



Image © MetLife LumenLab in Singapore

## DIFFERENT SYMBIOTIC RELATIONSHIPS

We have come across quite a few different models in which relationships between fintechs and financial institutions seem to flourish and accelerate innovation of the bank or insurance carrier. In this section we included seven examples. This is not meant to be exhaustive. New kinds of symbiotic relationships evolve every day, and of course they can be combined.

### 1. INJECTION

Neal Cross, chief innovation officer at DBS Bank, involves fintechs in its own distinctive way: “I don’t do innovation, I do sales. I sell programs that solve business problems inside the bank. We always start with their problems, around business model innovation or around KPIs. The start-up community plays a key role in our

we do is focused and we get senior sponsorship before embarking on a project, so we don’t have problems with innovations that end up not being implemented.”

### 2. ICONS

Andrew Brem, chief digital officer at Aviva: “In our view, ‘icons’ are needed to spearhead the digital transformation process. Our Digital Garages in London and Singapore are such icons. They are a very concrete and visual manifestation of our digital journey - for everyone across Aviva. The Garages are not just idea labs to house ‘skunk works’ teams. They are real places, where we make and break things. We run digital businesses from the Garages, and we design and build our digital ecosystems such as MyAviva. Anyone from Aviva is welcome to come and hold workshops and meetings there, to see and feel our digital capabilities at first hand. The Garages also help us engage with Fintech start-ups and inject their culture into our organization; by launching start-ups ourselves, but also by partnering, mentoring and investing. Aviva

Ventures, with a fund of £100 million, is also housed in the Garage, and so are some of the start-ups they invest in, such as the IoT home security start-up Cocoon.”

### 3. DIGITAL FACTORY

In the summer of 2016, Deutsche Bank started their “Digital Factory”. More than 400 IT specialists and banking experts from the Private, Wealth & Commercial Clients division are working on a specific site in Frankfurt to develop new digital products and services for the bank’s customers. In addition, there are 50 places for external partners from the fintech community. The Digital Factory is obviously also connected with the Deutsche Bank’s Innovation Labs in Berlin, London and Palo Alto.

### 4. INTERFACE

Andrew Rear, CEO Munich Re Digital Partners: “To avoid a culture clash, we have set up a separate Digital Partners unit in 2016. To make the interface between the two worlds work, two things are vital: The first is “speed”. Start-ups move fast and don’t accept the limitations of a corporate diary: “time

Combine the agility of a start-up and the power of an established brand and a wide customer base.

is money” is literally true for them. We therefore need to move with the same sense of pace. The second is decision-making: start-ups make decisions, they don’t arrange committees. Therefore, we don’t do that either. All the key decisions from Munich Re’s side are in our hands. In our model we do the things start-ups don’t need to control, to make their proposition live. That can include policy administration, compliance, reporting, and product pricing; the ‘boring insurance’ stuff. We have stakes in our start-up partners but we don’t interfere in the way they engage their customers. The positive effects on our ‘regular’ organization are noticeable. For example, people in compliance and risk management were not used to these new speeds, but are already adapting and finding new ways to fulfil their responsibilities in a way that is manageable for the start-up.” Example of an interface between Munich Re and start-ups at regional level is Mundi Lab. Mundi Lab is an accelerator partnership between Munich Re Iberia & Latin America and Alma Mundi Ventures. Augusto Diaz-Leante, senior vice president

of Munich Re Life, Spain, Portugal and Latin America, explains how the cross-fertilization with startups works: “We select start-ups from all over the world, such as RiskApp from Italy and Netbee from Brasil. Twenty Munich Re executives mentor these start-ups one-on-one. The best performing companies with the highest potential to disrupt the insurance industry have the opportunity to work on a pilot program in one of the Munich Re Iberia or Latin America markets. In this way the sharing of knowledge, experience and expertise is made very concrete.”

## 5. OPEN INNOVATION

Zurich created a platform to bring together the innovation initiatives and projects in the group. Xavier Tuduri, CEO of ServiZurich Technology Delivery Center: “In the Zurich Innovation Lab we generate disruptive ideas and strategic R&D projects for the global Zurich group. We believe in Open Innovation. A collaborative model which means combining the internal knowledge for example regarding markets with external talent and disruptive technologies.

In this way we are always at the forefront of the latest disruptive fintech and Insurtech developments, while being able to quickly develop tangible prototypes which fit and inspire our businesses. These are prototypes, without risky high investments, for example regarding using drones for risk assessment. Each prototype project is led by an employee of ServiZurich who works together in a team with several start-ups, universities and institutions. In this way our people and organization get injected with new ways of working and thinking.”

## 6. CO-OPETITION

If a financial institution wants to behave like a fintech, it needs to open up, think of what the ecosystem could look like, be at the forefront to see what is happening, and partner with fintechs to accelerate innovation, to learn, or to advance the sector as a whole. Roberto Ferrari (CheBanca!) is a protagonist of this mindset: “We believe in a ‘co-opetition’ model. There will be things in which we will be competing with fintechs and other banks, and things that

we will be cooperating with the same parties. Therefore we try to make the Italian fintech community grow. ‘Building a larger cake’ will be with the good of the whole financial ecosystem, innovation is key and start-ups will always be the lifeblood of any sector. We among others launched the Italian fintech awards and the Smartmoney blog, which is now the most important vertical innovation in banking blog in Italy. We now have a very strong presence in the Italian fintech community and we are close to all developments and connections. I and other C-level executives at our bank speak to at least five to six fintechs each week, and we have already launched two new services – award-winning Mobile Wallet and Robo Adviser - thanks to our partnership with some specialized Italian fintech start-ups. We help them by partnering, but also we want to help them to go abroad as scale is key to succeed.”

## 7. CAPABILITY BUILDING

LeeNg, vice president and COO of LumenLab, MetLife’s innovation centre in Singapore: “LumenLab

and our new businesses are distinct from MetLife’s core business. Our mission is to create a growth engine that launches disruptive new revenue generating businesses for MetLife, targeting the needs of Asian consumers across health, ageing and wealth. But we do work with in-country experts to develop plans for testing the new business ideas and assess market potential. In our first year we for instance launched BerryQ, a quiz app that rewards users for their health knowledge; Rememory Stories, a platform to capture intergenerational stories; and developed CONVRSE, virtual reality experiences around service and sales for financial services. We notice a real mindset shift within MetLife because of this cooperation. The people we work with develop skills about new ways of testing new ideas, new toolkits, and new ways of thinking. Our core insurance business thus improves their performance, through adopting new behaviours like curiosity, velocity, experimentalism and bravery. In others words, we are lighting a path for innovation at MetLife.”