

Innovation to beef up insurance sector



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WE hear a lot about innovation these days, be that in the private sector or in the development milieu. But what does it mean? We define innovation as 'doing something different that has an impact'. The definition uses the word 'doing' instead of 'thinking' because the essence of innovation is execution. The words 'something different' refer to the simple fact that it must be new "nova".

Lastly, the thing that distinguishes an innovation from an invention is that for it to be an innovation someone must be willing to pay for it; it has to add value, it needs to have an impact. We are seeing new technology enablers accelerate the pace of innovation, making things that used to be difficult, simpler, easier, more convenient or more accessible.

We also benefit from lower entry costs due to simpler coding, cloud services and a worldwide ecosystem centred on the cult of the entrepreneur.

Young people today, if they listen carefully to customer insights all around them, can build new innovations. And this is really the heart of the reinvention of industries.

When you take a customer-led approach, employing deep customer empathy and design thinking, you can build from the ground up new experiences that truly add value to everyone's lives.

Innovation is about the customer, not technology or new products.

Competition in every sector is more intense than ever before, and businesses, no matter how big, need to keep reinventing themselves to keep up with the ever-changing ways of the world.

The life insurance industry is a sector that has huge potential in Bangladesh, mostly because of the rise in the number of middle-income families.

Boston Consulting Group projected in a 2015 report that each year up until 2025, the annual income of 2 million additional Bangladeshis will surpass the threshold of \$5,000.

Although the number of people eligible for life insurance is increasing rapidly, the insurance penetration in Bangladesh remains poor.

In 2016, the industry recorded a meagre 3.77 percent growth

and nearly half of the insurance companies saw their incomes decline.

Life insurance plays a critical role in the Bangladeshis' lives, and yet we are not seeing the growth that is commensurate with the rise of economic conditions, mobile phones, or internet services. Why?

Only by reassessing the job-to-be-done of life insurance from the perspective of the Bangladeshis we can unlock the ways in which the industry can move from being a low-intimacy obligation purchase to a pull-product that enhances people's lives.

Simply, we need to add new, often health-related value-added services through partnerships and deliver value sooner by increasing the frequency with which we interact with our customers and prospects.

Customer expectations of the Bangladeshis are ever-increasing. We are getting used to frictionless experiences with our favourite digital brands and now expect our financial services brands to know us, interact with us on our own terms, and make things easier.

This industry in Bangladesh, therefore, requires going beyond its traditional practices and shifts its mindset to think of itself as more than just a financial service.

We need to build inimitable experiences that do not just help the industry in Bangladesh but whose purpose is to help Bangladeshis.

In summary, I believe the time is ripe for innovation in the life insurance industry in Bangladesh for two main reasons.

The first is that the large number of young and highly mobile, tech-savvy customers want to interact with brands more frequently.

They want brands to add value to their lifestyle without the concern of product or service it is offering. We are essentially living in an experience economy.

Secondly, the Asian economy including Bangladesh is growing in importance worldwide. Asia is expected to account for approximately half of the insurance industry's growth in the next decade.

The "Asiafication" of demand means that we need to innovate in Asia, for Asia.

So what should the industry do about this shift? I suggest a three-part recipe.

Firstly, in Bangladesh, the insurance service providers must become customer-led. Only then will we start designing products, creating experiences, and adding services that can address our target customers' evolving needs.

Secondly, we need more transparency. We must strictly ensure that every promise made to current customers is kept.

Digital platforms that keep our customers informed on the status of their insurance purchase, give them timely information about their claims, allow users to benefit from each others' experiences are necessary.

Transparency has come to every industry. For instance, would you consider taking an overseas trip and booking a hotel without checking a user review?

Thirdly, we need to become a magnet for talent. The industry should appeal to more innovative and forward-thinking people, to attract them to the industry either as associates or as partners.

On the talent front, we believe that espousing values like curiosity, experimentality, expansivity, velocity, and bravery are key.

We can shift the mindset of our existing employees and hire new talent to keep the industry on the cutting edge.

If the insurance service providers and the authorities work in collaboration, a step change in the value our industry delivers to the Bangladeshis will be felt.

Insurance is not about providing for a person's family in their absence; it is beyond that now.

It is about peace of mind and how to live a longer, happier and fuller life.

MetLife in Bangladesh has recently opened an innovation centre in Motijheel which is open for all to share their ideas in an open environment.

Further plans to broaden our digital outreach will help even further. We are excited to get started on this innovation journey.

The writer is the chief innovation officer at MetLife Asia and chief executive officer of LumenLab.

US jobless rate lowest in 17yrs

AFP, Washington

US unemployment fell to its lowest level in nearly 17 years in October, according to data released Friday, which President Donald Trump said was proof his policies were bearing fruit.

Job creation resumed climbing after two late-summer hurricanes hit the economy, albeit at a slower rate than expected, according to the Labor Department's key monthly employment report.

But upward revisions to job creation in August and September meant the storms caused less damage than originally feared, making for an upbeat report.

Still, the data also showed a shrinking labor force and confirmed job creation in 2017 has lagged behind the last year of the Obama administration.

The US jobless rate fell to 4.1 percent, down a tenth of a point from September, the lowest the US economy has seen since December 2000. Employers added 261,000 net new positions as businesses reopened in the wake of Hurricanes Harvey and Irma, although economists had forecast a rebound of 300,000 new jobs.

But the data for September turned out not to be as bad as initially reported, with 18,000 new jobs created, rather than a loss of 33,000 positions. Together with the upward revision for August, an additional 90,000 jobs were added for those two months.

The results generally showed US labor markets in good health, easily bouncing back from the storms that idled the US energy hub in southeast Texas and forced millions of Floridians to flee their homes.

"With nearly 1.5 million new jobs since the president took office, including over 260,000 last month, it's clear his agenda is putting Americans back to work," White House Press Secretary Sarah Sanders said.

Trump tweeted out a celebratory message on the report: "JOBS, JOBS, JOBS!"

Nevertheless, average monthly job creation now stands at 169,000 so far this year, significantly below the 192,000 monthly average recorded through October of last year.

The labor force participation rate also fell 0.4 points to 62.7 percent and the employment-to-population ratio shrank 0.2 points to 60.2 percent -- suggesting the fall in unemployment may partly reflect a dip in the size of the work force as well as job creation.

India may announce tax relief for traders next week: Modi

REUTERS, New Delhi

INDIA may announce measures next week to help traders and small businesses who say a new nationwide goods and services tax (GST) has increased their tax and administrative burden.

India's Prime Minister Narendra Modi said if there is consensus at the next GST council meeting due over Nov. 9 to Nov. 10, the government would take the necessary steps to help traders and strengthen the country's economy.

A panel of ministers last month recommended reducing tax rates for small businesses and traders and raising the minimum revenue threshold for companies that need to pay tax, local media reported.

The launch in July of the long-awaited GST, which transformed India's 29 states into a single customs union, has left thousands of small and medium-sized firms at the bottom of the supply chain short of

working capital.

Modi is facing criticism for the disruption to the economy caused by the roll-out of GST and the shock removal of higher-value bills from circulation last year. As a result of these issues India's economy is expected to grow at its slowest pace in four years this fiscal year, a Reuters poll found.

Modi's comments came days after India jumped about 30 places to 100th on the World Bank's "Ease of Doing Business" rankings, reflecting reforms in accessing credit, power supply and the protection of minority investors. Modi said he expected India's ranking to improve next year when the GST and other reforms were considered.

"There are many other reforms that have already happened but need gestation and stabilisation time before they are taken into account by the World Bank," Modi said. He added that there were other reforms on which India and the World Bank would need to find common ground.



India's Prime Minister Narendra Modi is seen at Hyderabad House in New Delhi.

Apple CEO Cook breathes new life into old iPhones

REUTERS

BY delivering solid financial results that beat Wall Street's expectations for both revenues and profits on Thursday, Apple Inc's CEO Tim Cook put to rest concerns that the company's flagship device, the iPhone X, wouldn't be ready in time for the holiday shopping season.

But beneath the headline revenue and profit figures, Cook also seemed to have solved two of Apple's longest-standing problems: its heavy reliance on the latest flagship iPhone to buoy its profits, and its lack of affordable offerings to help budget-minded buyers see the benefits of joining Apple's ecosystem of hardware and software. And all Cook had to do was stop Apple's unusual Steve Jobs-era policy of ruthlessly killing off old products when better ones came along.

To see the effect of the Cook Doctrine, look no further than Apple's current, unprecedented lineup of five different iPhones. The flagship iPhone X, priced at \$999, has drawn most of the media attention for the holiday shopping season.

But far from the limelight is the humble iPhone SE - essentially an updated iPhone 5, which came out five years ago. It retails for only \$349 and appears to have played a major role in Apple doubling its revenue in India, an important emerging market.

Cook told investors on a conference call discussing Thursday's financial results that "a majority" of the iPhone SEs the company sold in India were also manufactured there, a critical component of Apple's negotiations with the Indian government for market access.

There's good reason to believe former Apple CEO Jobs would never have kept a product like the SE around. Jobs co-founded Apple and oversaw its dramatic rise in the late 1970s and early 1980s, including the introduction of the Macintosh in 1984. But he was pushed out of

the company in a conflict with then-CEO John Sculley over the company's direction in 1985.

Over the next decade, Apple lost its dominant position in the personal computer market as devices powered by Microsoft Corp's Windows gained market share. In an attempt to regain market share, Apple expanded its product line up but found little success. After Apple purchased Jobs' company and rehired him as CEO in 1997, he famously pared down the company's product line to just a handful of offerings where he believed Apple could offer the best.

And even after the company regained its financial footing in the early 2000s, Jobs had no compunction about killing an old product for something better. The iPod Mini, a svelte version of what was then Apple's flagship gadget, lasted just a year and a half. Jobs killed that product and replaced it with the iPad Nano, which was even smaller.

That approach left Apple with a small product line-up that was profitable but pricey. Analysts naggged the company about when it would offer lower-priced products, and it made a few stabs.

The iPad Mini, released in 2013, temporarily boosted iPad sales, but the plastic-backed iPhone 5C was viewed by analysts as a flop.

But the Cook Doctrine of letting older models linger and drop in price appears to be working. Apple hit analyst expectations by shipping 46.6 million iPhones in its fiscal fourth quarter, though with lower average selling prices.

That doesn't mean Apple is leaving profit on the table. On the contrary, more phones - whatever the price - help boost the services business, which includes Apple Music and the App Store. Services brought in \$8.5 billion in revenue in the quarter compared with analyst estimates of \$7.5 billion, though that included a favorable \$640 million adjustment.



Tim Cook, CEO of Apple, speaks about the iPhone X during a launch event in Cupertino, California.

Amazon plans new corporate office in Vancouver, to double headcount

REUTERS, Vancouver

AMAZON.COM Inc said on Friday that it will open a second corporate office in Vancouver, doubling its staff in the western Canadian city by early 2020 as it looks to tap into a burgeoning local tech workforce.

The Seattle-based company said the Vancouver expansion has been in the works for some time and is not related to the hotly contested race by cities across North America to land the e-commerce company's \$5 billion HQ2.

"These will be largely software engineering, tech and non-tech jobs, and they'll be contributing to products that are used globally," Jesse

Dougherty, general manager for the Vancouver office, told reporters.

The Vancouver expansion comes as companies in the United States have struggled to secure visas in a timely fashion to import foreign workers to fill highly skilled and technical jobs.

President Donald Trump's administration has made it tougher for skilled foreigners to work in the United States, challenging visa applications more regularly than at nearly any point under former U.S. President Barack Obama.

Tech companies have come to rely on such visas to fill many highly specialized jobs.

Amazon officials did not answer questions on whether the new office

was in response to difficulties bringing foreign talent to its U.S. offices.

"Amazon likes to hire the smartest people we can find, and so Vancouver certainly is a place where we like to get that growth," said Dougherty.

Canada launched a fast-track visa program for highly skilled workers in June, as it seeks to take advantage of a tougher immigration environment in the United States.

The expansion will see Amazon double its workforce in Vancouver to 2,000 by early 2020. The company currently employs about 4,400 people full time in Canada. Amazon employs more than 380,000 globally, with around 150,000 working outside of the United States.

France's Macron targets apprentices in labour market shake-up

REUTERS, France

IN a warehouse outside Paris, university drop-out Celine Galland stacks palettes and fills out an inventory sheet, part of a logistics apprenticeship she hopes will put a decade of short-term contracts and unemployment behind her.

France's jobless rate has sat stubbornly above 9 percent for nearly a decade. President Emmanuel Macron blames a notoriously rigid labour market and has two ideas to change it: more vocational training for school leavers and making it easier for workers to retrain and change jobs.

On Nov. 10, his government will open talks with unions, business leaders and the regions on how to reform the apprentice system, cutting through its bureaucracy and financing.

The former investment banker promises an extra 15 billion euros (\$17 billion) for professional training over five years, but beyond the money he will need to counter public prejudice if he is to reverse a slide in apprentice numbers.

University did not sit well with Galland, who quit after several weeks. Since then the 31-year-old has worked at menial jobs in McDonald's and local supermarkets.

"What I love about this is the

variety of tasks," she enthused last week at an AFRAL logistics and transport training centre in Savignyle-Temple, east of Paris. "There's no boredom in this job."

France's unemployment rate is more than double Britain's and several points higher than Germany's. Particularly troubling for Macron's centrist government is youth unemployment - nearly one in four 15-24 year olds are without a job, according to official data, a major drag on long-term growth.

Macron has already defied union-led street protests to loosen labour laws, necessary he says to make hiring and firing workers cheaper and easier for small companies.