

The kaelo Story

Our Next Chapter

It gives me enormous pleasure to build on [the Kaelo Story](#). From the start, Kaelo has focused on the biggest healthcare issues facing South Africans. Our journey has already been significant but it is only beginning.

We have a clear idea of where we're going. It is pleasing that we can begin this update with an exciting announcement:

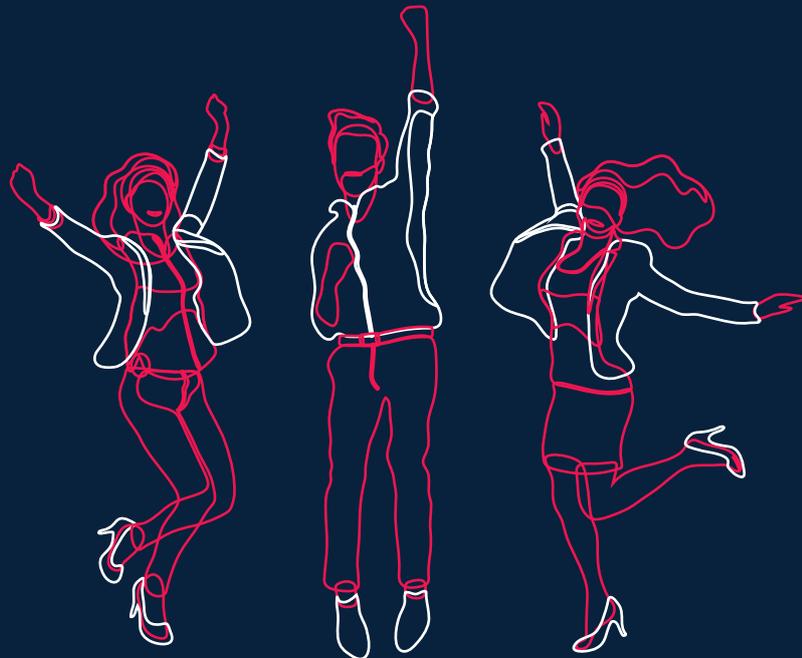
**We passed the ISO AUDIT
today!**

This significant achievement comes after two successful audits - a gap audit in December 2018, and a documentation audit in January 2019.

We did not import a management system, but ensured that the Kaelo Operating Rhythm complies with ISO. In the course of preparing for this certification, we innovated many 'tricks of the trade,' ensuring we do only what benefits our client communities and our people. In this way, we made our operating rhythm, and our quality, risk and compliance management, not only as easy as possible, but also geared towards excellence and continuous improvement.

Johan van Rooyen,
Kaelo Group CEO

**"WE
PASSED
ISO
TODAY!"**



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Structure - Headcount - Enable - Share

The creation of daily, or very regular, participative management team meetings. We called these 'performance corners', which we branded SHESHAs (Structure, Headcount, Enable, Share, Heart Moments, Acknowledge & Grow). SHESHAs set the pace for what has since become the Kaelo Operating Rhythm, and this in turn drives Kaelo's compliance with the ISO standard.

The Exco coalition was expanded with the addition of a Digital Solutions Design executive (with a strong business engineering bias) and a Data Science head.

The Exco coalition led the change and this made decisions easy, allowing the business case to prevail.

We retraced our steps often, and still do, to ensure that we remain aligned. In time, we understood that we had fault lines in both the senior leader group below the Exco, and in the junior leader group closest to our people. Both groups of leaders required significant investment in new people and the right fitting of roles.

Kaelo has institutional strength and an entrepreneurial heartbeat

Today is also the one-year anniversary of a change programme aimed at building on Kaelo's success and institutionalising the business.

The change programme started on 1 August 2018. Together with the Exco and Board of Kaelo, I have had stewardship for a year - a year of significant change and capability and capacity build.

Classic change management, on steroids

We managed the change on principles which, although unintentional, match Kotter's 8-step change model exactly.

Like all change programmes, this one proceeded in some fits and starts, but the beginning was quick and relatively painless as we celebrated early success. This created the expected momentum and energy.

We focused on a signature change element first:



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Delivery agenda

With SHESHAs and Excos as the book-ends of our approach, our people - led by our junior and senior leaders - performed one miracle after another. Naturally projects didn't always land on time, nor on budget - but projects, like time spent in traffic, will always skew to the right of a distribution, given stretch goals.

Here is a flavour of the change:

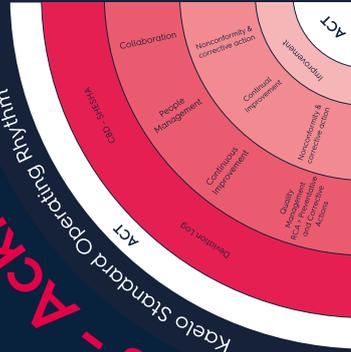
* **We rebranded**, which gave us an opportunity to clarify and communicate our purpose to our client communities, both internal and external (see [Vision](#) and [Mission](#)). To my mind, our new Kaelo social media conversation sparkles with relevance and wit.

* We **refreshed our value-set**, building on and expanding the Kaelo guiding principles by creating an Exco 'compact'. This gave us a common language by which we gently hold each other to our promises.

* In the area of **business tools**, we had a lot of work to do and identified, early on, a target systems platform (MIP) already operating one of our business lines. This enabled us to adopt a modern and complete tool set, while de-risking

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Heart Moments - Knowledge & Grow



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Structure, Headcount and Enable
Discuss the structure and governance of the organisation
Go through only changes in the team, new joiners, transfers etc.
Discuss processes, quality, perception, knowledge and important communications

Share and Heart Moments
Discuss areas of improvements, new and improved ways of working, team achievements, concerns, misunderstandings and ways to work together

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Acknowledge and Grow
Discuss learn dashboards and interesting parties reports and how the team is tracking (monitor and Measure)
Go through perception scores
Explain audit results and key trends

Risk Based Spins



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This, together with our MIP system platform, will enable the very significant scalability of Kaelo's franchise as well as **lives under management, already at the 1 million mark!** Our opportunities are enormous, and our business model matches these opportunities.

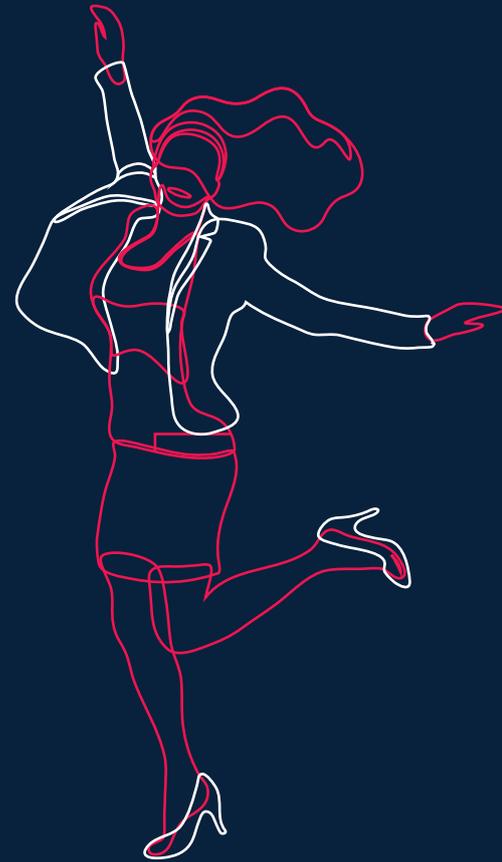
* We built an **operational sales capability**, with a strong pipeline of business of ever increasing quality. Pleasingly, we have a client relations function that is deeply integrated with, yet specialised from our 'hunter' group of sales consultants. Both divisions are connected to our operational units to allow the field force to focus externally. These combined areas now service an intermediary and client group that has nearly doubled in number since the AUH Gap acquisition in December. This bodes well for the pipeline's scale and quality.

* Our **data science capability** supports not only our operations areas through sophisticated incentive and measurement systems, but also our established and fast-developing risk analysis, pricing and risk management units.

* Our **strategic sales capability** has typically carried Kaelo's growth rate. This is now both

expanded and focused, a natural partner to our operational sales capability.

* Our **operations capability**, always hand-in-hand with our 'enabling' divisions - particularly Quality, Risk and Compliance - have reinvented themselves. The ISO award is just the most visible element of a significant amount of right-sizing and matching people to their ideal roles. In the course of the year, given the extraordinary workload we have enumerated here, and combined with legacy system issues and migrations, we did drop the ball a few times. We take full responsibility, so please forgive my impatience to bring you **'more and better Kaelo'**.



Kaelo is committed to providing a continuum of quality healthcare delivery and insurance products to enhance the physical and psychological health and wellbeing of our clients.



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kaelo People

Change programmes naturally pose significant risks to people. We are proud to say that no-one lost their job during this programme. Many people, in fact, found a better role fit, with more room to make a contribution and to grow.

In conclusion, after a year of significant capability creation, build and investment by Kaelo, we look forward to a good harvest year. This is where our focus now shifts, hand-in-hand with you, our partners, clients and our Kaelo people. To end, a promise:

“With the new focus, we will not yield the ground that we now occupy. Inherent in our approach is excellence and continuous improvement. We are significantly better than we were a year ago.

**We will be
even better
tomorrow...”**

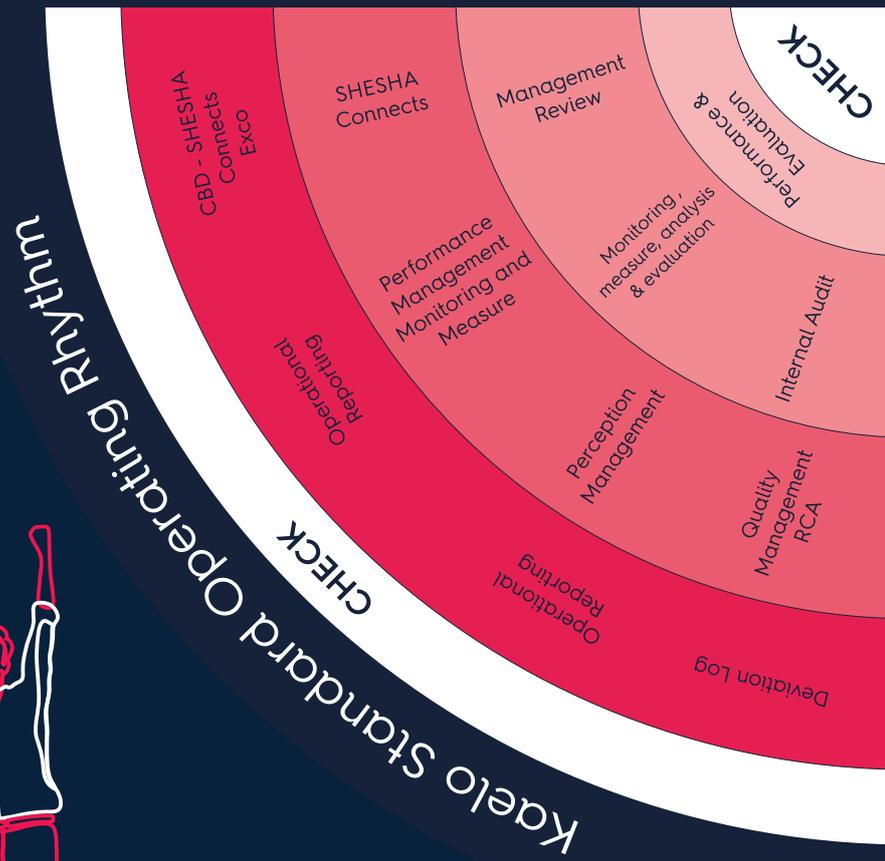
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