new beneficiaries; and graphic education materials such as comics for bank staff.



Peer exchange visits

The peer exchange visit is an experiential learning exercise where visiting PLG members are exposed to the operations of the host organization (also a PLG member) and learn more about improving client value by conducting jointly a PACE assessment of one of the host’s microinsurance products.

Two peer exchange activities were conducted by the PLG, both of which have received very positive feedback from participants and hosts. Both provided useful inputs and validation for the host organization’s client value strategy and also proved to be a thought-provoking experience for all participating PLG members.

Old Mutual: Client Value Assessment of Imbizo model with a focus on BSSP and PWYC products

The first peer exchange was attended by 25 participants. Hosted by Old Mutual, the main goal was to analyze the client value proposition of the Burial Society Support Plan (BSSP) and Pay When You Can (PWYC) products, as well as the overall value of the Imbizo model. The objectives were to identify strengths, weaknesses, and improvements under the dimensions of product, access, cost and experience, by comparing BSSP and PWYC to alternatives.

After three intense days engaging with sales agents and other field staff, going to funeral parlours and retail outlets, studying the competition, and interacting with existing and potential clients, participants discussed their main findings and recommendations with the management of Old Mutual. These recommendations included:

- ✚ Define the client value proposition and reposition the BSSP product accordingly
- ✚ Define the client value proposition and reposition the PWYC product accordingly
- ✚ Implement some client value improvements for both BSSP and PWYC to support the repositioning strategy
- ✚ Further improve the Imbizo client value proposition with M&F and Nedbank.

To learn more about this peer exchange, read the article on “Coming together on client value” at http://www.microinsurancefacility.org/sites/default/files/article_plg_7.pdf.

Sajida Foundation: Client Value Assessment of the Nirapotta product

Twenty participants attended the second peer exchange. Hosted by Sajida Foundation, the main goal was to analyze the client value proposition of its composite product called the Nirapotta product. The objectives were to assess how recent improvements resulting from an earlier PACE analysis have affected its client value offering, and suggest further improvements under the dimensions of product, access, cost, and experience. It also aimed to identify possible adaptations of Nirapotta for better off and ultra-poor clients and to assess opportunities for introducing a voluntary product.



Scenes from the peer exchange 2012 in East London, South Africa



Scenes from the peer exchange 2013 in Dhaka, Bangladesh

After three full days of gathering and analyzing data from branches, the Sajida hospital, field staff, and clients, the group looked at how improvements particularly in relation to claims processing, health cash benefits, premium structure, educational campaigns, and value-added services, have affected the client value offering of Nirapota.

Applying the PACE methodology, the PLG suggested the following actions:

- ✚ Cover members in between loans and savers, who make up 14 per cent of Sajida’s clients, by linking the insurance premium to a time period instead of the loan period. Explore an opt-out for savers. Explore savings accounts deduction or up-front payments.
- ✚ Allow top-up options for additional members. Policy holders and enterprise loan borrowers should be able to add additional family members or staff of their micro-enterprise to their policy for additional premiums.
- ✚ Market Nirapotta to Sajida Hospital card holders, as Nirapotta members get better benefits than hospital card members. Convert them to borrowers if possible. Perform more research as needed.

To learn more about this peer exchange and Sajida’s client value improvement work, watch the video on “Putting clients first: The case of Sajida Foundation” at <http://www.microinsurancefacility.org/videos/clients-first-case-sajida>.

Peer coaching program

To further enhance the benefits derived from being a part of the PLG, members suggested a more focused and one-on-one approach to learning and experience exchange, referred to as “peer coaching”, where an organization in need of advice is paired with another organization that has the experience and knowledge to address such needs. The peer coaching is a two-way street. Paired organizations have different skills and needs, hence they can coach each other on different subjects.

After an assessment of strengths and needs, the peer coaching program was piloted with Old Mutual based in South Africa and La Positiva based in Peru, both offering a voluntary life microinsurance product, with valuable insights to share on improving access, promotion and distribution.



Old Mutual from South Africa visiting La Positiva in Peru during the pilot peer coaching

The pair agreed on the following joint objectives and set of questions to be answered during their one-week structured exchange visit. These visits were conducted during the week of 14th of October (visit of Old Mutual to La Positiva), and the week of 28th of October (visit of La Positiva to Old Mutual). The learning agenda questions were as follows:

- ✚ What are the main characteristics of rural and sub-urban markets, and what are the implications in terms of opportunities? How is it best to collaborate with the government, and align insurance products to meet government public policy objectives?
- ✚ How to develop the right client value proposition to specific target groups (product development process)? How should the value proposition evolve? When is the right moment to extend benefits? How to segment the market and how to diversify product portfolio for different groups?
- ✚ How to make products tangible? What kind of value-added services work?
- ✚ What are efficient ways to develop sales force (recruitment, training, incentivizing, monitoring)? What are the pros and cons of in-house versus outsourced sales? What is the distinction between sales and servicing? How to ensure the sales force contributes to building client value?
- ✚ How to evaluate readiness of consumers to use mobile phone/money – based insurance solutions?
- ✚ What is the role of financial education? How can it be integrated in operations? What should be the scope of work? Are the effects on demand high enough to justify covering costs through operations?

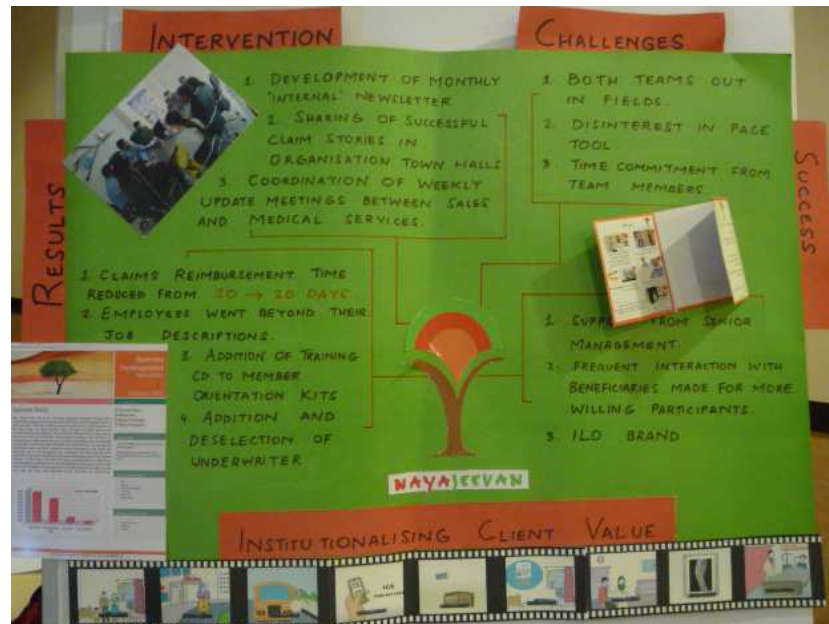
Both organizations found the peer coaching useful in getting new insights, validating strategies, and understanding lessons learned by their peers. Their Peer Coaching Reports completed after the peer coaching outlined actionable insights that can be translated into concrete steps in their own organizations in the areas of marketing and increasing product tangibility, distribution and developing the sales force, and claims administration, among others.

Contest on institutionalizing client value

One of the biggest challenges faced by PLG members is to place the customer at the center of the business and organizational value system. There are champions within organizations who often have a hard time building support for their client value work, but successes are slowly being achieved through a variety of approaches. This contest sought to identify the organization that has best been able to

institutionalize a client value culture within their organization, and in the process of documenting their work, share some good practices that others can draw inspiration from.

Three organizations participated in the contest and shared interesting interventions on various aspects of client value institutionalization. With the help of a number of PLG participants, the award was given to Naya Jeevan who built internal processes for coordination among teams, information sharing about clients, internal PACE training, newsletters featuring client work, as part of a set of interventions to create a client-centric organization.



Poster depicting how Naya Jeevan institutionalized a client value culture in the organization

Knowledge sharing forum

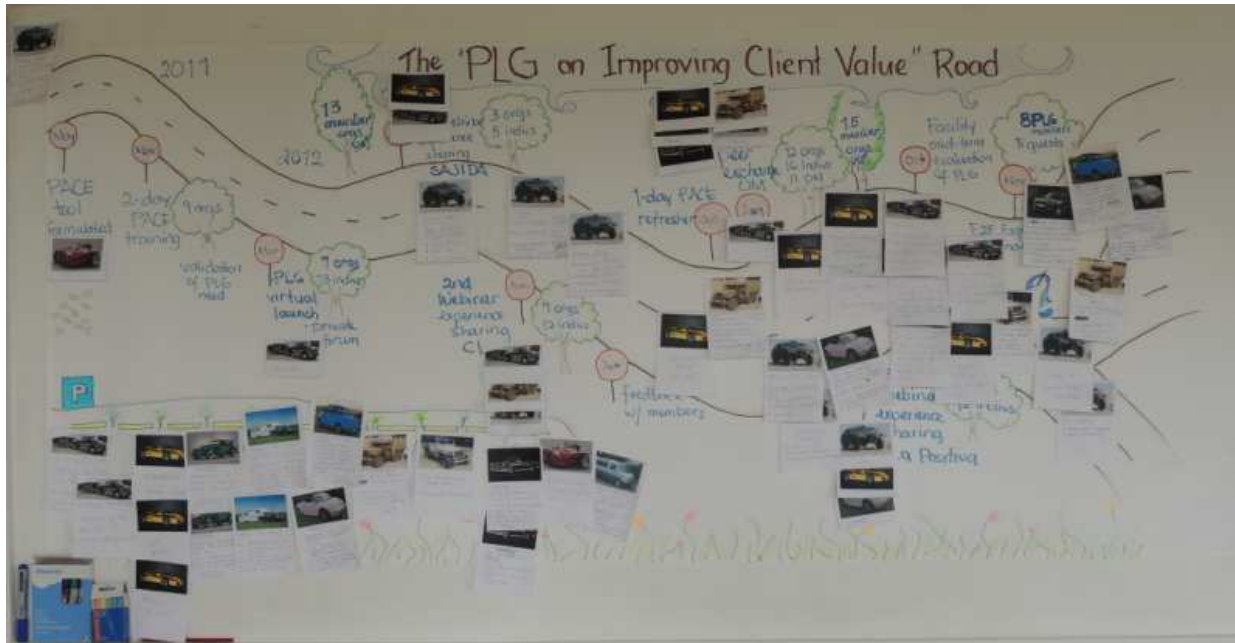
2012 Knowledge Sharing in Dar es Salaam, Tanzania

Eighteen PLG members and guests from 15 organizations gathered for one day in Dar es Salaam in November 2012 to continue sharing on client value improvements as well as to plan next year's PLG activities.

The objectives of the knowledge sharing forum were:

1. To gather members of the Practitioner Learning Group for a day of experience sharing and exchange on how to improve client value from microinsurance;
2. To explore solutions to common client value issues and challenges; and
3. To define possible future activities of the Practitioner Learning Group

After recounting the client value improvement journey that each organization went through in 2012, small group discussions were conducted to discuss possible solutions to the following key challenges:



The diagram highlighting key PLG activities and client value improvement milestones of PLG members

- 🚩 How to **institutionalize client value** culture across all functional areas?
- 🚩 How to **gather data** to make PACE assessment insightful and cost-effective?
- 🚩 How to continue improving processes to provide **better access** for clients?
- 🚩 How to continue improving products to make them **more affordable** for clients?

To learn more about the results of the discussion, download the report here:

<http://www.microinsurancefacility.org/ckfinder/userfiles/files/PLG%20Experience%20Sharing%20Tanzania%20SUMMARY.pdf>

2013 Knowledge Sharing in Jakarta, Indonesia

Twelve members of the PLG met in Jakarta in November 2013 for another knowledge sharing event. The objectives were:

1. To gather members of the Practitioner Learning Group for a day of experience sharing and exchange on their recent work and milestones on improving client value from microinsurance;
2. To discuss issues and challenges on improving client value in different stages of microinsurance evolution; and
3. To explore good practices that can be replicated/adapted by other organizations embarking on the same journey of improving their client value offering.

After sharing updates and key achievements for the year in relation to improving client value, the knowledge sharing focused on tracing the evolution of client value propositions, as well as issues and solutions explored by microinsurance providers present during the event. Four practitioners – Old Mutual, Sajida Foundation, ICICI Lombard, and Naya Jeevan produced visual aids that demonstrate their evolution. The outputs were presented during the Microinsurance Innovation Forum that happened the day after, during the session on “Addressing client needs.” Highlights of some of the discussions are presented in the next section of this report.



Visuals showing the evolution of client value propositions of PLG member organizations

The client value journey of featured PLG members

It is hard to tell individual stories of all the PLG members. Below are few selected cases, which point out the value of analysis-driven changes to their offerings to deliver better value to clients.

Old Mutual: Moving from products to customer solutions; creating long-term value

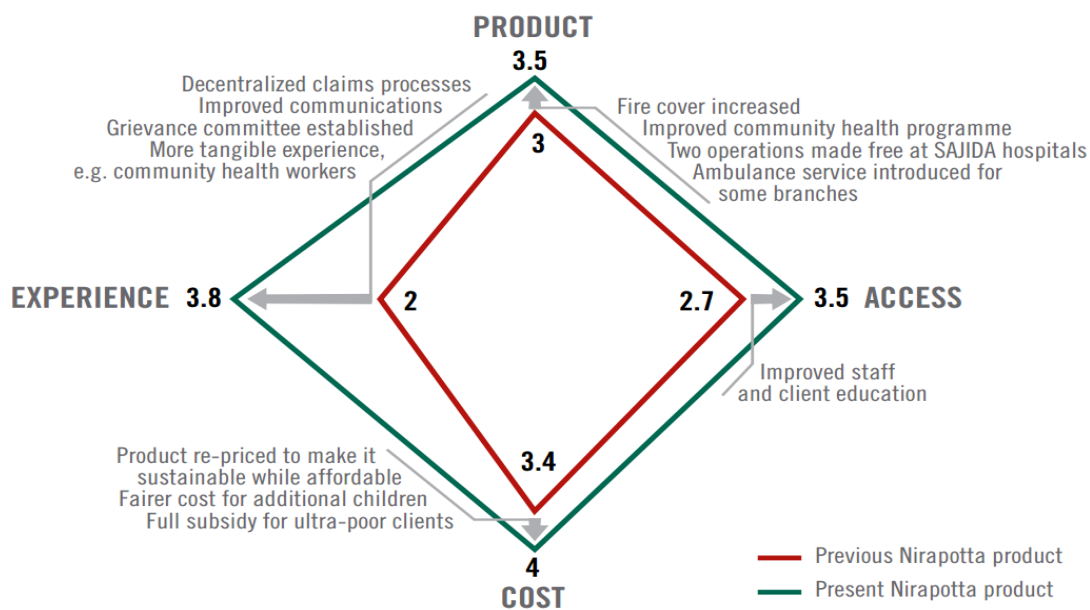
Old Mutual reengineered internal processes to ensure faster enrolment, better servicing and faster claims pay-outs for its group funeral products. Old Mutual's internal standard for claims turnaround time is 48 hours from the time the complete claims documentation is sent to head office from the local agent, and it meets this standard 99% of the time. However, this standard does not reflect a client's view of claims settlement time, which includes the entire period from the date of death to the receipt of benefits from the insurer. Although the claim reporting period may be beyond the control of the insurer, it does reflect how well clients understand the product benefits and how to make a claim. In recognition of this, Old Mutual has now started recording additional claims data, such as date of death, date of initial notification of the death to the local agent, date of claims submission to the local agent and date of payment to the burial society were the last two not already tracked?. Based on these data, the average time from date of death to claim payment is 20 days, which includes an average of 15 days from date of death until the local agent is notified, and 5 days of total processing time.

Old Mutual's experience with individual products proved that there is a high risk to deliver solutions ahead of its time if clients' voices are not integrated from the very beginning. Old Mutual faced slack sales when it first introduced a retail funeral product called "Pay While You Can" distributed through ShopRite, one of the biggest food retailers in South Africa. PWYC was originally designed to be flexible, with clients having the option to top-up coverage on an ongoing basis. The product was not successful mainly because it was too complex, clients had a limited understanding and there was difficulty in communicating the waiting periods associated with the top-ups. Old Mutual conducted a client value

analysis using the PACE tool, and used the results to simplify the product, while meeting the needs of clients.

SAJIDA Foundation: holistic review for revolutionary changes

SAJIDA Foundation offers a composite product to all its borrowers. By conducting a systematic review of the product and related processes, SAJIDA was able to identify enhancements along the four dimensions of Product, Access, Cost and Experience, and then consolidate and prioritize the various changes. SAJIDA made largest improvements in the Experience dimension by decentralizing claims, improving communication with clients and adding community health workers to provide better access to health care. The diagram shows how the previous and current versions of the product were rated and identifies the improvements implemented by SAJIDA.



Aseguradora Rural: promoting usage when selling insurance

Aseguradora Rural sold insurance through a large and highly trusted bank in Guatemala. This high trust resulted in high demand for the product, with 8,000 policies sold in just 2 months. However, high demand for the product did not translate into high use of its value-added services (preventive health package, discounts on medicines in selected pharmacies, discounts on consultations). It seems that clients do not fully understand the product. Aseguradora Rural is combatting this by increasing promotion activities, developing an e-learning module for staff, and providing more information to doctors so that they can also inform clients about the benefits. It is also developing a plan for improving contact with clients after they have purchased the policy. The plan includes welcome calls to remind clients about the preventative health benefits and to monitor the quality of information given by sales staff.

High demand for voluntary product is due to data-driven product development. Using results from the market research, Aseguradora Rural were able to incorporate clients' most pressing concerns into the product design. For example, as surveys with the bank's female savings clients revealed that cancer

was the top health concern for 71 per cent, risks related to cancer were included in the policy. Maternity coverage, on the other hand, was removed from the policy after the survey and focus groups demonstrated that clients were not interested in paying for this cover.



Aseguradora Rural also leveraged Banrural’s existing IT systems. Banrural adapted its system to collect additional socio-economic data about new clients on behalf of Aseguradora Rural. Collecting this data from the very beginning of the project allowed Aseguradora Rural to monitor its client base and to design and adapt its product and promotion to speak to the right audience. For example, it selected images for its marketing material that reflected the full range of its client demographics (with the majority of its clients aged between 25 and 38).

Naya Jeevan: becoming a client-centric organization

Naya Jeevan is a health microinsurance initiative targeting the socio-economically marginalized in Pakistan. Naya Jeevan’s business model is unusual in HMI. Although low-income people are the beneficiaries of the insurance, Naya Jeevan seeks sponsors to pay the majority or all of their premiums. These sponsors can range from a large corporation or small business that wants to insure its employees, to wealthier employees who can sponsor insurance for the informal workers in their own households.

As a result, Naya Jeevan has two sets of clients – firstly the corporate sponsor, and secondly the low-income beneficiary. Historically, Naya Jeevan has been focused on selling the scheme to new corporate clients and retaining those clients. However, its participation in PLG has more recently served as a compass for it to deepen its focus on its low-income beneficiaries.

An important step has been to orientate its internal culture towards client value. Naya Jeevan trained its business development and sales professionals to use the Facility’s PACE assessment tool, and uses an internal monthly newsletter and monthly meetings to highlight successful case studies and client experiences. It has organized weekly meetings between sales and medical teams to ensure internal alignment, since sales teams usually interact with corporate clients, whereas the medical team interacts with low-income beneficiaries. In addition, a client value champion has been identified within each business unit to ensure that beneficiaries’ needs are always taken into account and that client-centric innovations continue.

These changes have not required significant financial investments, but have proved an important basis for improving value for its final beneficiaries.

Feedback from some PLG members

"It has been such a great and insightful experience that has allowed us to get fresh ideas from colleagues of another country but who work in the same business and face the same problems we have because our market and target population are very similar."

- From the La Positiva Peer Coaching Report

"Peer coaching and exposure were very useful and continue to be useful. In meeting we often find ourselves drawing on insights learnt during the coaching experience and sharing those with our colleagues to resolve business challenges and suggest alternatives."

- From the Old Mutual Peer Coaching Report

"The interaction with the other group members proved most beneficial to me. They were excellent resources to bounce ideas off of and to gain new perspectives. This event makes the concept of PACE 100% tangible & has greatly aided Fonkoze's ability to continue moving forward with its PACE analysis. Although the product and situation is different, the techniques / methods learned from facilitators and peers is extremely useful."

- Tyler Tappendorf, formerly with Fonkoze
Peer exchange 2012 participant

"The culture at Naya Jeevan has evolved to become more beneficiary-focused, with beneficiary testimonials, vignettes and 'success stories' improving employee morale. Some employees have gone well beyond their job descriptions to facilitate beneficiary claims."

- From the Naya Jeevan Entry Form that won the contest on institutionalizing client value

"Although we have different focuses and products, we are all empathetic to the market we operate in - that was "universal". People were keen to make this successful and that was great... The PACE results are being integrated into the Old Mutual strategic thinking process."

- Colette Patience, Old Mutual
Peer exchange 2012 host

"The sessions were well thought out with the utilization of every single hour of the day. The interaction with the focus group was the key to the program, with the peer moments in between to get back to our workplace."

- Nimisha Disouza, ICICI Lombard
Peer exchange 2013 participant

"We have to listen to the people. Sometimes we perceive we know everything of the client but this is not the case. Through the peer exchange process, I came to learn about new things I didn't think about before. This is the way and we should continue it."

- Fazlul Hoque, Sajida Foundation
Peer exchange 2013 host

It was a pleasure accompanying the PLG members in the past two years in your journey of improving the client value offering of your microinsurance products to better serve the low-income market. We wish you luck as you continue your journey!