



A BOLD NEW DAWN

HOW A CULTURE OF INNOVATION CAN REVITALIZE THE ZIMBABWEAN PENSIONS' INDUSTRY

Authored by Thabani Ndlovu - ICT and Business Systems Consultant

"The world as we have created it is a process of our thinking. It cannot be changed without changing our thinking."

— Albert Einstein —

The Zimbabwean pensions' industry, one of the pillars of our nation's financial stability, stands at a critical juncture. We have weathered storms of hyperinflation, currency volatility and economic shifts, but the landscape has changed. To thrive in this new era, we must do more than simply adapt; we must evolve. This evolution will not be driven by new regulations or a different currency alone, but by a profound shift in our collective mindset—a move towards a vibrant and ingrained culture of innovation. This article explores the myriad benefits of such a culture, drawing on insights from around the world and within our own heritage, to chart a course toward a more efficient, competitive and ultimately, prosperous future.

The Elephant in the Room: A Parable for Change

Let us begin with a story. In a small village, a majestic elephant stood in the town square. For generations, the villagers had always walked around the elephant to get to the other side. It was the accepted way. One day, a young boy, observing the inefficiency, asked, "Why don't we just build a path through the square, past the elephant, rather than walking all the way around it?" The elders laughed, "That's how it's always been done!" The elephant, in this allegory, represents the traditional, often cumbersome,

processes of our industry: manual record-keeping, slow claim processing and opaque communication. The young boy represents the spirit of innovation—the simple, yet revolutionary, idea that there might be a better way. Our industry, much like that village, has been circling the same old problems for too long. A culture of innovation is about building that new path, not just for the sake of change, but for the sake of progress.

The Zimbabwean Context: A Tale of Two Realities

Zimbabwe's pensions industry operates in a dual reality. On one hand, we have a resilient, experienced workforce dedicated to serving members. On the other, we face systemic challenges that inhibit growth and erode member trust. We have all heard the stories—the pensioner who waits months for their claim, the member who cannot get a clear statement, the fund that to locate its pensioners. These are not just isolated incidents; they are symptoms of a system that has, for too long, relied on manual, reactive processes.

Consider the classic folktale of "The Hare and the Tortoise." For years, we have been the dependable tortoise, slow and steady, but in a world that now moves at the speed of a cheetah, our pace is no longer a virtue; it is a liability. Global pension funds are leveraging AI for predictive analytics, blockchain for transparent transactions, and user-centric apps for real-time member engagement. They are no longer just custodians of savings; they are proactive financial partners. While we may not have their resources, we have something perhaps more valuable: a deep understanding of our unique market and an inherent

ingenuity born from navigating adversity. This is our secret weapon.

Consider the example of the Sports Industry Pension Fund, the first of its kind in Africa and duly recognized and respected by FIFA. The pension fund is administered by Comarton Consultants. Various stakeholders came together in 2013, culminating in the appointment of Desmond Maringwa, the president of the Footballers Union of Zimbabwe, as the Fund's Chairman and Malvin Chidzonga as the Fund's founding Principal Officer. The appointments brought several worlds together, representation of the sports fraternity and financial expertise. The pension fund sought and got a special exemption from IPEC for the retirement age of its members to be reduced from 60 to 40 years. This was because of the age-factor in sports where it is rare for footballers and other sports professionals to continue to play after attaining the age of 40.



The Benefits:

A Harvest of Efficiency and Competitiveness

A culture of innovation is not a luxury; it is a necessity. Its benefits are not abstract concepts but tangible improvements that will directly impact our bottom line and, more importantly, the lives of our members.

1. Enhanced Operational Efficiency:

This is about doing more with less, but not by cutting corners. It is about optimizing processes. Let us take the example of a member's onboarding. Currently, it can be a paper-heavy, time-consuming process. Imagine a future where a new member can sign up digitally, upload their

documents securely, and receive their welcome pack via a mobile app—all in a matter of minutes. This is not science fiction. It is the reality for funds in countries like Estonia, often hailed as a digital society. Here in Zimbabwe, a similar approach could free up our administrative staff from tedious data entry and allow them to focus on high-value tasks, like member advisory services. This move from paper to pixels is not just about saving trees; it is about saving time, money, and sanity.

Member confidence in our industry has been shaken. Rebuilding it requires more than just promises; it requires action. An innovative approach to member services can be the antidote. Consider the hypothetical situation of a young professional. They want to know their pension balance, but they do not have time to call during office hours. An automated chatbot on our website, available 24/7, could answer their basic queries instantly. A personalized retirement calculator on the fund's app could show them how their current contributions translate into future income, empowering them to make informed decisions. This transparency and accessibility transform a pension fund from a distant, bureaucratic entity into a trusted partner in their financial journey. This shift is crucial for attracting and retaining younger members, the future lifeblood of our industry.

2. Enhanced Competitiveness and Market Growth

The global financial market is a shark tank, and if we are not constantly moving, we risk being left behind. Innovation is our fin. It is what allows us to stay ahead of the curve. Consider the global trend of Environmental, Social and Governance (ESG) investing. Pension funds worldwide are increasingly allocating capital to companies with strong sustainability practices. By developing innovative investment strategies that incorporate ESG principles, our funds can not only align with global best practices but also attract a new generation of socially conscious investors.

Furthermore, a focus on product innovation could lead to the development of new, tailored pension products for specific segments of our population—from the informal sector to our vast diaspora. Imagine a micro-pension scheme accessible via mobile money, or a pension product designed specifically for farmers, with contributions that fluctuate with crop yields. This is not about reinventing the wheel; it is about building a vehicle that can navigate the unique terrain of our economy.



The How-To: Nurturing the Seeds of Innovation

So, how do we cultivate this culture of innovation? It is not a one-time project; it is a continuous process that requires commitment from the top down.

1. Leadership's Role: The Village Elder's Vision

Innovation must be championed by leadership. It is about creating a safe space where ideas are encouraged, not punished for failure. Leaders must be willing to challenge the status quo and ask the difficult questions: "Why do we do it this way?" and "What if we did it completely differently?" This is about moving from a mindset of "It's not broken, so don't fix it" to "It can be better, so let's improve it."

2. Empowering Our People: The Power of the Collective

Innovation is not the exclusive domain of a single "ideas person." It is a collective effort. We must empower our employees at all levels to contribute. This could involve creating "innovation labs" or regular brainstorming sessions where teams can freely share ideas, no matter how small or

audacious they seem. This is the spirit of ubuntu applied to business—a recognition that our collective success is built on the contributions of every individual.

3. Strategic Partnerships: Learning from Others

We don't have to go it alone. The global ecosystem of financial technology (FinTech) is ripe with opportunities for collaboration.¹ Our local pension funds can partner with tech start-ups to pilot new solutions for member communication or investment management. We can learn from the successes and failures of other developing economies that have successfully digitized their financial sectors. This is about being humble enough to learn from the world, and bold enough to apply those lessons to our unique context.

The Path Forward: Our Collective Challenge

"A journey of a thousand miles begins with a single step."

— Lao Tzu —

Our industry's future hinges on our willingness to take that first step toward a culture of innovation. This is not just about adopting new technology; it is about embracing a new way of thinking. It is about seeing problems not as obstacles, but as opportunities for creative solutions. It is about replacing fear with curiosity and complacency with a relentless drive for improvement.

The benefits are clear: a more efficient, competitive and trusted pensions' industry that serves its members with excellence. The alternative is stagnation and a slow erosion of relevance in a rapidly changing world. The time for change is now. Let us be the generation that not only safeguards the future of our pensioners but also builds a legacy of innovation for those who will follow. Let's get to work.