

# Anansi, disrupting the goods in transit insurance market

As part of a series with Google for Startups Black Founders Fund, Maddyness spoke to Megan Bingham-Walker at Anansi about funding, plans for the future and their advice for other founders.

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The catalyst for launching the business was based on bringing together Megan's insight as a former ecommerce entrepreneur seeing how manual the process of getting insurance and making claims was, despite there being vibrant and established tools for sharing data across the e-logistics space. And Ana's experience of building data-enabled fintech products and excitement about the opportunity to bring similar tools into business insurance products.

The insight that we had which started the business was quite simple - why is business insurance based on static onboarding and claims forms, when we're now able to draw on continuous data via APIs in the e-commerce logistics market, which could be used to pre-populate applications and dramatically reduce the time and admin involved in the claims process.

Tell me about the business - what it is, what it aims to achieve, who you work

# with, how you reach customers and so on?

Anansi is a digital insurance broker offering goods-in-transit insurance for retailers. We cover loss and damage in transit via a service which is embedded directly in the retailers own warehouse management systems or with their logistics providers or marketplaces. We are backed and trusted by reputable global insurers Tokio Marine Kiln HCC, Liberty Mutual and Arch Underwriting.

Problem orders are the cause of 70% of negative reviews and the leading cause of customer churn. Retailers' in-house claims teams have reached the limit of what they are able to do manually to minimise this problem and keep on top of the evolving threat of fraud. Anansi's dedicated data-enabled insurance platform brings automation to slash the cost of processing claims from pounds to pennies, reduces the average time for claims approval from 23 days to instantaneous in most cases and brings AI-enabled triggers to spot areas for continuous improvement.

We are mainly working with large retailers with an average order value of £80 and above, who are shipping more than 1.5k parcels a day and the logistics partners who serve these businesses.

## Can you tell our readers about your engagement with the Google for Startups Black Founders Fund?

The Google for Startups Black Founder Fund programme just kicked off in June, during London Tech Week with a launch event in London for the founders. So far, we've been grateful to receive an equity-free cash investment from Google for \$150,000, benefitted from some highly relevant applied coaching sessions on sales, AI and fundraising. We've also worked with mentors from Google, and built a whole new support network with the other founders on the programme. This support is extremely timely at this stage of our development and will continue through to the closing event in Cape Town in early December 2023.

## Tell us about the working culture at

# Anansi.

When Ana and I founded Anansi, we did so with a very intentional approach to creating the culture of the business. For example, we set the company values before we had any team members and have moulded a team within these principles. Our core values are: people first; impact-driven, integrity, flexibility (we are a remote-first company) and inclusion. Our working culture requires a lot of trust and collaboration across the team. We are also a tech-first company that strives to continually improve and automate processes wherever possible.

## How are you funded?

We are a venture-backed company and our main investor is Octopus Ventures, with support from Start Ventures and UNIQA. We are also fortunate to have some supportive and experienced insurance angel investors such as Evelyn Bourke (former CEO of Bupa) Andrew Rear (former CEO of Munich Re Digital Partners) and Anthony Stevens (our Chairman and former President of Victor Insurance).

## What has been your biggest challenge so far and how have you overcome this?

Setting up a company in a highly regulated market has been a huge challenge. In addition to going through the process of getting FCA approval, one of the interesting parts of establishing a digital insurance brokerage is that you need to go through a ~2 year process of selling your idea to the traditional insurance industry first, so that you can gather the insurance “capacity” to underwrite your novel product. And then, once you have a product, you can start scaling the distribution to your target client base. We’ve been very fortunate to have the support of our expert advisors and investors as we’ve navigated this process and we’re always learning from the experiences of insurtech companies such as ManyPets who are several steps ahead of us in navigating this process. Now that we have solid capacity in place, our focus has shifted to scaling with our clients, which is very exciting.

## How does Anansi answer an unmet need?

The last mile is the messiest part of the goods-in-transit value chain. Finding an efficient way to satisfactorily deal with customers who receive damaged

items or don't receive items at all, is an unsolved problem for retailers grappling with ecommerce in the post-pandemic world. Many people don't realise that the courier firms are not liable for this problem, they all operate under service level agreements (SLAs) which limit the level of their liability to a maximum of the lower of £25 or cost price.

Retailers, who are already very stretched, are struggling to claim compensation where it is due and suffer customer retention when communication issues arise and, with interest rates rising, this problem is becoming more, rather than less, costly over time. Anansi is the first digital insurance product, which can bring a cost-effective product to market by leveraging data directly from warehouse management systems to track and automate claims where valid, to seek out pockets of fraud and to provide compensation of up to the full retail value, where required.

## What's in store for the future?

We're going through a scaling phase starting with seasonal peak 2023, from October to December, which will be a big test of our claims function. We have opportunities to expand our product to the EU and US, where retailers face similar issues in supply chain logistics. And over time, our goal is to move up the value chain and cover middle mile (warehouse to store) and eventually first mile (wholesale to warehouse) shipments globally.

## What one piece of advice would you give other founders or future founders?

It's easy to start a business, but building a successful business is a marathon rather than a sprint and often you'll inevitably go through several iterations before you find the thing that is really going to take off, so every entrepreneur needs to continually challenge themselves to consider the big macro questions of "are you building something that your customers love and are prepared to pay for?" alongside the micro question of "what do you need to do to reach the next milestone?".

## And finally, a more personal question! What's your daily routine and the rules

# you're living by at the moment?

We're going through a big growth phase right now and are in the midst of pitching for some huge opportunities, so my daily routine is extremely variable right now since I'm travelling so much. But there are a few things that I try to do every day to stay balanced as much as possible, such as meditating for 10 minutes first thing in the morning and last thing at night, exercising 4-5 times a week and getting outside to walk and get some sun and fresh air when I have breaks during the day. I also find a weekly trip to the wellness centre is a great way to detach and unwind from work.

Megan Bingham-Walker is cofounder & CEO at Anansi.

The Black Founders Fund aims to tackle racial inequality in venture capital funding. In June 2023, 40 selected Black-led startups received \$150,000 each in non-dilutive cash awards through the fund. The Black Founders Fund was first launched in 2021 with a \$2M (£1.5M) fund – this year's fund doubled to \$4M (approx. £3.3M).

Prior to the fund's launch in 2021, less than 0.25% of venture capital (VC) funding went to Black-led startups in the UK.

British tech startups make up a quarter of the 40 companies selected across Europe and are set to transform a wide range of sectors – this year's UK startups are using technology to transform the fitness industry, tackle the country's workforce shortage and disrupt rental insurance.

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