Connecting the dots...

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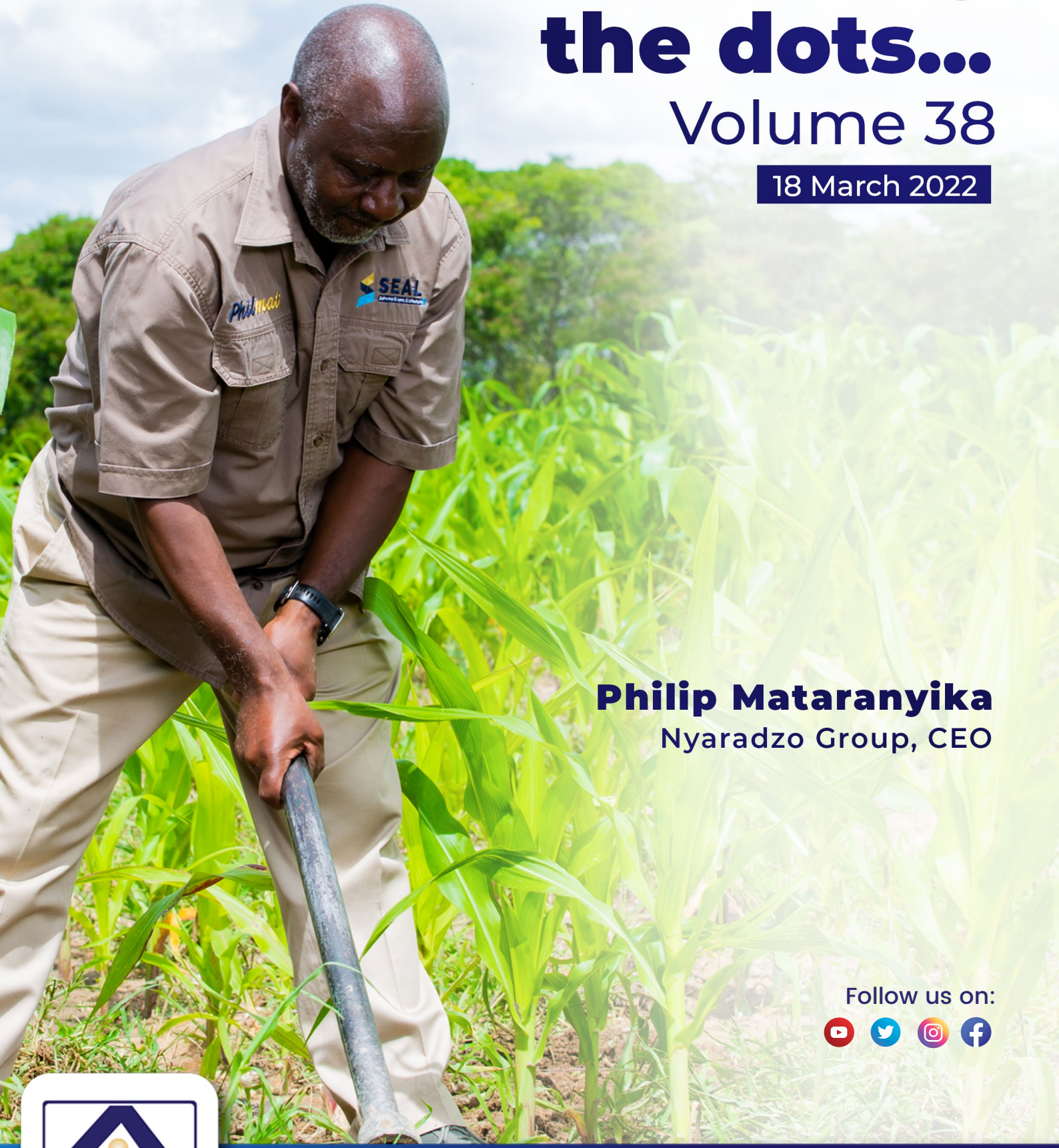

Philip Mataranyika
Nyaradzo Group, CEO

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The makings of a business that lasts centuries...

In as much as I thoroughly enjoyed learning about Old Mutual's rich history from way back in 1845 when founder, John Fairbairn, planted the seed that would grow to change the face of insurance in South Africa and in many other countries within which it operates, what interested me the most was knowing how the Scotsman built an empire that has stood the test of time.

Aged fifty-one when he established what was then a no-name brand start-up, over one-hundred-and-seventy-seven years ago, all Fairbairn had, to get started was an idea and a good name built from the trust he had earned from the one-hundred-and-sixty-six policyholders who were the first to embrace his vision, even though he had not much capital of his own to invest into the business.

To repay the trust reposed in him by the pioneering group of policyholders, Fairbairn must have vowed never to allow any of their money to go down the drain through acts of misconduct or profligacy, real or imagined. It probably also occurred to him that the only way he could keep his word, was to build a reputable business that would transcend generations, come rain, thunder or sunshine, through hard work, robust systems and utmost good faith.

Apart from being a good leader himself, Fairbairn must have valued the development of future leaders who would carry on with his legacy from where he would have left, in the same way the founders of Genda Shigyo Paper Industries (Japan), Staffelter Hof Winery (Germany), Monnaie de Paris (France) and Chateau de Goulaine (France) must have done when they established enterprises that have survived and thrived for over a thousand years and still counting.

Whilst at Old Mutual, I would witness some of Zimbabwe's finest corporate minds assuming positions at the top insurer, serving the group well and handing over the baton stick to their equally capable successors once their time was up. This must have been what Fairbairn – the newspaperman, politician and philanthropist – envisaged when he breathed life into this very important organisation in most economies within which it operates, unlike other institutions where such transitions were like a game of poker.

As he set out to build his legacy, Fairbairn must have known the makings of a business that would last centuries, chapter and verse, which would be my key takeaway, once I got the chance to see up close how the corporate was run. What you see in Old Mutual today, is a business that is rooted in a sound value system dating back to its very founding.

It is therefore not unusual to hear criticism of Old Mutual as being too straight-jacketed, which I actually take to be a compliment rather than an insult. As much as the group is conservative in its approach to doing business, one thing you can never take away from it, is its stability, adaptability and readiness to change, but at a pace of its choosing.

To get an appreciation of how serious they have been and still are with managing change, one needs to look no further than their Eight2Five innovation hub in Harare where they partner with like-minded entrepreneurs to solve life and business problems through technology.

Situated along Jason Moyo Avenue at Three Anchor House – one of their many buildings, built at the height of our economic honeymoon in the late eighties and nineties – Eight2Five, has introduced interesting innovations within the few years of its launch in 2019 that are worth looking out for.

Another one is the Green Zone, which is a melting pot for all their group products. Launched by my one time boss, who became a good friend of mine during his tenure as Group Chief Executive Officer, the Green Zone has been one of the most successful concepts to come out of Old Mutual in recent times.

During his tenure, as GCEO, Jonas Mushosho always made it a point to invite me to important Old Mutual functions, for which I was always grateful. I was privileged to be one of the guests at the launch of their Green Zone, a one-stop shop concept at CABS Centre at the corner of Sam Nujoma Street and Jason Moyo Avenue, in October 2013. They would go on to establish Green Zones in seven other places including in Bulawayo, Mutare, Gweru, Zvishavane and others.

Whilst others get excited over growth in sales volumes, Old Mutual's focus was on profitability, a concept that runs across most businesses with a long history of conservativeness. When the local market went through exciting mergers, acquisitions, and joint ventures in the 1990s to around mid-2000s, Old Mutual stuck to their script, preferring to grow organically using cash-in-hand instead of funding their growth inorganically through borrowings.

It's a strategy that has worked well for them and would stick with me – helping me develop my own business model when setting up Nyaradzo on leaving Old Mutual in 2001, fifteen years after I had joined them. Crucially, Old Mutual has sustained itself over the years due to the robustness of their systems and processes and a dynamic structure that continues to evolve. At any given time, it is focused on keeping those that form their relationship network happy, amongst them customers, suppliers and communities within which they operate.

The results are there for all to see! From humble beginnings at the tip of the African continent in the Cape of Good Hope, Old Mutual has grown phenomenally since 1845. According to information posted on Old Mutual plc's portal, following the demutualisation of the Old Mutual Society in 1999, a holding company, Old Mutual plc, was established for the Group and listed on the London, Johannesburg, Malawi, Namibia and Zimbabwe stock exchanges.

Thereafter, Old Mutual plc expanded both its geographic footprint and its product offering through a series of South African and international acquisitions. These included the acquisition of Skandia in 2006, a global insurer based in Sweden, with operations in the United Kingdom (UK), the Nordics, France, Italy, Germany, Poland, Switzerland, Mexico, Colombia, Hong Kong, Singapore and Dubai; AIVA Holding Group S.A (AIVA) in Uruguay in 2012; Oceanic Life Assurance Limited and Oceanic General Insurance Limited in Nigeria in 2013; Provident Life Assurance Limited in Ghana in 2013; Faulu in Kenya in 2014 and a majority shareholding in UAP in Kenya in 2015.

As of May 2021, it employed well in excess of thirty-thousand workers and enjoyed a market capitalisation of US$4,4 billion, which is more than the Gross Domestic Product for the Kingdom of Eswatini, previously known as Swaziland.

When I joined Old Mutual in 1986, they were already the largest life office in the country, accounting for about seventy percent of Zimbabwe's employee benefits and asset management businesses. At the time, the part of their business now commonly called Employee Benefits was known as Pensions.

At Old Mutual, the pensions function was headed by an Assistant General Manager (AGM), who reported directly to the General Manager (GM). When I started at Old Mutual in 1986, the GM was Joe Herman, with Dion Williamson as his Deputy General Manager (DGM).

Later on, more AGM positions would be created within the group to bring about specialisation and focus, which speaks to Old Mutual's ability to adapt to change. Relating directly to my scope of work, we had an AGM Pensions, who was John Bonney. Bonney had Divisional Managers below him. When I joined, the Divisional Manager responsible for Pensions was Richard Stakemire, who sadly died of cancer a few years later and was replaced by Cletus Mugova.

Below the Divisional Manager were three Assistant Divisional Managers (ADMs), one for Pensions Marketing and the other two for Pensions Administration and Pensions Benefits respectively. The office bearers for the three ADMs were Keith Harvey, Lovemore Pambuka and George Mpamhanga.

As ADM Pensions Marketing, Harvey was responsible for negotiating and signing up new pension schemes and keeping the business on books, commonly called Customer Relationship Management, or simply CRM. Pambuka was the ADM responsible for pensions administration, while Mupamhanga had the pension benefits portfolio under his charge.

On joining Old Mutual, I was placed in the Pensions Administration Division, which reported to Lovemore Pambuka. Below him were two Departmental Managers, of which Garcia Viki was one of them. Below the Department Managers were Section Managers to whom team leaders reported; there must have been at least three of them at the time. Suffice to say, in my case; I was placed in the Market Linked Section, under Section Manager, Marian Shepherd (now late).

Our team leader in the Market Linked Section was Nancy Guzha-Chanetsa, (now late) and there were five of us reporting to her, namely Sam Rwambiwa, whom we used to call Mukoma Sam; Lazarus, Sheba Takavinga, Alfred Musanhu, and yours truly.

Victor Mushoriwa, now based in the UK and Patmoss Sibanda, the Finance Manager at Online Logistics, founded and owned by my very good friend Richard Matewa, would join us a few years later, as did Tendayi Kanjanda, who is now the Finance Director at Nyaradzo.

Earlier, I alluded to the creation of more AGM positions to bring about specialisation and focus to the organisation, with Bonney being in charge of Pensions. The general management team had several other members carrying the title of AGM, including Ian Young, an actuary who was AGM Actuarial.

Daniel Matasva was Divisional Manager Finance. To take care of the technology side of the business, Old Mutual had Bill Muchimwe as AGM Computers, which demonstrated the importance they attached to information communication technologies even back then.

Other notable senior managers of the time included Chris Nourse, AGM Individual Life, and Zivai Ratisai, the Chief Economist. I suspect Ratisai's grade was that of an AGM, with his role being to flag threats and opportunities and analysing their impact on the business. Gordon Melliar was the Divisional Manager for Investments while Trust Mahachi was an ADM in the same division.

Also worth mentioning is Luke Ngwerume who in time would rise through the ranks, to become Group Chief Executive Officer (CEO) in 2005 until his retirement seven years later in 2012. At the time I joined, Luke was an Assistant Divisional Manager (ADM) Properties.

Other notable figures during my time at Old Mutual included Ronnie Samuriwo who was AGM Administration and Corporate Services, Nimrod Gonyora, AGM Audit and Computers, and Lishon Chipango who headed Old Mutual Asset Management, OMAM, and would go on to acquire Interfresh Holdings upon leaving the group.

Others who worked for Old Mutual at different levels during my time included Norman Sachikonye, who would go on to become Group CEO of First Mutual Life (FML) between October 1989 and May 2004, before leaving when the institution was taken over by ReNaissance Financial Holdings, led by Patterson Timba. At FML, Sachikonye had the distinction of leading a team of professionals through the company's demutualisation, which took effect on the first of July 2003, the year of its listing on the Zimbabwe Stock Exchange.

When he left for First Mutual Life, Norman would secure the services of Actuary Douglas Hoto, the current Group CEO of First Mutual who joined him soon after.

At the Old Mutual Head Office at Mutual House, where I worked, the Second Floor, all in wood panelling, was for General Management. We never went to the Second Floor unless for something special, which gave it an aura of authority and privilege, for those who strutted up and down its corridors.

Only members of the General Management's families had unlimited access to the Second Floor, along with their friends and important guests such as CEOs or Managing Directors of large pension schemes or government officials who were amongst the notable visitors to the Second Floor.

The Old Mutual Individual Life Business was the biggest in the country, with clients falling over each other to sign up for the various policy products, such as whole life policies, endowment policies, education policies and many others.

The endowment policy was very popular with those starting out in life who wanted a savings plan with a risk component. The minimum maturity period was ten years, with the maximum being twenty-five years, thus making it attractive. Those who opted for it then accumulated savings enough for the deposit on a house on maturity of the plan, as inflation was not as rampant as it became a few years later. In the event that a policyholder died before maturity, the sum assured would kick in immediately and a lump sum payout would be made to his or her nominated beneficiaries.

Later on, Old Mutual would introduce a new product aptly named the Dollar Maker, which had a partial maturity provision throughout its term.

The one with a maturity term of twelve years had two payouts before its maturity. If the sum assured was twenty thousand dollars, the first payout of six thousand six hundred dollars was made after four years, with a similar amount paid out after eight years. The full maturity value together with bonuses would be paid out after twelve years.

The market responded positively to this product with many people signing up for the Dollar Maker, which had three terms of twelve, fifteen and twenty years. The one with a maturity period of twenty years had three payouts, one after every five years, with the final maturity paid out after twenty years.

In the Market Linked section where I worked, we used to administer schemes such as Hunyani, Zimleaf, Lonrho, Apex, Clothing Industry and Air Zimbabwe, which were very big, both in terms of number of members and the premiums they paid. We were responsible for collecting premiums made up of employee and employer contributions from group business clients.

Once payment had been received, it was our responsibility to advise those in the Investments Department of the funds available for investment, which was usually seventy to eighty percent of the funds received. Once Investments had been advised of the funds available for placement on the market, journals would be passed, transferring the seventy to eighty percent of the monthly premium into the investments account so they could optimise on the return of investment on funds received. The twenty to thirty percent balance in the Pensions Account or General Fund was to take care of the day-to-day running of the fund, which included payments for resignations and other miscellaneous expenditures.

Back then, the auditors for Old Mutual were Pim Goldby before their merger with Deloitte & Touche in 1990. Pim Goldby had a history stretching as far back as 1910 when an English Chartered accountant, W.E Ferryman, established Goldby Panchaud Webber. In 1882, the firm Pim Goldby was formed in a merger with Goldby Compton Mackelvie.

In 1990, Deloitte – founded by William Welch Deloitte in 1833 – would merge with Pim Goldby to form Deloitte Pim Goldby. The new firm would change its name in 1992 to Deloitte & Touche. By that time, the last name, Touche, had long come into the picture following a partnership with George Touche's accounting firm in 1989, which he had founded in 1911.

In 2004, after comprehensive restructuring of the firm and incorporation of the consulting firm into the auditing practice to form South Africa's largest multidisciplinary professional services firm, the name was changed to Deloitte.

I remember looking in admiration at the likes of Murisi Mukonoweshuro who was doing his articles with Pim Goldby at the time, as they came asking for this or the other file, while carrying out their audit duties. Having been instructed by our superiors to comply with whatever it was the auditors requested when they came for their audits, the image of Murisi and his colleagues making us run around during audit time, would stick with me to this day.

Murisi, born in March 1967 and thus three years younger than me would join Old Mutual in the Investments Department years later after qualifying as a chartered accountant. Each time I met him in the corridors, once he joined Old Mutual, I would remind him of the days when he made us run up and down, and we would have a good laugh. The last I heard of Murisi, he was the Chief Finance Officer at the Central Africa Building Society, otherwise known as CABS, and a non-executive director at Dawn Properties Limited, founded in 1977.

As an Administration Clerk in Employee Benefits, I learnt a lot about administration and the need to separate investable funds from those that were for expenditure. The Market Linked section was my home for five years before I decided to cross over to the Individual Life Division as a sales representative, joining Trustee House Branch.

Once I moved to Individual Life, Chris Nourse, AGM Individual Life and Marketing, became my new boss. Under him were divisional managers, pretty much like the pensions side of the business, among them Fred Dune, Clarkson Jerahuni and Paddington Zvorwadza (now late), who was a good friend of another ex-Old Mutual employee, James Makamba.

Under the Divisional Manager Individual Life Marketing were branch managers who had district managers below them. When I crossed over to Individual Life, starting out as a Sales Representative, Ernest Mupfunya was our Branch Manager, with Tongai Never Chirokote as District Manager of our Sunshine Team.

Once I moved over to Individual Life, I learnt about marketing and customer service, which would later on become the hallmarks of Nyaradzo. It was also at Old Mutual where I learnt about the importance of having robust systems and processes in all aspects of the business and why these must undergo continuous scrutiny and refinement. Without proper systems and processes, Old Mutual would not have grown to where they are today because important things would fall through the crevices.

As such, systems and processes serve as the foundation upon which businesses can be built to serve their purpose. It goes without saying that training and retraining of staff must be part of it, without necessarily stifling employees' capacities to think outside the box, which is really the engine for growth for any enterprise.

From the days of Fairbairn, I was amazed to see that successive honchos at Old Mutual never departed from the traditions of those who came before them, whose emphasis was also on having a good organisational structure with progressive checks and balances to facilitate the attainment of objectives through proper coordination of all activities, without creating friction between interdisciplinary teams or within them, as their roles are properly defined and are made accountable for their actions.

Once systems, processes and structures are subjected to constant evaluation and review, any duplication or redundancy that might arise is quickly eliminated, with top performers getting rewarded for their efforts.

Organisational structures in particular, are very important, as they clearly define to the employees the proper reporting channels. That, in itself, provides clarity, improves communication and speeds up the decision-making process for the enhancement of the organisation's performance.

Departments are normally established according to a number of parameters that can include functions, geography, location, products or customers, with functions being the most common. With properly qualified people in the various departments, the desired outcome for the organisation is that it becomes more efficient, as individuals in a specific department have time to go in-depth with their required tasks.

By their very nature, Nyaradzo and Old Mutual are regulated entities that must have clear corporate governance structures. I am therefore glad to have passed through Old Mutual because the experience that I gained at my former employer proved to be a fantastic compass for me as I set out to tick all the boxes as far as compliance issues were concerned.

From interacting with other peers in the insurance industry, I had come to appreciate that how an organisation designs and establishes its structures determined whether it will soar like an eagle or fail. As observed by Gill Corkindale in the Harvard Business Review, poor organisational design and structure "results in a bewildering morass of contradictions: confusion within roles, a lack of coordination among functions, failure to share ideas, and slow decision-making, bringing managers unnecessary complexity, stress, and conflict..."

It was also at Old Mutual where I would first come across the doctrine of utmost good faith, which is basically a principle used in insurance contracts, legally obliging all parties to act honestly and not mislead or withhold critical information from one another. While selling insurance policies at Old Mutual, I scaled to dizzy heights – scooping all the awards that were on offer. I achieved all this through understanding products and presenting their benefits as is without attempting to deceive clients.

All this would stick with me, helping me develop my own systems, processes and structures when I left Old Mutual after fifteen years of service to set up Nyaradzo in March 2001.

Having travelled many miles from Scotland in search of opportunities in South Africa, Fairbairn's humble beginnings in faraway lands would act as one of my major sources of inspiration. I would constantly ask myself the question; if an immigrant like him could make it in a foreign land, why not me – on home turf?

I am therefore forever grateful for the experience I gained at Old Mutual as well as the invaluable insights that I learnt from an amazing team of professional men and women with whom I interacted for the fifteen years I was there, be it at head office doing administration work, at Trustee House, where I was a sales rep or at FAZ where I was a financial advisor. It was at Old Mutual where the seeds of establishing Nyaradzo were planted.