

## **Executive Summary**

This project focused to identify the causes related to the lower revenue growth of Allianz Life Insurance Lanka Limited. The project problem is justified in three different ways. First is the company revenue grown at a lower rate compared to the industry average growth rate. Second is that the company revenue grown at a lower rate compared to the sister company and, third is that the company has not achieved the annual budget. The life insurance Industry average growth over the last three years is 15% while the Allianz Life Insurance Lanka Limited growth is 8%. At the year 2017 the revenue target has achieved only by 73% while the sister company is growing at above 30% per annum compared to the industry growth of 17% over the last three years.

It was revealed from interviews that the management is in the opinion that the lower revenue growth is basically due to issues prevailed in sales and distribution structure, strategy, less no of agents, lower quality of the sales agents and sales staff, lessor compatibility of the products to the local context and lack of training and development. In addition to those fundamental issues the product development process and alternate channel developments also mentioned as key areas to be developed in order to resolve the problem.

The theoretical studies performed under the areas which identified from the cause and effect diagram. It was analysed under four key areas. First was sales & distribution structure, strategy and strength. Secondly, the product development process and pricing, Thirdly, the agents/sales staff recruitment and retention, Finally, the compensation and benefits. The detail theoretical underpinning has directly supported to justify and understand the problems and root cause for the problem, development of solutions and to provide the recommendations. Further those key four areas were identified as key project components.

The Main project objective was to recommend a plan to address the Sales & Distributions Structure and Strategy related issues and develop solutions, propose action plans to meet the company budgetary targets and outperform the industry growth rate with GWP growth of 20% with additional GWP of LKR 130Mn, in year 2019. Recommend a plan to company for revise the Product Portfolio and Pricing to increase the customer base by 20% in year 2019, To recommend a plan for the company to increase No of Active Sales Staff ratio by 20% and reduction of attrition rate by 20% in year 2019, To recommend a plan for the company to revise Compensation and Benefit system in order to improve the sales agent's productivity by 20% in the year 2019 were the other objectives.

Cause and effect analysis used to identify root causes for the problem. Each project components were discussed in detail with the issues affecting to main problem. Sales structure, strategy and strength were discussed under the issues of traditional sales structure, lower coverage on the market, lack of alternate channels and lack of sales strength of the management. The Product and pricing component discussed under the lack of market research in designing products, non-par product categories, low/zero guaranteed products, and lower variety of products. Sales staff/ agents recruitment and retention were discussed by using the areas of higher sales staff/agents' attrition ratio, lower experience sales staff recruitment, and lack of training and development. Finally, the compensation and benefit components discussed under the category of, dominant individual benefit designing, lower individual earning potential and higher complexity of the KPIs applicable to compensation and benefits. Each project components were discussed in the chapter four.

Solutions were developed after the detail analysis of the problems identified under each project component and sub-component. The solutions developed were mainly related to the introduction of Network Sales & Distribution Structure and Strategy, Revision of Product Development Process, Further the solutions were developed, related to the development of Proposed Training and Development Structure, Revisions related to KPIs monitoring and Compensation and Benefits structural changes.

Resource requirement allocated based on the need base and according to the relevancy. The fundamental project managements were identified under consultant project management team, project committee and project sub-committees. The recourse and activity allocations were listed depending on the requirement, relevance and applicability. The project costs were identified after the analysis of relevant costing technique. The project recommendations have listed under the chapter five. It is recommended to implement Network sales and distribution structure, implement more comprehensive recruitment process, develop alternate business channels, develop new method of product design and development, Introduction of participating products, introduction of high guaranteed products, improve the training program and function, and reduce the complexity in compensation and benefit structure while making the compensation schemes attractive to drive the top-line growth.