
HUMAN RESOURCES



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FOREWORD

The case study presented to you is about a real company, Emma (Emma.ca), which will introduce you to some of the HR challenges that management has faced in recent months. This is therefore not a fictional case and the information that follows reflects the reality of this young company. You will be asked to present your recommendations as a team of consultants would. We look forward to your pitch, good luck and have fun!

INTRO

If you're thinking of a "technology start-up", life insurance is certainly not the first product that comes to mind... However, this is the challenge that Emma's team has set itself: to redefine life insurance by making it accessible, simple and fast through the creation of a platform on which it is possible to buy life insurance 100% online, in less than 30 minutes.

Emma is an insurtech, a company that combines new technologies with insurance in order to innovate. Launched in 2018, the start-up has since progressed and now occupies a unique place in the Canadian life insurance ecosystem. Every month, more than 6,000 customer accounts are created, and the start-up now has its own exclusive life insurance product, in partnership with Humania Assurances.

Emma's operations are based on its proprietary live chat platform, which connects each of its clients to a financial security advisor before the purchase can be finalized. This system, which is unique in the industry, greatly accelerates the purchase process while guaranteeing quality advice to clients, who do not have to book an appointment. Since life insurance is a relatively complex product, Emma does not intend to offer its products 100% independently (without the intervention of a human advisor) in the short or medium term. There is no question of implementing "chatbots" here.

DESCRIPTION OF THE COMPANY

After its first launch in August 2018, it wasn't really until March 2020 that Emma really took off with the launch of Emma Term Life Insurance, its first exclusive product. Since then, Emma Permanent Life Insurance has also gone online, enabling Emma to achieve a 1200% growth in sales. The disruptions related to COVID-19 have turned the insurance industry upside down without affecting Emma's operations, which are based on a completely digital sales process. The development of Emma's purchasing platform and life insurance products was made possible thanks to \$543,000 in funding obtained through a seed round led by the insurer Humania Assurances.

The team now has 10 employees and is thinking big: Now available in Ontario and Quebec, Emma's products will soon be available across Canada. Like many start-ups, Emma is considering the possibility of another investment round once certain business objectives have been met in order to propel its growth and launch new projects.

The company's values are based on the desire to innovate, to learn and on team spirit. Emma's mission is to make life insurance accessible, simple, affordable and non-discriminatory.

In terms of marketing, Emma was first and foremost designed for young families, more specifically young mothers. Moreover, Emma's life insurance policies stand out by being nondiscriminatory for pregnant women, a unique feature on the market. In order to target its audience, social networks are obviously an integral part of Emma's strategy, and the company does not hesitate to go off the beaten track by collaborating with influencers and podcasts.

Finally, Emma does not escape the common challenges that most start-ups experience: young team, very dynamic environment that require a lot of agility, limited financial means, race against time to establish itself on the market, rapid growth... all these factors have an impact on the daily life of the team and its operations.

BUSINESS MODEL

As mentioned earlier, Emma's business model is built primarily around its chat platform. After completing a questionnaire, eligible clients receive their recommendation and quote before being redirected to the chat. An Emma expert (financial security advisor or financial planner) waits for them there to validate their questionnaire, answer questions and guide them through the process. The purchase is then completed in the chat and clients receive their life insurance contract instantly, whereas the industry average is 4 to 6 weeks. Clients who are not eligible for Emma's products because of their health condition will still be redirected to the chat. An Emma expert can then confirm everything with them and, depending on the case, offer them a call with Lead2Action, an Emma affiliate broker, who will be able to find them a product adapted to their condition.

As everything is done in writing, there are records for all discussions with customers and therefore compliance is very important in Emma's sales process. Each province has its own insurance regulatory authority (in Quebec it is the Autorité des Marchés Financiers) and it is very important for each Emma advisor to strictly adhere to the regulations and laws. Conversations are recorded and stored for quality control and training purposes, but also to protect clients and advisors in the event of legal disputes. The chat platform is open seven days a week, from 8a.m. to 10p.m. During these hours, clients do not have to schedule an appointment and an Emma expert will answer them immediately after logging on to the chat. It is thus possible, and even very likely, that the same customer will be answered by two different advisors on two different visits before completing their purchase. This point complicates the task of performance evaluation and is also why teamwork is so important at Emma.

Emma measures its success by several metrics: the number of insurance policies sold, average premiums per customer, average premiums per policy, total premiums sold, and visitor conversion percentage are all tracked weekly and monthly. On this subject, it is important to understand that a client can have up to two insurance policies with Emma, one temporary and one whole-life. It is up to the advisors to ensure the "upselling" is properly done in the chat if the client's needs dictate it.

OPERATIONS

Remote working is now part of the daily life of many organizations, and this is also the case for Emma. Indeed, after being forced to work remotely by the pandemic, the company decided to adopt this model for its further growth. There are several reasons for this choice, including the natural fit between remote work and the business model, as well as access to a larger talent pool for hiring. Currently, employees are mainly concentrated in Quebec City and Montreal, but there will be hires in Ontario and Western Canada in 2021.

As mentioned, business hours are from 8:00 a.m. to 10:00 p.m. seven days a week, and employees who are not part of the sales team work Monday to Friday 8:00 hours/day between 8:00 a.m. and 6:00 p.m. generally.

Emma's employees primarily use the Slack messaging platform for internal communication. Very few emails are exchanged between employees since everything is done through the different channels in Slack. Slack also allows group calls with or without video, and it is not uncommon for employees to spend several hours on the phone without a formal meeting on the agenda in order to recreate an office atmosphere or to react more quickly to the arrival of customers on the chat platform. The notion collaborative work tool is also used at Emma. Be it as an internal wiki, as a writing tool or to publish announcements and blogs for employees, all writing work must be done via this platform. This allows for greater transparency and easier collaboration between departments since all content written there is accessible to everyone.

In 2021, information security is important for any company, especially for Emma who deals with sensitive data on a daily basis. Thus, every employee must sign the policy on the use of technological equipment and information security in his or her employment contract. Employees are therefore required to use the VPN provided by their employer at all times, in addition to following numerous instructions to avoid any data leakage.

TEAM

Emma's organizational chart is presented in appendix B. The team is therefore divided into two main departments, headed on one side by the CTO for the IT team, and the CMO for the marketing team. The sales department has recently been placed under the direction of marketing, since decisions made within sales are mostly made in conjunction with marketing. The Sales Director manages the day-to-day operations of the sales team and acts as a direct supervisor for the advisors, in addition to being an advisor herself. Finally, an operations manager was recently appointed to support everyone, manage projects and coordinate efforts between departments. As for the CEO, he is involved in the important decisions of each department. These five key positions (sales director, operations director, CEO, CMO and CTO) make up the company's management team. They are also supported by the advisory committee, which makes recommendations when necessary.

One of management's concerns is the way in which HR related tasks are distributed among its members. At the moment, human resources are fairly simple to manage as the team is still small, but rapid growth could quickly complicate the situation. For example, an advisor will have to answer to his director on some matters, to the CMO for others, to the operations manager or even to the CEO on others...

As Emma grows, the company plans to quickly hire 4 to 5 additional advisors, and up to 3 software developers to carry out its projects. By the end of 2022, it is expected that there will be 25 to 30 employees and possibly more depending on growth. For the moment, the tasks and responsibilities of human resources are assumed in committee by the management team (CFO, CMO, CTO and the two directors) but there is no concrete plan for the HR function in the expansion projects. Moreover, the hiring of English-speaking resources will bring new challenges in this regard, while the team hopes to maintain team spirit in spite of everything.

INTERDEPARTMENTAL INTERACTION

Basically, the IT team is responsible for building effective tools for advisors as well as a purchasing platform that customers like, while marketing tries to attract as many visitors as possible to it. Sales then has the mission of maximizing sales among these visitors. This is why collective success is emphasized at Emma, rather than the individual success of an advisor who would have made a lot of sales, for example.

REMUNERATION AND BENEFITS

Typically in the industry, financial security advisors are paid 100% by commissions received on products sold, and rarely receive a fixed salary. They are often self-employed workers who must manage all of their activities, such as their advertising or web presence, for example. Emma stands out in this regard because all advisors are paid a fixed hourly wage. Thus, their tasks (see appendix C) consist mainly of serving clients in chat rooms, while everything else is taken care of by the other departments. Initially, a bonus was thought of for the advisors based on a percentage of their sales in the month. However, the formula has been set aside for the time being since it included several defects according to the management. Mainly, the lack of fairness towards the rest of the team and the imbalance that this bonus brought was not appreciated. A discussion is therefore underway to find a formula that aligns the bonuses with the company's collective objectives.

Employees are also offered an employee stock option pool, group insurance coverage, access to the Dialogue telemedicine service and an allowance for the purchase of work equipment. The allowance consists of a payment of \$500 in the first year and \$250 per year thereafter and was put in place to help employees have a suitable remote work environment.

The advisors' schedules are variable in order to cover the opening hours of the chat platform. Thus, each day is divided into two overlapping shifts, the day shift (8 a.m. to 4 p.m.) and the evening shift

(2 p.m. to 10 p.m.). Advisors must thus alternate between day and evening shifts and take turns covering weekends according to their availability. Of course, they always have at least 2 full days off per week. For the moment, management has full confidence in its team and is not too worried about productivity in the evenings and weekends but is aware that this could become an issue to watch as Emma grows.

HR ISSUES TO MANAGE

In light of the information presented above, Emma's management team would like to hear your recommendations regarding certain HR issues.

First, what performance and productivity indicators should we put in place to properly evaluate and manage our sales team (advisors) given the atypical schedules? It would be important to be able to use these indicators during annual staff evaluations.

In your opinion, what would be the three basic processes that should be implemented as a priority in the organization's human resources management?

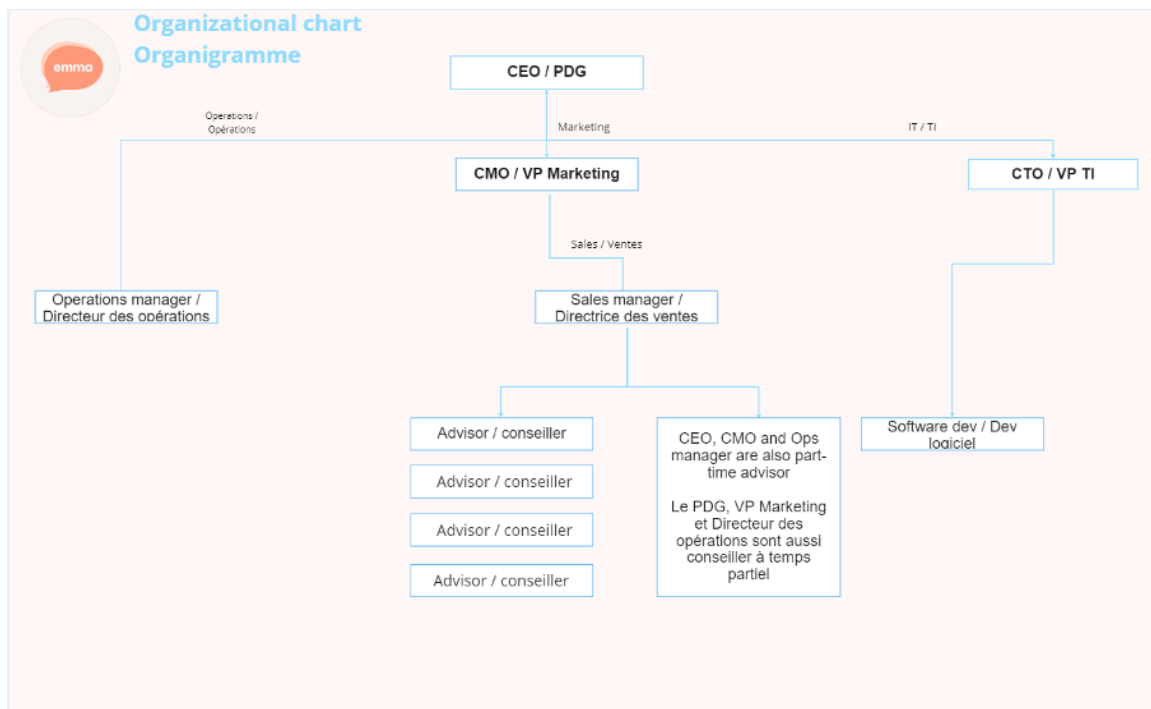
Finally, in the current absence of a department specifically dedicated to HR management, management is questioning the distribution of HR-related tasks. How should HR responsibilities be distributed within the management team in order to have a good structure and provide support to the entire team?

APPENDIX

APPENDIX A - TYPICAL SCHEDULE FOR THE SALES TEAM

	Monday / Lundi	Tuesday / Mardi	Wednesday / Mercredi	Thursday / Jeudi	Friday / Vendredi	Saturday / Samedi	Sunday / Dimanche
Employee 1	8h00-16h00	8h00-16h00	14h-22h00	8h00-16h00			14h-22h00
Employee 2 (part-time)	8h00-12h00	14h00-22h00			14h-22h00	8h-16h00	
Employee 3 (night shift)	14h00-22h00	14h00-22h00	14h00-22h00	14h00-22h00		14h-22h00	
Employee 4		8h00-16h00	8h00-16h00	14h00-22h00	8h00-16h00		8h00-16h00
Employee 5	14h00-22h00	8h00-16h00	8h00-16h00	8h00-16h00	8h00-16h00		

APPENDIX B - ORGANIZATIONAL CHART



APPENDIX C - FINANCIAL SECURITY ADVISOR JOB DESCRIPTION

ROLE:

As an advisor, you will drive Emma's growth engine by building relationships with potential customers and turning them into happy users. You will actively participate in the development of our sales process, the articulation of our value proposition and the creation of key tools as a member of our sales team.

IN THIS ROLE, YOU WILL:

- Chat with clients to provide quality life insurance advice;
- Contribute to team projects to develop and refine our sales process;
- Think and provide creative solutions to our business problems;
- Follow up with clients;
- Take part in content creation;
- Help us bring some much-needed change to the Canadian insurance landscape.

A PERFECT CANDIDATE HAS:

- Completed Baccalaureate or College Diploma (New graduates welcome!);
- Life and health insurance license (an asset);
- Excellent written communication skills in English (French is a plus);
- Fluency in spoken English (French is also a plus here) ;
- 1-2 years experience in a customer service role;
- Ambition, autonomy and a contagious positive attitude;
- A passion for counselling and a sincere desire to help protect Canada's families.

At Emma, we are looking for people with passion, courage and integrity. We encourage you to apply even if your profile does not correspond in all respects to the description of the position in question. Your skills and passion will allow you to stand out.

BENEFITS:

- Our philosophy is simple: to build a diversified and passionate team in order to promote a culture of excellence in a dynamic, warm and remote work environment;
- A young and dynamic team that loves to learn, innovate and contribute directly to the company's performance;
- Flexible schedules that allow us to work remotely;
- A competitive salary;
- Start-up type environment that promotes learning and personal growth;
- Laptops and tools;
- Group insurance plan with access to Dialogue;
- Employee stock options (ESOs);
- A shining culture, where remote work doesn't mean distant teammates.