About the speakers

Marcus Storbeck

Project Leader of the DAKSale Project

- Responsible for the Sales Process with Pega at DAK

- 20+ years of experience in healthcare industry

- 4 years of experience in project governance

- 4 years of experience with Pega technology

A leading Pega Partner for Pega Marketing and Decisioning

Christoph Schiessl

Management Consultant & Managing Director

- Helping companies to adopt data-driven customer management

- Lead Decisioning Architect at DAK and other clients

- 10+ years of consulting experience in healthcare & insurance industry

- 7+ years of experience with Pega technology

DAK-Gesundheit

- One of the leading German health insurance companies – since 1774
- Annual **service volume of over 20 billion euros**
- More than **5,8 million insured**
- over 350 **service branches in Germany**
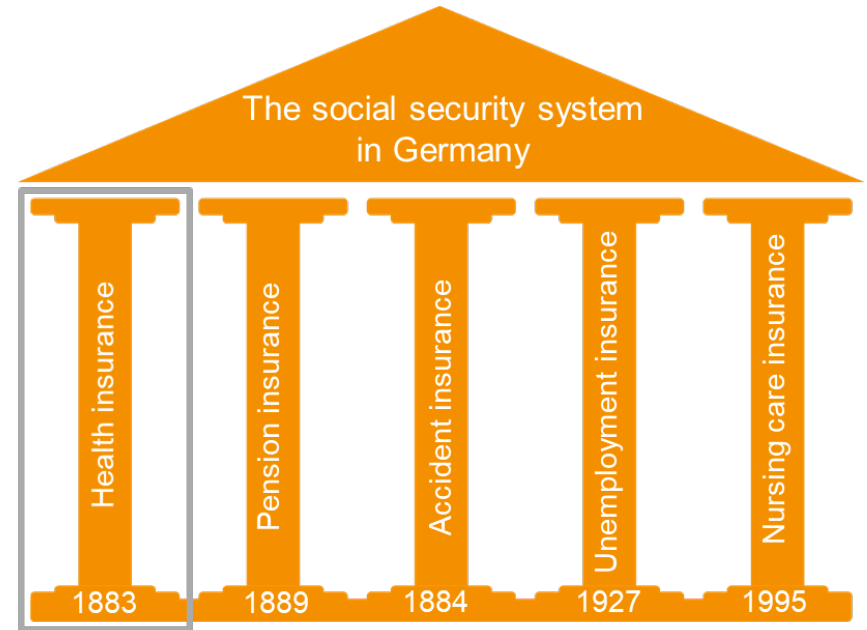- Award-winning **quality and service Non-profit organization**

Wide Range of insured benefits for example

- Medical and dental treatment
- Hospital treatment
- Pharmaceutical
- Rehabilitation
- DMP-Programs
- free choice of doctor
- and more…
- Insurance contributions are collected according to economic performance
- Children and partners without their own income are insured free of charge
- For all benefits our health insurance card is the key
- Non pre-cash – we work directly with our partners

Situation in German health care market

- Nearly 90% of Germans are insured by law

- Changing statutory health insurance provider is easy:
  - A change is possible after 18 months of membership
  - No health check needed when changing
  - instead of individual provisions a nationwide fund is used

- Consequences:
  - Intense competition between the health care providers in terms of price, service and benefits
  - High customer expectations
  - Need for continuous improvement in health insurance providers

The social security system in Germany

Health insurance	Pension insurance	Accident insurance	Unemployment insurance	Nursing care insurance
1883	1889	1884	1927	1995

The need to adapt

Market situation

- Competitive situation
- Continuous improvement

Customer needs

- Digital services
- Personalized experience

Efficiency

- Customer service
- Cost reduction

Strategy

Strategic priorities (by 2023)

- Customer centricity
- (Digital) Innovation capabilities
- Result-driven organization
- Collaboration
- Cost-efficiency

Action

Pega Infinity™

Adopt Pega as customer engagement platform

DAK's transition path (from legacy) to Pega Marketing

Technical Migration ✓

Cut-over ✓

Scale & Optimize (Work in progress)

- Pega Marketing 7 installation

- Data mart re-design (based on new insurance core system)

- Data logistics re-design (from monthly updates to daily updates)

- Basic channel integration (File, Lettershop, Output Management, Call Center-Microsite)

- Setup Pega Marketing Artifacts (Segments, Strategies, Offers, etc.) from scratch

- Re-build existing (outbound) campaigns with Pega Marketing

- Adopt Call Center-Microsite within DAK's customer service organization

- Integrate more digital channels (Email, Member portal, SMS, App, etc.)

- Unify customer engagement over campaigns and channels

- Implement systems and KPI's for customer feedback

- Use predictive analytics to improve customer engagement

Why active retention is important for DAK

- DAK's customers requested more information about services and benefits

- Research revealed that the regular pro-active customer contact with relevant offers reduces churn

- DAK usually has less or no touch points with healthy customers

How retention was done (the old way)

- Selections of target customers once a year
- Splitting and distribution of the lists
- De-centralized campaigning and status tracking

Drawbacks:

- Outdated data
- Limited control
- No governance

Customer retention

Never give your competitors
a chance to steal your customers.

The new way: Next-best-customer

- Daily recalculation of target audiences

- Consideration of current customer lifecycle events

- GDPR considerations

- Prioritization framework for target customers

- Integration with call center technology

Benefits:

- Usage of up-to-date customer information

- Better governance and reporting

- Feedback-Loop with core insurance system

GDPR requires multi-level contact strategies

Depending on offers

A

Contact allowed by law
- e.g. social security statutes, DAK statutes
- => use of all known and secure channels is allowed

B

Legitimate interest of members
- e.g. information obligations for new tariffs or events
- => use of all known channels is allowed
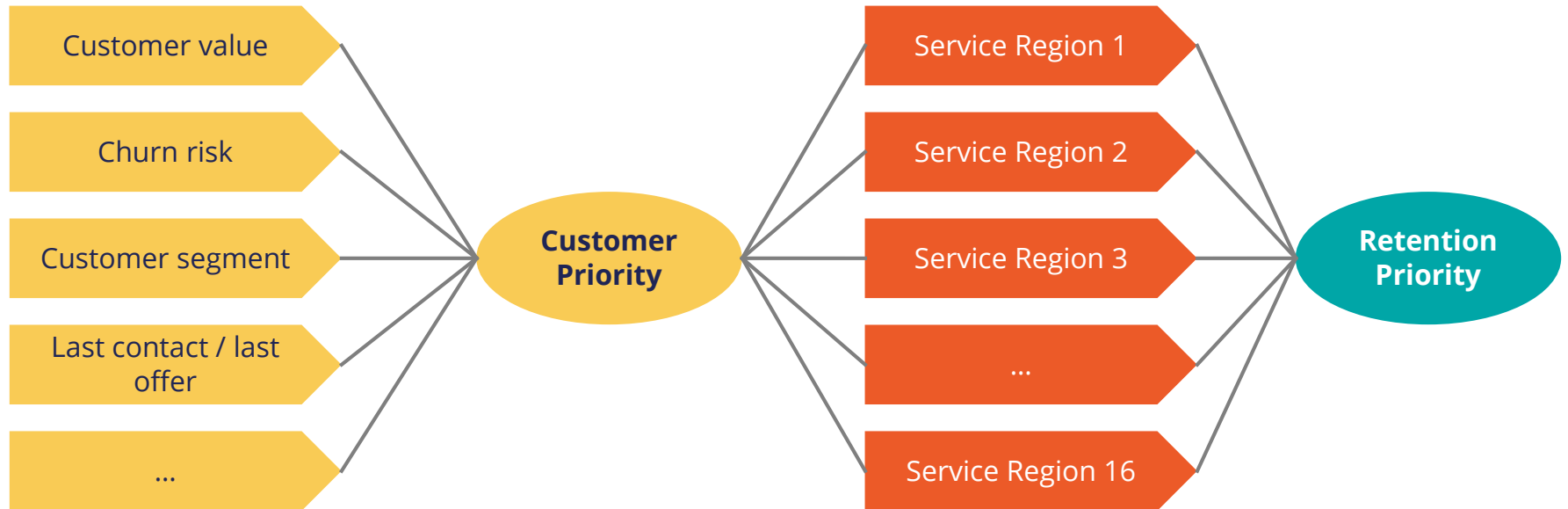
C

Advertising contacts:
- e.g. cross-selling products
- => Double-Opt-In is required for channels

Prioritization framework to select the Next-best-customer

Central contact strategy
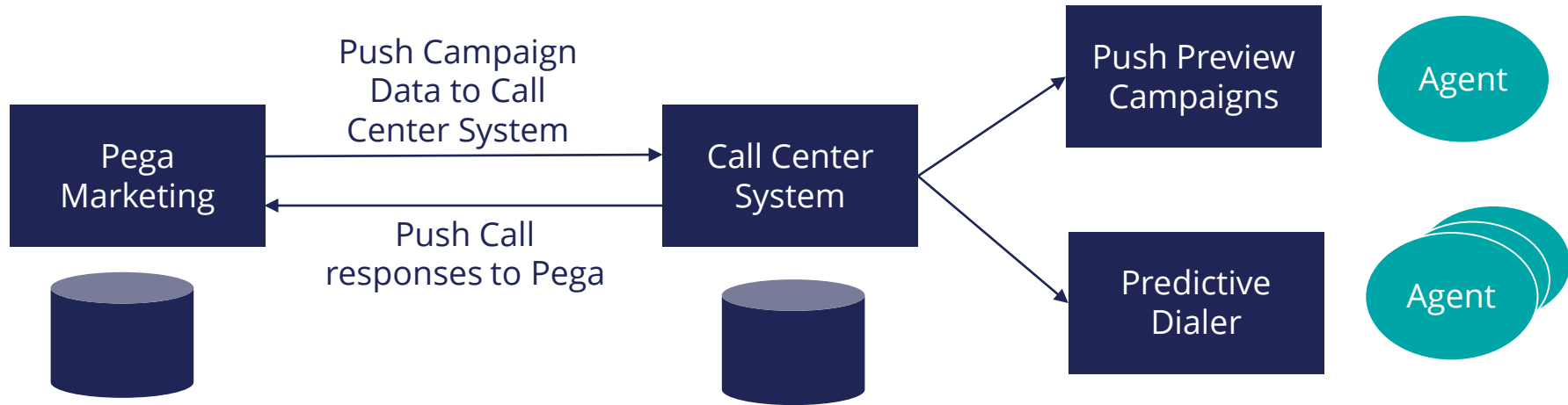
Regional adjustments

- Customer value
- Churn risk
- Customer segment
- Last contact / last offer
- ...

Customer Priority

- Service Region 1
- Service Region 2
- Service Region 3
- ...
- Service Region 16

Retention Priority

Integration with Call Center Software

Campaign re-calculation (once a day)

Campaign management (within the day)

Push Campaign Data to Call Center System

Pega Marketing

Push Call responses to Pega

Call Center System

Push Preview Campaigns

Agent

Predictive Dialer

Agent

Results

65% more retention offers made to customers (with same use of resources)

GDPR compliance ensured by reusable contact strategies

Daily re-calculation of campaigns leads to **more relevant offers**

Additional **efficiency increases** in outbound campaigning with call center technology

Prioritization framework allows **fast adaptability** for contact strategy changes

More **transparency and control** in retention campaigns

Summary: Optimize active customer retention with Next-best-action

Member-centricity

Excel lists (selected once a year

Call-Center Integration (Microsite, Predictive Dialing)

Churn Rate & Product recommendations

Multi-channel / Channel switching

Integrate retention offers into inbound channels (Next-best-action)

Efficiency & productivity
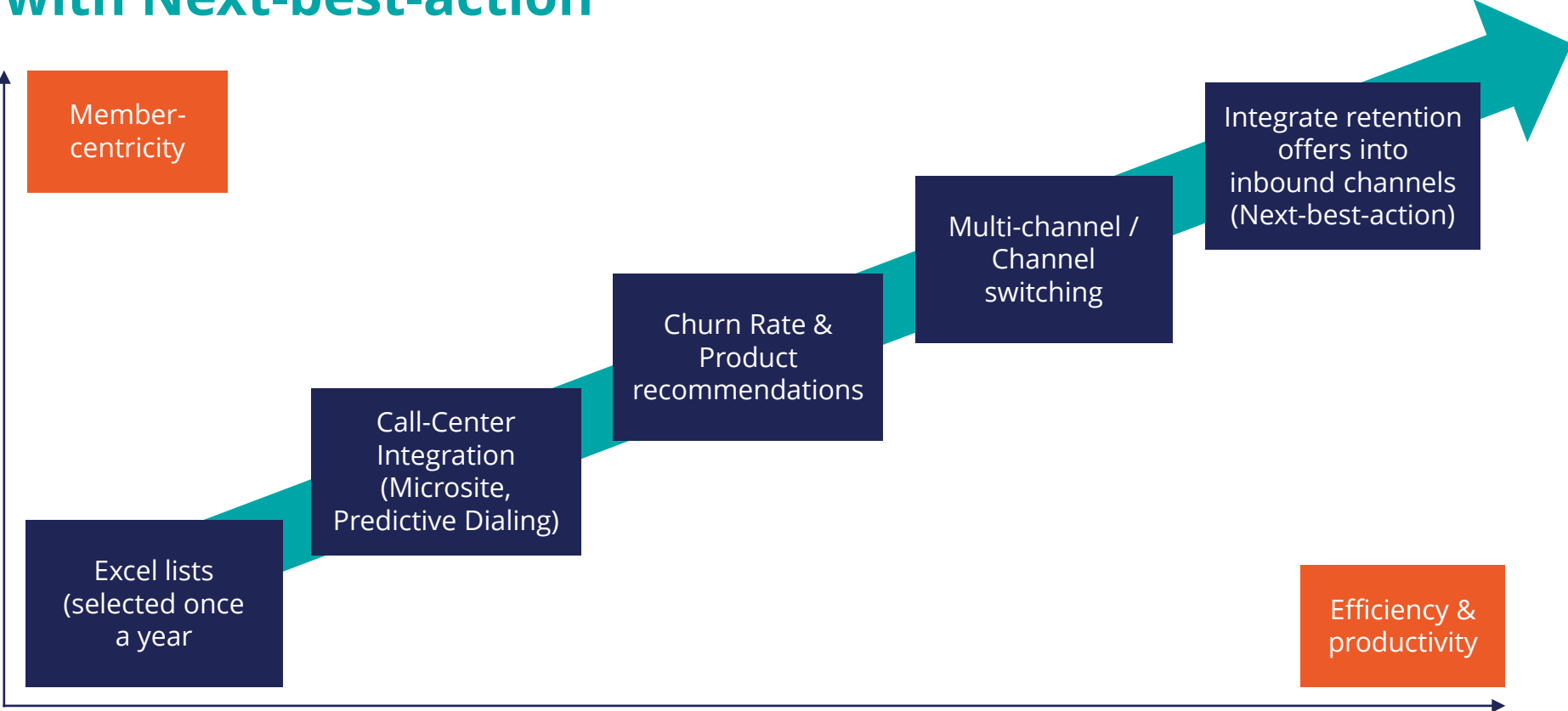
Customer retention – Next Steps

- Roll-out email marketing (incl. newsletter)

- Support call center agents with product recommendations

- Engage with customers on their preferred channels

- Target customers on social media channels

- Implement a process for customer feedback (based on the NPS system)

Vision with Pega Marketing

- Customer tracking service (case notifications)

- Next-best-action for inbound marketing

- Integrate prospects => integrate Pega SA and Pega Marketing

- Further optimization of the digital sales process

- Integrate companies and care provider

Lessons learned

Collect data "right" and build a solid **data foundation**

Adopt an **agile approach** with clear responsibilities and focused business goals

Use a **step-by-step transition** strategy to one-to-one marketing (not a big bang)