

Introduction

MMI's purpose is to enhance the lifetime Financial Wellness of people, their communities and their businesses. Closely aligned is MMI's vision for the organisation – to be the preferred lifetime Financial Wellness partner, with a reputation for innovation and trustworthiness. MMI's client-centric corporate strategy centres on this core fundamental purpose.

Our strategy aims to generate superior returns through leading client experiences that build strong, close and trusted relationships. This is achieved through the design, integration and management of holistic solutions to client challenges around becoming and staying financially well throughout their lives.

While we strive to be competitive in terms of price and quality of products, the focus of our strategy is on building deep relationships with clients. We achieve this by competing effectively in the high-value end of the value chain, namely the integration of highly effective Financial Wellness solutions.

Client aspirations

To be the preferred lifetime Financial Wellness partner, we aspire for our clients to experience MMI's client-facing brands as:

- Understanding their needs.
- Offering value for money.
- Providing easy-to-use products.
- Designing innovative solutions.
- Reliable and trustworthy.
- Investing in the communities where they operate.

Financial aspirations

Achieving our client aspirations will support the realisation of MMI's financial aspirations. Creating shareholder value is our primary financial aspiration, supported by earnings growth, growth in the value of new business and efficiency improvements. Long-term value creation is measured by MMI's return on embedded value.

Strategy map

MMI's strategy map guides what we do to implement our client-centric strategy. Everything we do supports living our purpose. Each component of our strategy map has a corresponding balanced scorecard measurement to track our progress in implementation.

MMI's group strategy (continued)

Strategic focus areas

MMI's three strategic focus areas are Client centricity, Growth and Excellence.



CLIENT CENTRICITY

Client centricity represents MMI's core identity. Our primary objective is to create superior client experiences, while increasing our clients' Financial Wellness. Our Multiply wellness and rewards programme plays an important role in providing outstanding client journeys and encouraging client behaviours that increase their Financial Wellness. This also increases the lifetime value of our clients, who consequently use more of MMI's products and hold them for longer.



GROWTH

Growth remains a critical strategic focus area in the current challenging operating environment, underpinned by three strategic objectives:

1 INCREASE THE VALUE OF EXISTING CLIENTS –

with cross-selling and our Multiply wellness and rewards programme as key initiatives to advance this objective.

2 INCREASE THE CLIENT BASE –

through strategic initiatives including segment diversification into the middle income segment, channel growth (through an increase in the productivity and size of our face-to-face sales forces), growing alternative distribution channels and corporate transactions.

3 GROWTH THROUGH GEOGRAPHICAL DIVERSIFICATION –

by creating value outside South Africa, in selected countries in Africa and in India.



EXCELLENCE

Our focus is on delivering superior and excellent experiences, as well as on efficiency in delivery.

ENABLERS

Realising MMI's client-centric strategy relies on four key enablers:

A world-class data analytics capability that enables the proactive creation of customised and superior client experiences for all our clients.

Flexible and modular systems that take advantage of ongoing technology advances.

A collaborative, client-centric culture that supports MMI's strategy.

Innovation as the way in which we do business.

Innovation

As a strategic enabler, innovation is core to our vision and is one of our values. We follow a three-pronged approach to drive innovation across MMI, comprising our innovative culture, an internal innovation programme and MMI's externally-focused disruptive innovation initiative.

Our culture provides the foundation for all our innovation efforts. In building the MMI Way across the entire MMI group, we are increasing our focus on innovation and the behaviours that advance innovation, which are endorsed as core to our culture. Our Human Capital team works closely with senior leaders to create an environment where everyone has the freedom to innovate.

Our internal innovation programme uses agile methodologies to advance innovative ideas that are closely aligned to MMI's strategic priorities. Multi-functional teams take part in incremental development sessions, applying design thinking and developing prototypes in respect of a range of ideas put forward by MMI's business units. Based on the results of this market validation process the most attractive innovations are selected and resources allocated to progress implementation.



MMI's disruptive innovation initiative is called Exponential Ventures. This business unit focuses on transformational innovation opportunities in the areas of fintech and insurtech that align with MMI's Financial Wellness purpose. We believe that technology advances that have disrupted many industries will also have a significant impact on financial services. Exponential Ventures is working to head off this threat by turning technology into an opportunity for growth over the long term.

Through our venture capital partners in the UK, Anthemis, we have invested in a number of startups that are leveraging the transformative power of digital financial services. We have

established a venture developer partnership with Anthemis to build businesses at the forefront of Financial Wellness over the next few years. Similar investments have been made in South Africa, working with our local venture capital partner, 4Di Capital. During the past year, MMI also worked directly with a number of South African startups that are already adding value to our existing businesses. We are in the process of commercialising these opportunities.

Our investment partnership with the global accelerator, Startupbootcamp InsurTech, exposed MMI to more than 20 insurtech startups over the past two years. MMI is proud to be stimulating growth in the local and global insurtech space, especially considering that the three South African start-ups have been selected for Startupbootcamp's 2017 global intake.