



The Insiders

Episode 5

"I think anybody taking you on entrepreneur pursuits, you have to be naive enough to think or no, you can do it. You have to believe in yourself, you have to have great mentors and supporters and people around you. You have to run through walls and then sometimes you got to go back and run through that wall again, but you just got to keep after it, believe in a clear vision."

Welcome to the Insiders, a podcast on the latest advancements, challenges, and successes in innovation and technology. With industry leaders sharing their personal stories, we humanize the world of innovation and inspires listeners to push their boundaries and celebrate real humans shaping our collective future.

Marc

Hello and welcome again to the Insiders Podcast. I'm your host, Marc Lowe, the head of KPMG Ignition here in Vancouver, and very excited to have Jeff McCann with us today. Jeff is, well, first of all, the CEO and founder of Apollo Insurance, founded in 2018. So, we're very excited to have Jeff here. Jeff, welcome to the show.

Jeff McCann

Thanks so much for having me. It's great to be here.

Marc

Oh, so great to have you. Let's start by setting a bit of background for the folks who are listening. So, tell me a little bit about maybe your background in terms of if you spend some time on Jeff's LinkedIn, the timeline kind of makes sense, but I'm curious for just how that early part of your career set the stage for the insights that you had about the market and where you saw those opportunities.

Jeff McCann

Without a doubt, I never thought I would've been an entrepreneur. I really came out of high school going to school, it was all about go big for accounting, go get a law degree.

That was always kind of the push and the drive. Go work for a big corporate, work your way up, wear a suit and tie at the office. That was the playbook. And I should have known better. My parents were entrepreneurs, my grandparents were entrepreneurs, my great-grandparents were entrepreneurs. They should have had that known. And if I look back and think about some of the journey, even through school and whatnot, I did a lot of different entrepreneurial things that the journey kind of made sense.

Jeff McCann

I was every sales contest. I had the paper route. We know we did the chocolate bar fundraiser, and I must have won by 10 times.

Marc

Oh, you're that kid. Okay.

Jeff McCann

I set up a little stand in the foyer and if you look back at all those kind of check marks, you're like, yep, this makes a lot of sense. And then it came out of school and again it was, hey, go corporate. And so did that. Had a great time, learned a lot, was very lucky to have some great mentors in the accounting practice that I worked at and then fell backwards into insurance. I don't think anybody really gets up and thinks, you know what? Insurance is going to be the top checklist. It's not something there was a recruit for at school. There was no real presence, I would've never known anything about the corporate insurance side. You think insurance kiosk at the mall was kind of the relation. So, I sort of fell backwards and I ended up doing skiers resort insurance, which must have been just the best job ever.

Marc

So, you're in the insurance market, so you're starting to get a sense of the landscape. Was it an understanding of the market that created that insight that kind of motivated you?

What was the thing that you said, okay, hang on a second, there's a way to do this better and I've got a view of that. Talk about that early process.

Jeff McCann

I think the biggest thing was when I was going through university, everything was moving from in-person classes. There were more and more remote opportunities. Laptops were really becoming mainstream. I mean had the Blackberry Pearl and brick breaker was the thing. So, I was kind of watching this innovation life cycle and then coming into big four accounting, everything was cloud based, everybody was issued a laptop, you're working at the client site. So, it was all hoteling and checking in. So, when I went into insurance, it was going back in time. You're looking at walls of paper files, people are showing up at meetings with a stack of every email printed, every policy document, people are taking photographs, developing those, stored, getting those printed and putting them in the file. And that's the client file. So, I think just that juxtaposition of coming back in time being like, wow, this is just antiquated.

And then the amount of money. I mean Canadian insurance market and property and casualties about \$60,000,000,000. Every business, every individual is paying for insurance one way or the other. And this is how it's all being managed and transacted. And I think that was just the real, hey, this could be a lot better. And we're seeing it happen in other industries. This industry certainly could be digitized in that sense.

Marc

So we want to jump into all that stuff around how do you think about a market and break down your opportunity. So let's come back to that, but did your view of the industry change as you started to build inside that industry? So maybe you have one view of it as you're looking at it going, here's the opportunity. Now you're watching the sausage being made and you're having a totally different view of it. Did it change as you learned more or got into the back office of it?

Jeff McCann

Yeah, I think it's certainly a journey. When we had to quit our jobs and start the company, and of course because we were going to be competing with the previous firm, we had a great relationship there. We said, "Hey, can we start this? Will you invest in this concept?" And it just wasn't right for the business model. So, we're like, okay, we have to quit. And we had to be sort of cold turkey and leave. And I think one thing I

definitely would've thought was that the industry would've moved a lot faster. At the time I was watching online banking go from showing up at a teller to ATMs to totally on your phone. And so, watching that happen, to the word disruption with so much more common than I think anybody is now. So, I was kind of like chicken little thinking this, we got to go, the sky is falling, this whole thing-

Marc

We got to move people.

Jeff McCann

We got to move here. Are you crazy? And so as a result of, I have just so convinced that it was going to move. And even now, I mean we've built a great business and we've certainly been able to be very successful in providing a digital solution out to the market, but most of the market hasn't moved at all. It's still literally the exact same, zero change. And I think that was probably the biggest insight in learning. And just that you know what? It's resilient, it's a big market. People are busy, different dynamics between private equity and different funds and different publicly traded companies. They don't have the extra margin to go and spend 30, 40, \$50,000,000 on a big technology project or that project is going to be going from sort of a mainframe style system.

Just to get cloud as a concept is exciting. Never mind flow through transactions and 24-hour service, just the idea of having your data is still very, very early. And so, I think we're just at the beginning of this life cycle, but if you had to ask me five years ago, I was convinced we relate.

Marc

Right. Well I mean, an interesting insight there just in terms of when you have that kernel of real insight and you're onto something very specific, to have the patience to see that through and that requires, I would think a certain type of you referenced grit, the idea that it's going to be a process, it's going to take some time here, there's some change that's got to occur. We've got to educate the market a little bit. So that requires a certain type of entrepreneur as well.

Jeff McCann

I think anybody taking you on entrepreneur pursuits, you have to be naive enough to think or no, you can do it. You have to believe in yourself, you have to have great mentors and supporters and people around you. You have to run through

walls and then sometimes you got to go back and run through that wall again, but you just got to keep after it, believe in a clear vision. We went through the whole lockdown time period. We were eight people pre lockdowns, we came out of it over 100.

And so, building things remotely and navigating all the different challenges, but also our customers we're facing those same, whether it's the end customer or some of the larger corporate customers we have, they were going through that as well. So, they're like, the internet can wait, I got to figure out some of these base operating procedures around how to manage their business in this time. So I think that made a big difference too of just the grit that we had to take and how we had to navigate the market with everybody together and try and be helpful and also make a buck at it while we were deploying our solution.

Marc

I come back to this, so I've made myself a note here, but I'm conscious of the fact that as we talk about the idea of innovation and defining markets, so in our innovation practice we would talk about first horizon, second horizon, third horizon. So first horizon is I'm going to innovate the way that I do things.

Second horizon is I might look at a new market or a new type of product, and then the third horizon is I'm going to fundamentally reimagine what this business is. What you're describing sounds to me like very much that third horizon, you're operating inside this very old, very legacy kind of industry. And now you're saying, hang on a second, I want to completely reimagine what this looks like.

So first question is, in that construct, how did you think about breaking down the elements of the market you were addressing because you're addressing that in a totally different way and all the component pieces that have to support this new vision that you're trying to lay out.

Jeff McCann

I think in any company, but certainly in our company, you start with that third horizon. We're going to reinvent this whole thing and then you have to step back, and you have to borrow from and take a few things with you. So, you're still going to have your suitcases and you're going to have bring your luggage along, which is we're going to reinvent this piece of it. But the realities of global reinsurance markets are still going

to be a dynamic in our business. And that's just going to be about how we up supply chain as an example, how we're able to price and create product. And those friction, so we're saying, "You know what? We're going to use the exact same policy document that anybody else could get. Now how you access it, how we use data, how we engage customers, how we distribute the product, how we create an effortless experience, that we're going to reimagine, but the wording and the supply chain, what we're going to let that pretty much stay status quo."

And I mean it's a 5,000,000,000,000 global industry, and so you can reinvent and reimagine, but then you've got to kind of bring some of that with you.

And I think we found that where we said, "Okay, well what do we have to bring because that's just natural forces. What do we have to bring for a while that'll move and we'll be able to sort of sunset over time and can we just totally brand new, take a white piece of paper approach to our go to market."

Marc

One of the things that I've heard you talk about in other interviews, is the idea of tailwinds in an industry. And that's a fundamental piece of it strikes me the Apollo story for sure is that there are certain dynamics that play in Canada specifically that give your business tailwinds. If you're advising other entrepreneurs, does that come up in terms of the idea of, you're always trying to pick a good market and what does a good market look like, but there are fundamental drivers that are helping your business get where you want to go as you are all sort of metaphorically building the plane of this new way of doing things.

Jeff McCann

And I advise a couple of the companies and also in our business, even within the insurance business, you can break it down into tons of different markets. And so I really like markets with big total addressable markets. So for us, we look at certain segments, whether it's renters, there's more Canadians renting than ever. New Canadians are growing that market by say a million from an immigration policy perspective. We love segments of small business because there's this sort of renaissance of entrepreneurship happening post lockdowns and people are coming out, new Canadians start businesses. So we're saying, "Okay, well how can we pick certain segments of small business, renter's insurance?" And then we also really look for an underserved customer

because sometimes you can go into a market, it can have all the tailwinds that it wants, but that customer's satisfied and they're happy. And so even if it's not digital and it's not some fancy new approach, they can still be very satisfied with a lot of it.

And so, you really have to have a problem to solve. And then finally when we look at markets, we really say, "Well what's the revenue model?" So, in our business, we give away our technology for free. We're not trying to sell technology to people because we don't think that's the market, that's the revenue model. The model is sell the insurance, make money on the insurance, and that's a really good foundational go to market. So, when we evaluated, do we put on a position ourself as a software company selling software, we would not have been, certainly not where we are today, but we would've had a really tough time going in and trying to convince some of these companies. And you would've made a lot less money to solve that problem just because of the nature of the industry.

Marc

No, understood. Yeah. Well, and you guys are certainly doing that. The way that the customer goes from the initial landing page to a quote to policy is really, I mean as you're in DC, right? If you're getting insurance on your car, you still got to go to the broker.

Jeff McCann

You got to go in...

Marc

Do that whole hustle, right?

Jeff McCann

You got to sign the paperwork. And one thing that always frustrated me just in life is just in my personality beyond recognizing, hey, this is an industry that could benefit from technology. I hate going into an institution organization and filling out my name five times. They checked your ID, they had the appointment with you, they know who I am, and in a lot of cases, they know more than that. They know your address, they know your phone number, and yet you're scribbling down on four different clipboards, or whatever it might be, the same thing over and over again. And so, we just sort of fundamentally said, "You know what? We already know your name. And if we work with another organization,

our partnerships where we can pull more data, we just prefill all that."

If I can ask you no questions, your cell phone knows everything about you, there are other apps and other pieces of technology you use. I don't have to ask you anything. I could just say here's your price. And for me that's fundamentally where we want to go when we say insurance should be effortless, you shouldn't have to go and fill anything out, certainly not a paper. But even in some of our products, I ask you 10 questions and I still wish we didn't have to ask you anything. So that relentless just, I hate having to ask you anything, I think is a big driver in our business.

Marc

Talk a little bit more about that idea of data. So, one of the advantages of re imagining a business with technology of course, is that not only is the technology have the potential collapse supply chains that you're describing, not only does it have the potential to greatly improve the customer experience, but it also empowers you as a business with a whole bunch of data and insights. And one of the things that you talk about in the stuff that we were researching in preparation for this was the idea of data as a fundamental decision-making tool for you to improve the business, to improve the customer experience. How do you think about that process of gathering, analyzing, and then taking those insights and helping make improvements in the business?

Jeff McCann

Yeah, absolutely. Because we're an underwriting business where we're sort of deciding should we sell you insurance, what price should we charge? There's risk data that's associated. And so that's one sort of level of it that if I can pull from other sources and if I can pull in it enough information to be able to give you a quote without asking all the risk data, whereas in a lot of the industry we're saying, well, how old's your building? I don't know. What year was it built? What's it made out of? Glass and concrete? And people just don't know. And that creates friction, it creates frustration. So, we say, well, on the underwriting slide, how do we pull from other sources? How do we create unique data sets that are proprietary to us to be able to, one, create a very, very compelling underwriting narrative? And of course, I got to still have a reinsurance company or somebody behind me who has to be convinced that I have enough information to make a good decision.

So, we have to make good data driven risk management

decisions. And then we have data about the customer that might help prompt other insights about what they might need. And then we have interaction data. And so, we've got just a brilliant team. I'm so lucky to be surrounded by such smart people in our company, we record sessions. So, if you're going and you click the help text and then you are clearly confused and you leave, you go back and forth five times, all of those interaction points give us insights to say, you know what? Maybe that language isn't clear. Maybe the help text isn't that helpful. Maybe this is where we should prompt live chat and you need to escalate so that somebody can actually help you.

So, I think there's sort of the interaction data, which is super valuable and helpful to make it easier, helpful to maybe prompt additional products or if you're fitting in the right spot. And then certainly from an underwriting and insurance perspective, everybody's trying to figure out, well, all those PDFs you've been filling out for years, they have all this unstructured data that's just locked away. So, they keep asking you every year, how old's your building? Well, that building's been the same age.

Marc

Okay. So, let's switch gears and talk about Jeff as a leader of companies and some of the challenges around the start with just the idea of growing that team. How do you think of yourself as the expression goes right, brand is what they say about you when you're not in the room? So, if I ask somebody, what is Jeff like as a leader, what do you think they would say?

Jeff McCann

Well, I'm certainly not a manager. And I think that's a really big distinction that a lot of leaders have that challenge where just because you have a title, there are managing responsibilities and there are leadership responsibilities. Sometimes those cross over and they're required to. But certainly, my entire approach to leadership is just I'm not a manager, so I got to find good people who can be really good managers. But the biggest aspect for me is servant leadership. And it kind of plays into that management style of what I'm going to hire great people, I'm going to help them understand the problem that we're trying to solve. And then what I want to do is say, "Great, you're in charge. What do you need from me?" Do you need capital? Do you need mentorship? Do you need more time with our customers, with me in terms of understand the vision? Do you need other people around you? If you really truly understand the problem

and you're someone that I've brought in to be really smart and really good at that thing, great. What do you think we should do?"

And then use that servant leadership style to say, "How can I help?" And what can we provide as a company? What can I provide as a leader to be able to help those people be successful? And then really, they take off and they drive. Now it certainly requires bringing the right type of people and building that right culture where they're empowered. But one of our core values is desire. I can't make somebody get out of bed and want to do this and want to be passionate about making it better. I can't make them passionate about changing the help text so that we reduce our average transaction, so we have less drop offs, less people throw their hands up and leave.

They're the one day in and day out who have to have that desire to be able to push that forward. And so, it's really bringing in the right people and then using our values to say, does this person fit the criteria? Do they have the ability to be successful in our environment where I'm not going to get up and really tell you what to do? I'm going to ask you what do you think we should do? Get some comparing insights and have vigorous debate with candor to be able to then come up with the best idea and say, great, we're going to put some capital behind that. That's the solution and that's how it's going to drive us forward.

Marc

You're referencing the idea of people taking ownership of certainly of problems in service of the vision that you're trying to paint for Apollo. What are some of those characteristics you're looking for as you're building this thing that's doing things in a way that's never been done before?

Jeff McCann

Candor's a big one. If like you said, well, when they're in the room or not in the room, if that is such a big gap, then you're never going to be successful because you have to have people that can speak straight to each other, who can speak straight up or down and not be rude, there's obviously a right way to deliver and the right tact. But it's the best idea has to win. It's not your idea or my idea and the egos associated. So, candor's a critical one because people, in order for them to be and utilize how smart they are, they got to speak up. That's a big one.

Desire's a big one. They have to want it to be better. And so, I can't kick them into gear. They just have to innately want the world to be a better place to pursue the vision.

Adventure is about curiosity. And so why does it work that way? And so, in all these little interactions, how does that work? Or why do we do that? And I've heard it and it kills me because I heard this in the insurance industry, in sort of the legacy corporations, that's always the way we've done it. And already in a young business you'll hear people say, but there's not enough of that necessarily. You have to always ask and have that curiosity.

And then, I mean adventure, one thing I always say is, you got to enjoy it. It's not easy to invent the future. It's not easy to navigate it. It's not just going to a big corporation where maybe you can just rinse and repeat it. It's a unique thing to build a company to solve particular problems. And so, I always say to people, I'm like, "You got to come here and want it, but you got to enjoy it and relish in the struggle and relish in how hard it is." You think about pro-athletes or other, it's like the blood, sweat and tears. The difficulty is what makes it so incredible. And I think that's a characteristic that we really look for in people.

Marc

And we're all pursuing success but success not in and of itself the goal. So, you speak a lot about the type of company you're trying to build. What is it about putting those out in the world? Tell me a little bit more if you would, is that a worldview that you have? Is that trying to birth a type of company that does things differently? Is it something personal with you that you think that there's a merit in putting that sort of statement out into the world about what it means, what Apollo's going to mean and the way that we're going to operate and the way that we're going to act?

Jeff McCann

I think it's a way that we can use to attract the right people. A company is just a collection of people. It's a community. And especially in our business where we don't have factories, we don't have logistics, we don't have really even a physical, tangible product. We just have our people.

Marc

We got nothing. We got nothing.

Jeff McCann

We're selling a piece of paper and we're emailing it to you. And that's the service. Sure, there's peace of mind and then

of course we've got to do a great job in the event of a claim when we show up and take care of. But we're not a business that's sort of has all this machinery. And so, when we think about our people, it's the most valuable asset we have. And what you want in my opinion is diversity of thought. But you have to come together and still collectively as a community have things that you can relate between. And when you bring people together in line with those values, you can bring people, it's almost like a bad joke. All right. A software engineer and an underwriter walk into a room. They could not be more different and then you add sales and then you throw marketing and it's like there's such these diverse perspectives and backgrounds, but they all have desire and they're all able to communicate with candor and they all are enjoying the adventure.

And so, to bring those common values together, I think it's something that companies, maybe they hire a consultant and they put them up on the wall or they don't put them up and it's just hire whoever and there's the chair, hold it down. And I think, you can still make money and there's a lot of great companies out there, but for us, we have to be so careful with resources. We've raised capital from investors we have to be protective of and we have to make sure that culturally people are going to drive this thing forward, especially as we scale because it's not going to be me. I'm not going to be in every Zoom call and every meeting and certainly less and less as we keep growing. So, I know everyone in that meeting is going to show up with those values, then I think we're going to be okay.

Marc

I love it. We're getting close to time. We had this great conversation, I felt like we had this great conversation. Are there things that are keeping up at night now that you've built you into this sort of the later stages of the Apollo story, I think it's fair to say? Are the things that are keeping you up at night as you're entering this new phase, are the particular technologies that you're looking on the horizon and going, hey, we got to be paying attention to that? Anything that's said that you want to leave us with?

Jeff McCann

There's always, I think it's healthy paranoia. And I would say the big thing that keeps me up at night is we should build a great company here and great being, let's build something that's an important part of the Canadian economy. We have

to, I think just to stick with it. And I hope we just keep going fast and enjoy a ride on the way.

Marc

I love it. Well, let's leave it there. Jeff, thank you so much for being with us. As always, Mark Lowe signing off for the insiders at KPMG.