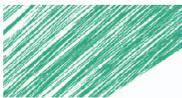




opinion by jaco oosthuizen



Oosthuizen is chief exponential officer at MMI's Exponential Ventures



Pre-empting disruption

Financial technology (fintech) has grown with the advent of new technology. From blockchain to drones, data analysis to crowd-funded insurance, artificial intelligence to robotics, the Internet of Things to genome technology and wearables, exciting new technology will transform the way consumers engage with financial services companies.

Fintech and insurtech have enormous potential benefits for the industry, entrepreneurs, clients and the economy.

MMI is particularly interested in fintech, insurtech and healthtech because of their potential to disrupt traditional business models. Insurtech is lagging fintech by about four years but is picking up exponentially.

Last year MMI launched Exponential Ventures, a business unit focused on potentially disruptive innovation opportunities in the financial wellness space. Rather than be disrupted by a new entrant, MMI is future-proofing its business by creating disruptive capabilities within the company. It believes disruptive innovation in the fintech and insurtech sectors will allow it to transform its existing business model by

partnering with and investing in start-up businesses and building new businesses.

According to global research conducted by Accenture, players with a vested interest in the fintech space have invested over US\$50bn in almost 2,500 companies since 2010.

In SA, lack of funding has been a barrier to entry, with many entrepreneurs relying on self-funding or funding from friends and family. This is changing as corporates become involved. Exponential Ventures has created a new technology venture capital fund, the 4Di Exponential Tech Fund, aimed at early- and growth-stage startups with ambitions to reach international markets.

Traditional industries that previously fuelled the SA economy are stagnant or in decline. The rapid growth of fintech and insurtech in SA is good news not only for the economy but also for improved employment levels.

To boost Exponential's impact, MMI has invested in the first-ever insurtech accelerator programme, Startupbootcamp InsurTech, based in London. Startups across the globe participate in a rigorous selection process, after which only the top 10 get selected in the accel-

eration programme in London. In the recent Startupbootcamp intake of January 2017, 10 start-ups were selected worldwide, three of which are SA businesses. This is another way that Exponential is contributing towards growth in SA's insurtech ecosystem and ultimately creating economic value.

Exponential Ventures hopes government will focus on enabling entrepreneurs, given their ability to potentially boost economic growth rates while creating fresh employment opportunities.

For start-up businesses economic stability is essential, as is firm policy direction. To boost small businesses and entrepreneurs, government needs to reduce the current onerous administrative compliance burdens. Easing regulations that threaten to stifle any local industry is essential to grow new businesses as well as the overall economy.

Increased tax concessions for smaller companies as well as enticing foreign investment into SA will also enhance entrepreneurial growth.

It would also benefit entrepreneurs if it were easier for start-ups to do business with government.

Exponential Ventures looks forward to making great strides in the fintech and insurtech areas, to build sustainable businesses that will make a meaningful contribution to MMI's stated purpose of enhancing life-time financial wellness, while at the same time growing the wealth of SA and South Africans. **x**

MMI is future-proofing its business by creating disruptive capabilities within the company

