



# A Payer Evolution: How DAK Went From Product-Focused, To Member-Centric

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# 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



## 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



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for Pega Marketing and  
Decisioning*

# 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**

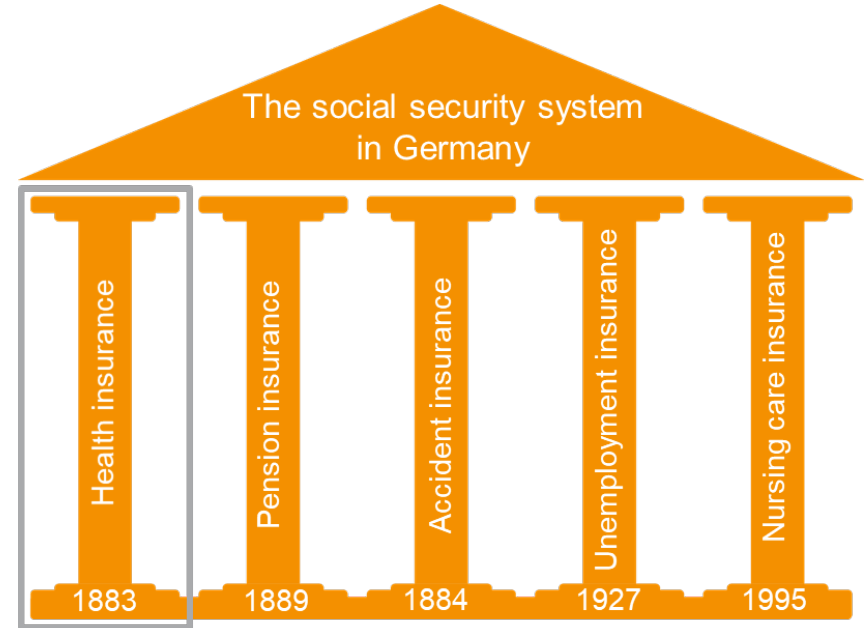


Wide Range of insured benefits for example

- 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 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



- 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)

## Cut-over



- 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

## Scale & Optimize (Work in progress)



- 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

The screenshot displays a web application interface for DAKMicrosite. At the top, there's a navigation bar with the DAK logo and the text 'DAKampa - Kundenansprache Gesundheit'. Below this, there are three dropdown menus for 'Team' (showing '100007'), 'Kampagne' (showing 'AKATestSprint7'), and 'Angebot' (showing 'AKATestSprint7'). To the right of these are two buttons: 'Nächster Eintrag' and '21c | NG'.

The main section is titled 'Persönliche Daten' and contains a table with customer information:

Name, Vorname	Geschlecht
Ockukovoc, Marco-Alexander	Weiblich
Geburtsdatum	Anz FamV
22.10.1963 (55)	0
KV-Nr.	Personenkreis
E549043155	Familienversicherte

Below the personal data, there are four status buttons: 'Erreicht', 'Nicht Erreicht', 'Besetzt', and 'Rückrufwunsch'.

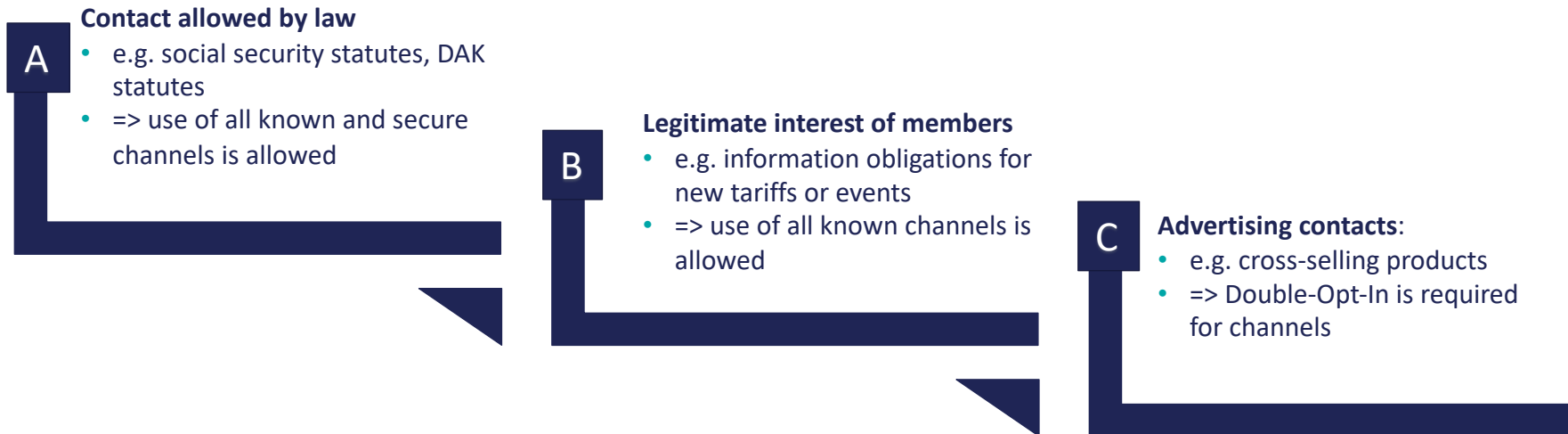
The next section is 'Kontaktthistorie (letzte drei Einträge)', which contains a table of contact history:

Kontakt am	Weg	Betreff / Bemerkung
27.11.2017	✓ Telefon	Versicherungsbescheinigung
21.11.2017	✍ Telefon	Punktuelle Ansprachen/07a_Leistungsbewilligung
20.11.2017	✓ Telefon	Ambulante ärztl. Leistungen/Schutzimpfungen

The final section is 'Kampagnenspezifische Kundeninformationen', which currently shows 'EKVNR'.

# GDPR requires multi-level contact strategies

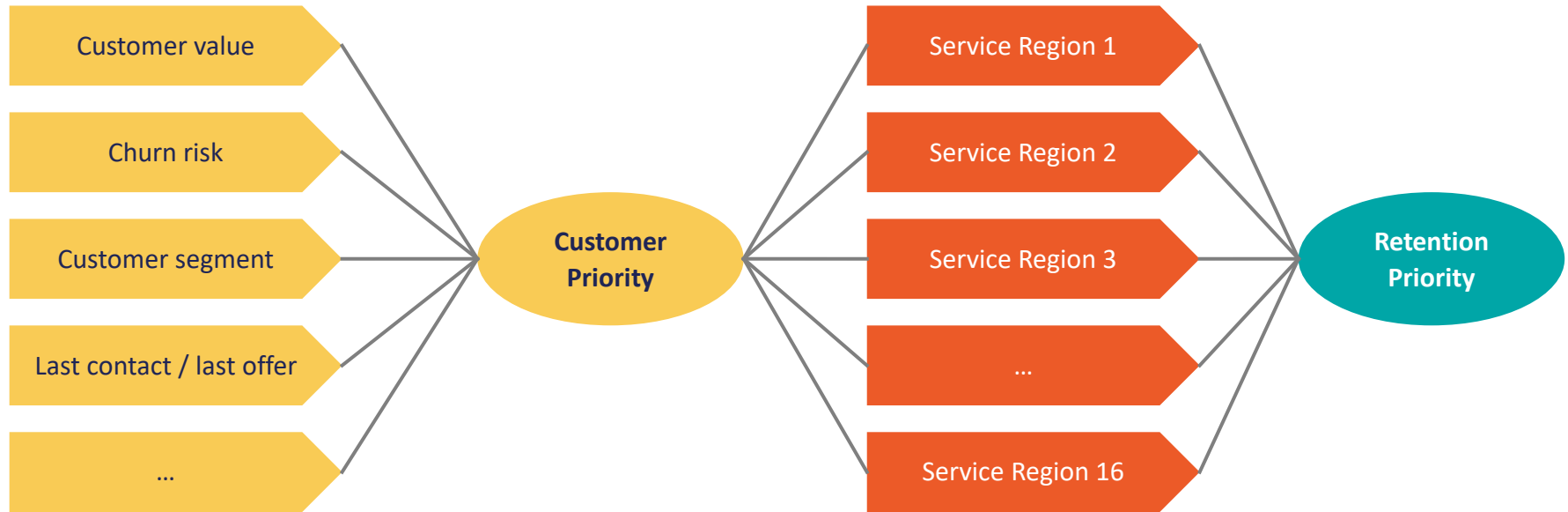
Depending on offers



# Prioritization framework to select the Next-best-customer

## Central contact strategy

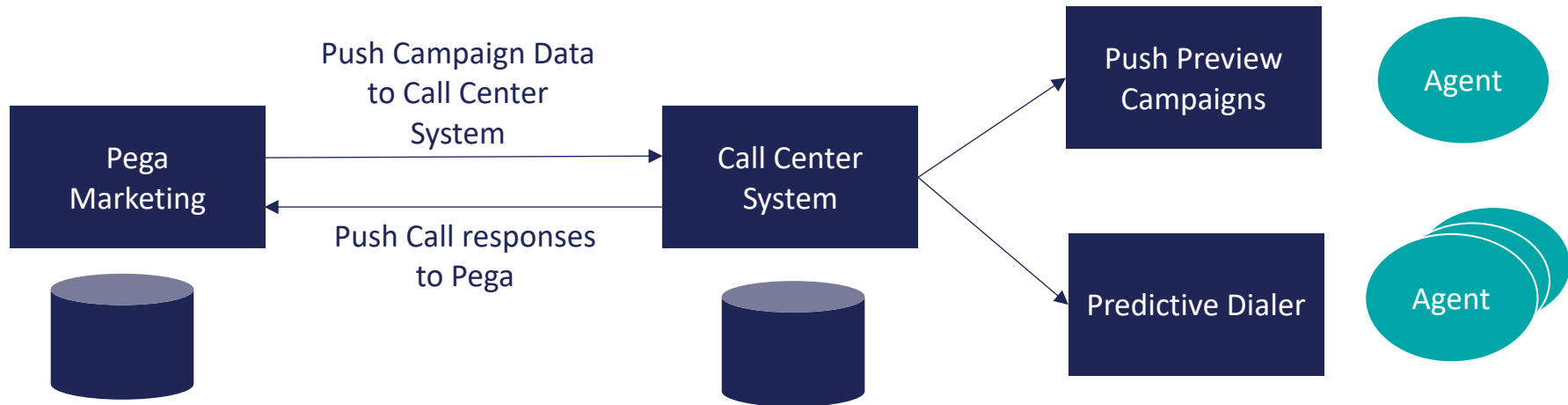
## Regional adjustments



# Integration with Call Center Software

Campaign re-calculation (once a day)

Campaign management (within the day)



# 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

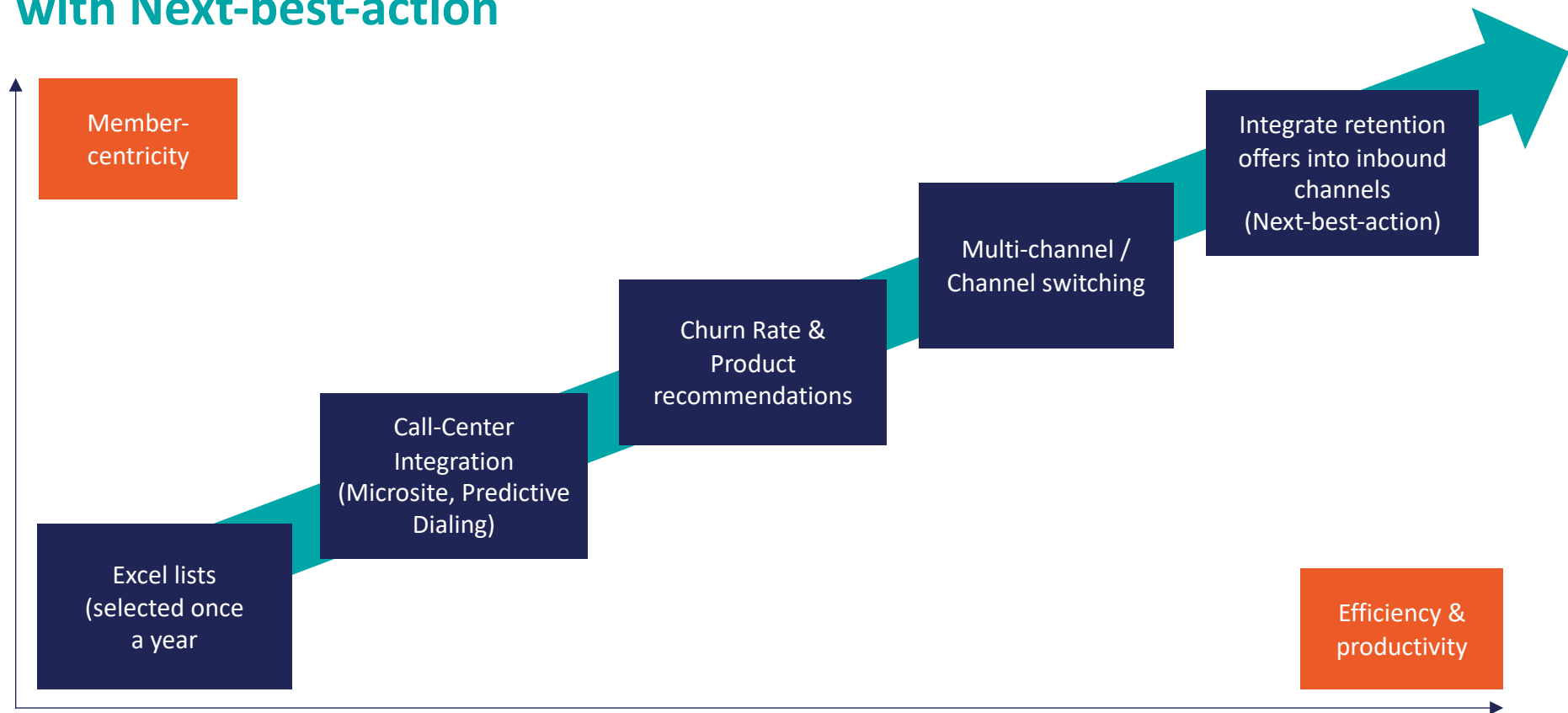


Prioritization framework allows **fast adaptability** for contact strategy changes



More **transparency and control** in retention campaigns

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



# 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)





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Build for Change®