

Green Crescent Health Insurance, UAE

Startup Scoping & Development Project

After a number of years of hard work, the former Chairman of Blue Cross, Blue Shield and a surgeon from Johns Hopkins Hospital, received approval to proceed with the formation of a new health insurance company serving the UAE market. Having heard about Renoir's work in healthcare, they asked if Renoir would be interested in helping them to set up a company from scratch. The answer was yes and the journey to develop the Green Crescent Health Insurance Company (GCIC), began in June, 2007, with a goal of going public by September, 2007.

"I had heard some very good things about Renoir from some work they had done at Johns Hopkins. I thought that if Renoir could do that in an organization that was very set in its ways, they might well be able to help us begin work with a green field startup. Happily, I was right."

Dr. Michael Dillon
Founder & Medical Director

Key Results

70 times over-subscribed
on launch

Advise and help in IPO
launch and market
advertising

Competing at the same level
as competitors with 300%
more staff

ANALYSIS

Renoir appreciated the difference between working with a company that was just an idea, versus their usual clients with an existing business. The approach was to ensure that thinking was "outside the box" and to avoid simply emulating current health insurance practices.

After ensuring that they understood the Vision, Mission and Goals of the Founders, Renoir embarked on some preliminary research into the health insurance industry to identify core functions, best practices, and potential tools and partners to achieve the vision and goals.

A 2 week Scoping exercise was carried out to plot the development of GCIC and to be ready in September for the IPO. It would be tight but everyone agreed that it was possible.

PROJECT APPROACH

The Founders' Vision for their members was to be the health insurance company of choice in the UAE through superior and innovative customer service, better insurance coverage, and competitive rates, while delivering outstanding financial growth for their shareholders.

A Master Project Schedule with critical paths and time lines was developed and closely monitored on a weekly and even daily basis. The business plan was revised, an IPO prospectus developed and the path to an IPO mapped out. Critical success areas and core and non-core competencies were identified and an organizational structure developed. A GCIC logo was developed along with all corporate print standards and material. Job descriptions were written, required technology tools identified, and potential facilities visited and evaluated.

During Renoir's preliminary research and Scoping, they were surprised at the cost of office space and personnel costs. The former were similar to New York rates and the latter included approximately a 60% upweight for housing, transportation, education, etc. Furthermore, there was significant wage inflationary pressure, driven by a high rate of economic inflation. It became clear that there was an opportunity to avoid unnecessary costs by outsourcing, as long as outstanding quality of service was assured.

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Outsourcing partners, including third party administrators, customer service center operators, marketing, and even actuarial services were vetted and a number of outstanding partners were selected. In the meantime, Renoir assisted the Founders with interviews, offering their views and experience, and then working with the outsourced partners on the requirements, systems and processes.

A CRM system was selected and implementation begun. GCIC's headquarters was identified and kitted out with furniture and technology and an initial website launched.

At the same time, Management Control Systems and Business Processes were developed and critiqued. This represented a significant departure from Renoir's normal style of working with staff at all levels to jointly develop systems and processes, thus getting full ownership, however GCIC was operating under a set of unusual constraints. UAE laws require that a health insurance company must be a publicly traded entity before it can be operational and hire staff. So the only buy-in and ownership was with the Founders. The staff would come later.

As we approached the IPO date, a number of obstacles began to surface. There appeared to be varied opinions about timings and rules. During Ramadan, progress with the IPO was non-existent and delays started to creep in. Renoir adjusted its schedule to lengthen their presence without increasing its fees, as funding for the pre-IPO period would now have to be stretched.

Work continued with conditional offers being made to key management prospects and readying everything as close as possible so the button could be pushed when the IPO was completed. In addition, Renoir helped to direct the IPO launch advertising and initial introductory market advertising.

Finally, in September, 2008, Green Crescent Health Insurance made its market debut, 70 times over subscribed. It had been a long and winding road but GCIC is thriving today and competing well and head on with more established competitors who employ 300% more staff. They are now looking to expand into other GCC countries.

THE RENOIR GROUP

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