



Monetizing and centralizing customer
Interactions at Folksam
Regional Director NEMEA Aprimo

Klant in Swedish = jerk, amateur, dabbler,
blunderer, botcher, blunderhead

Vilken klant ! = What a jerk!

Vilken kund ! = what a client !

Creating a customer experience at Folksam

One-to-One Marketing Based on Life-Events and Individual Needs

Program

About Folksam

Business Challenges

Getting the program started

CRM-Vision

Addressing the Business challenges

Lessons learned

Future challenges

Q&A's



Folksam – that's us!

- Folksam is a mutual company
- Our customers are also our owners
- Our profit doesn't go to shareholders, it stays within the company and benefits us all

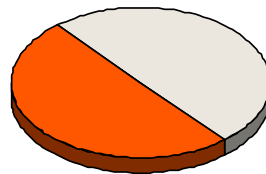


Short Facts about Folksam

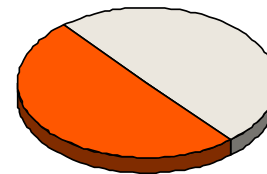


- Folksam was founded in 1908
- We have about 4 million customers
- We have 22.6 billion Swedish kronor in written premiums
- We settle 600,000 claims every year
- We manage about 200 billion Swedish kronor in assets
- We are 3,300 employees, of which 49 % are women and 51 % men
- We have 80 offices throughout the country

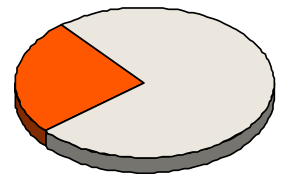
We insure



every other
person



every other
home



every fifth
car

Business challenges

- Need oriented sales process
- Time to market
- Effective lead management across all channels
- Change management



Business situation before the start



- **Time to market**
- **Too much price and product focus**
- **Lack of reporting, decisioning and support for management**
- **Insufficient processes and supportive systems**
- **No platform for common customer information**

Folksam's CRM Vision



To contribute to a long-term sustainable society where the individual feels secure



Security for the customer in the society
Security for the customer in relationship with Folksam

Requires knowledge

Achieves effects and reaching the objectives

Folksam's five year vision within the Tempo-program together with the Business case



Folksam needs to be aware of the total need for the customer
Folksam needs to be there when the needs of security arise or change



Requires new processes and solutions

Requires activities

Folksam will suggest solutions to the needs
Folksam must be able to satisfy the need of security of the customer



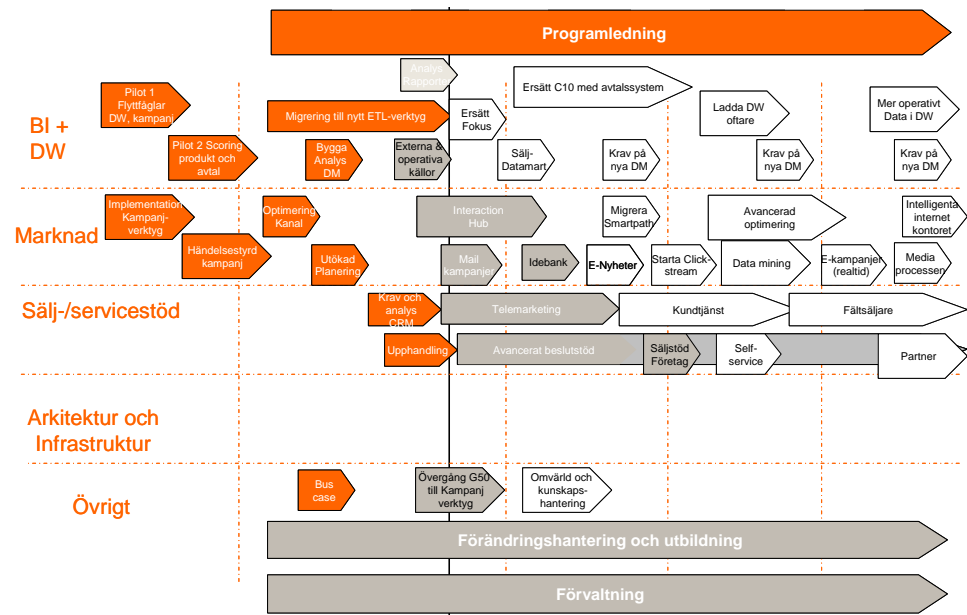
Starting the CRM initiative

- 2004 CRM vision and strategy
- 2005 Campaign Management and Market Resource Management
- 2005 Data Warehousing and reporting
- 2005 Automated Campaign optimization
- 2006 New Sales processes in TM
- 2007 New Service processes for Call centre
- 2008 Closing the loop
- 2009
 - More channels
 - More users
 - More events
- 2010 Realtime interactions

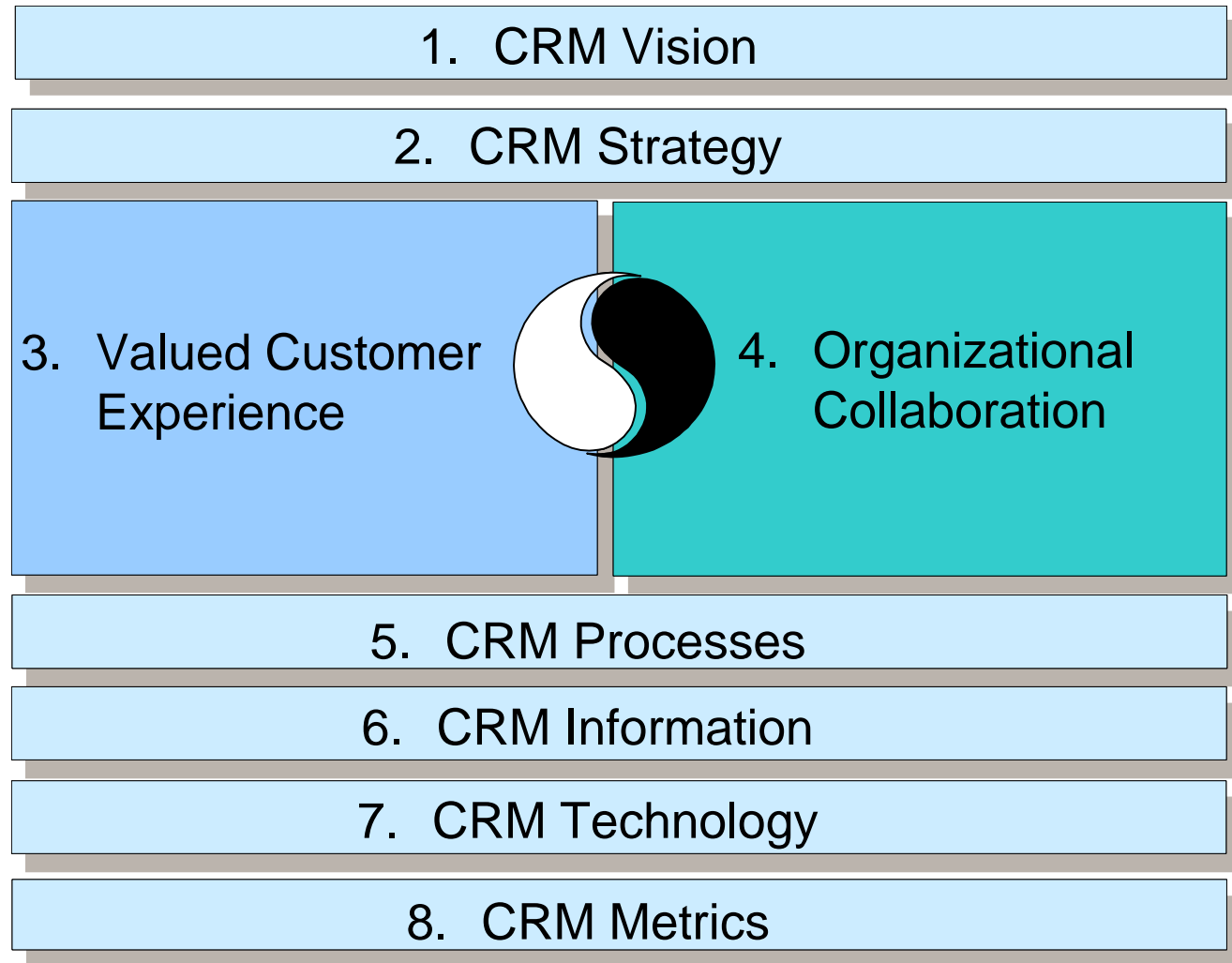


Five year plan

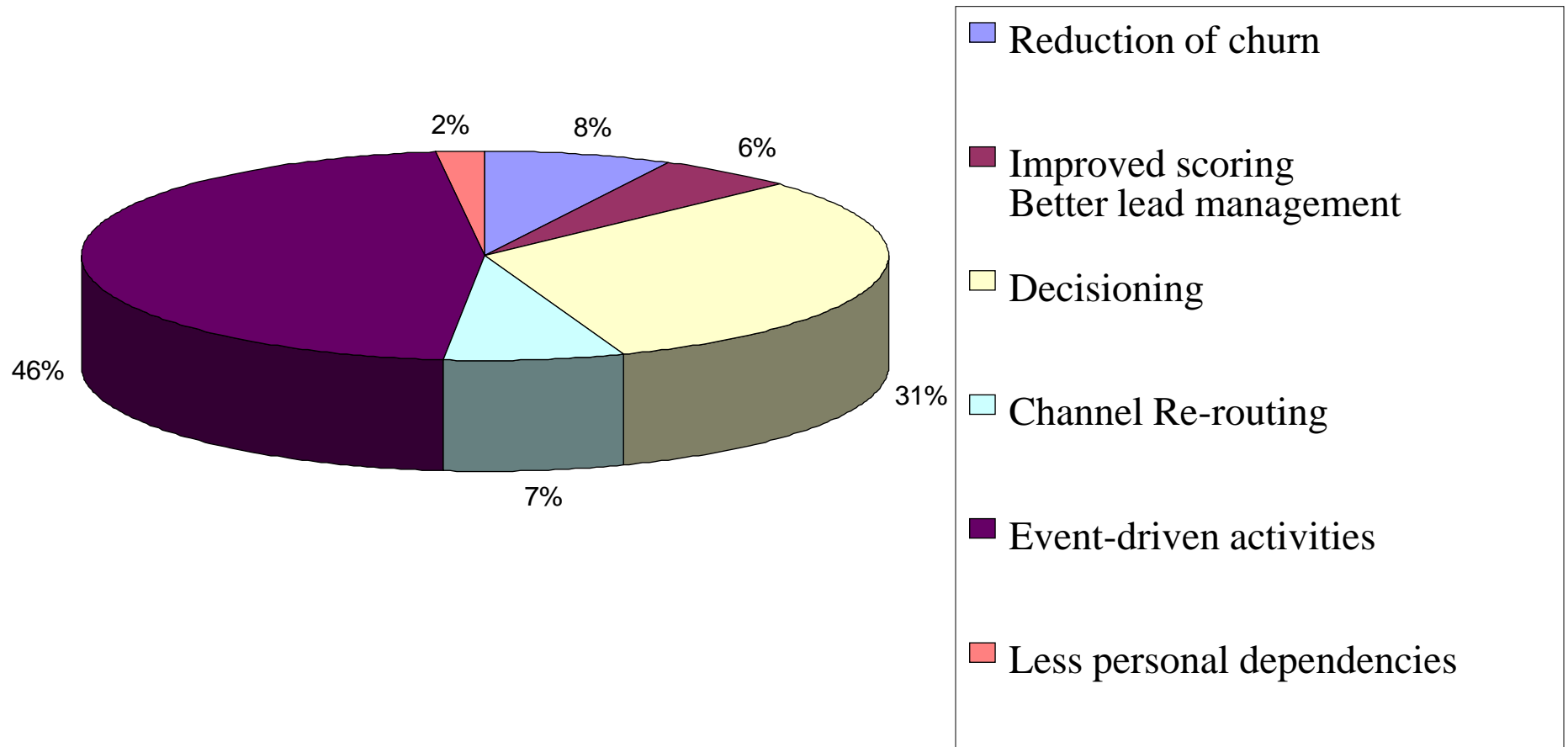
- 11 phases over five years
- Business case driven
- All channels involved
 - Telemarketing
 - Field sales
 - Customer Service
 - Direct marketing
 - Email and Internet
- New business processes
 - Marketing Planning
 - Interaction management
 - Sales processes
 - Service processes
- New technologies:
 - Data Warehousing
 - Reporting & analytics
 - Sales force automation (SFA)
 - Real time decisioning
 - Customer Interaction Hub
 - Service automation
 - Enterprise marketing management (EMM)



Folksam's CRM platform



Business Case



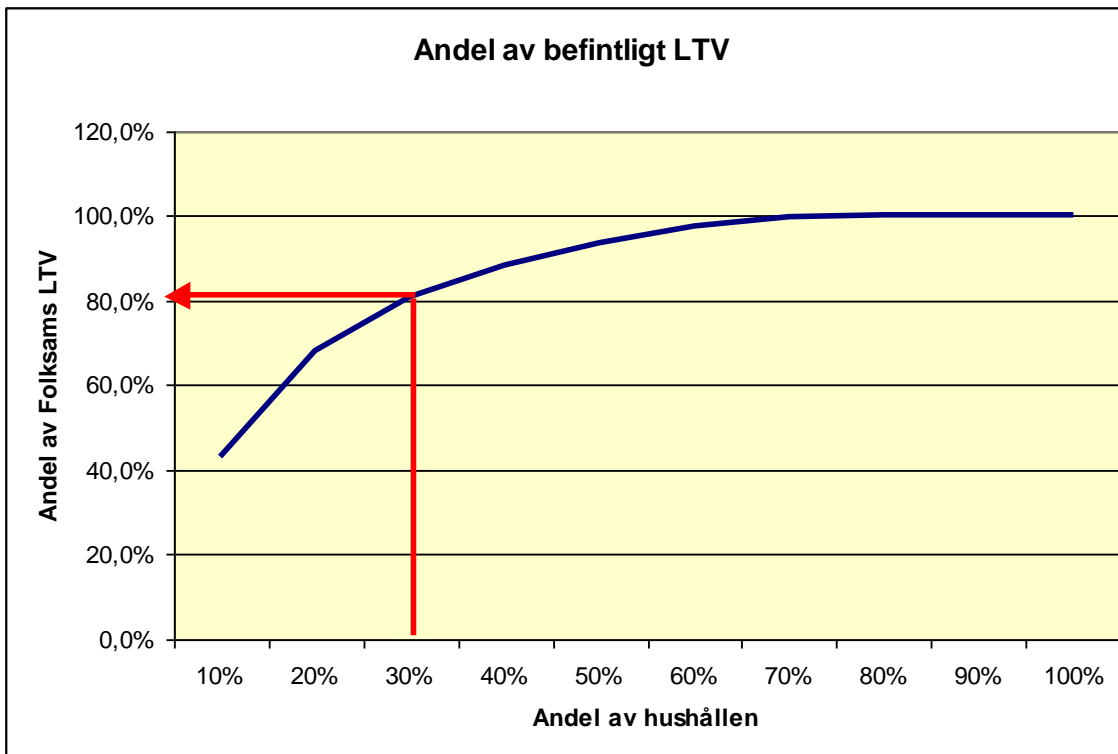
Event based marketing

- Automation of event based campaigns
- Before, During and After events
- Business opportunity, Business risk or both

Union change Divorce Health problems
New car
Moving customers Quotation
Marriage Annulations
Studies Pregnancy Service requests New customer
Complaint Travelling New object
Death Customer feedback New job
Payment of Claims Claim Children moving out
Change in insurance scope
Birth Change in tax Retirement

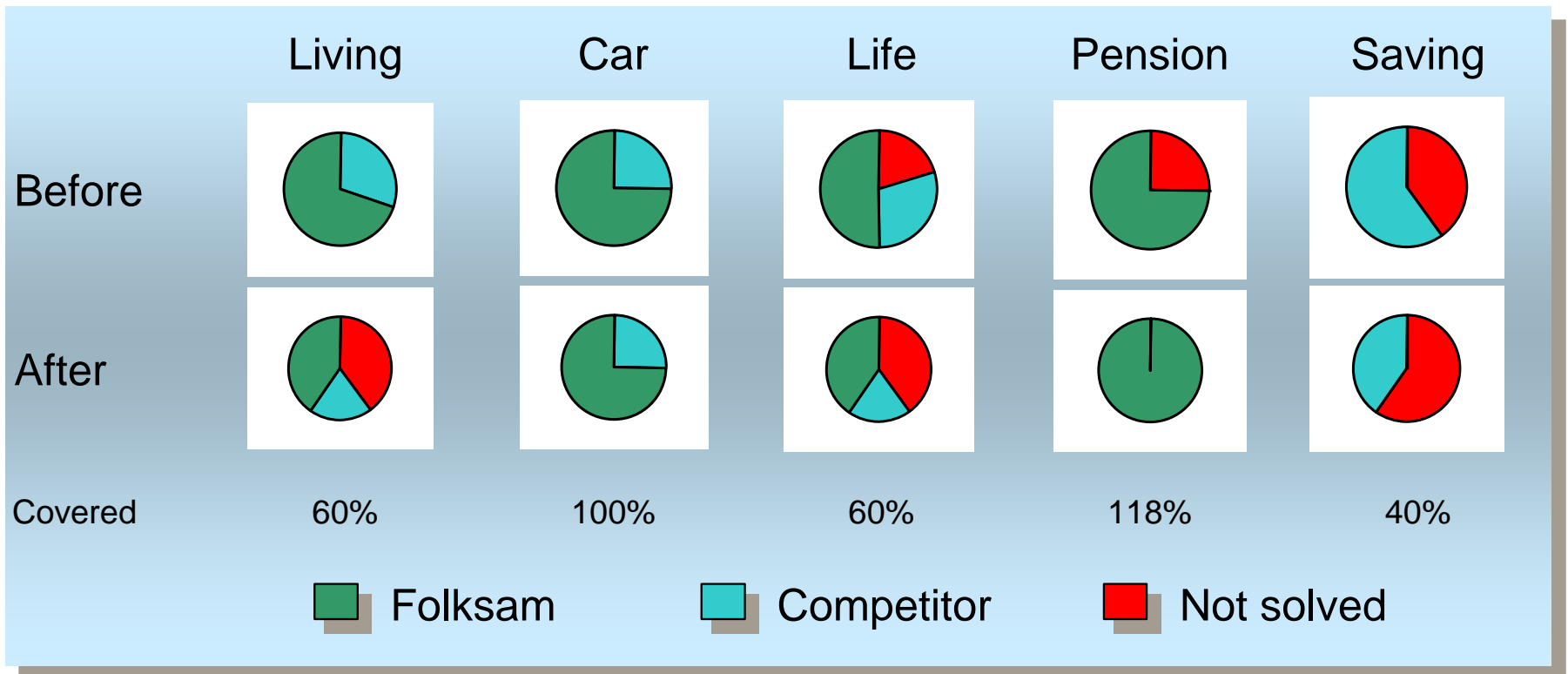
Life Time Value

- Well established through out the organisation
- Used in areas such as
 - Campaign selections
 - Optimizing channel and time
 - Extending offers
 - Customer service levels
 - Pricing

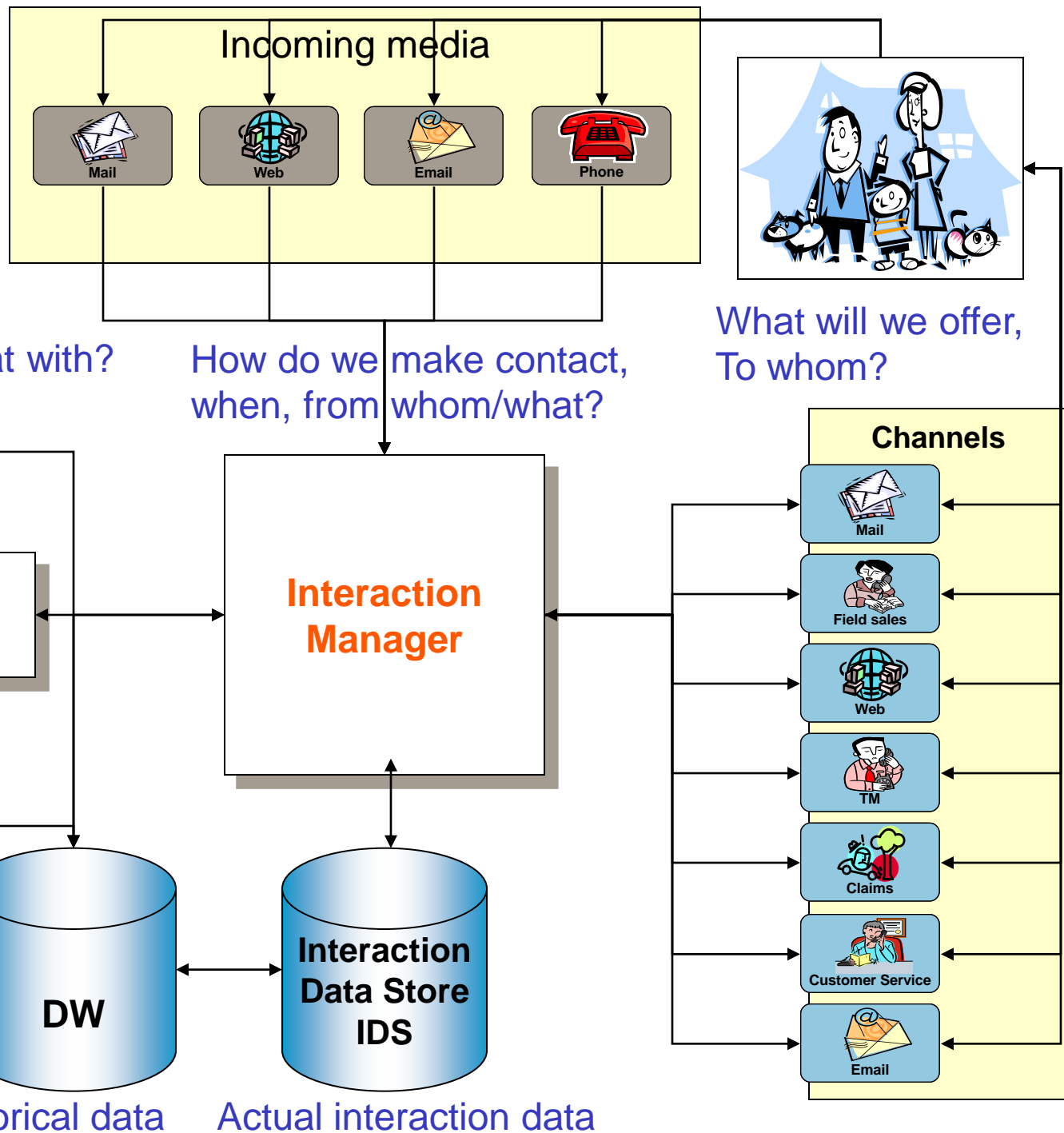


Analyzing the event

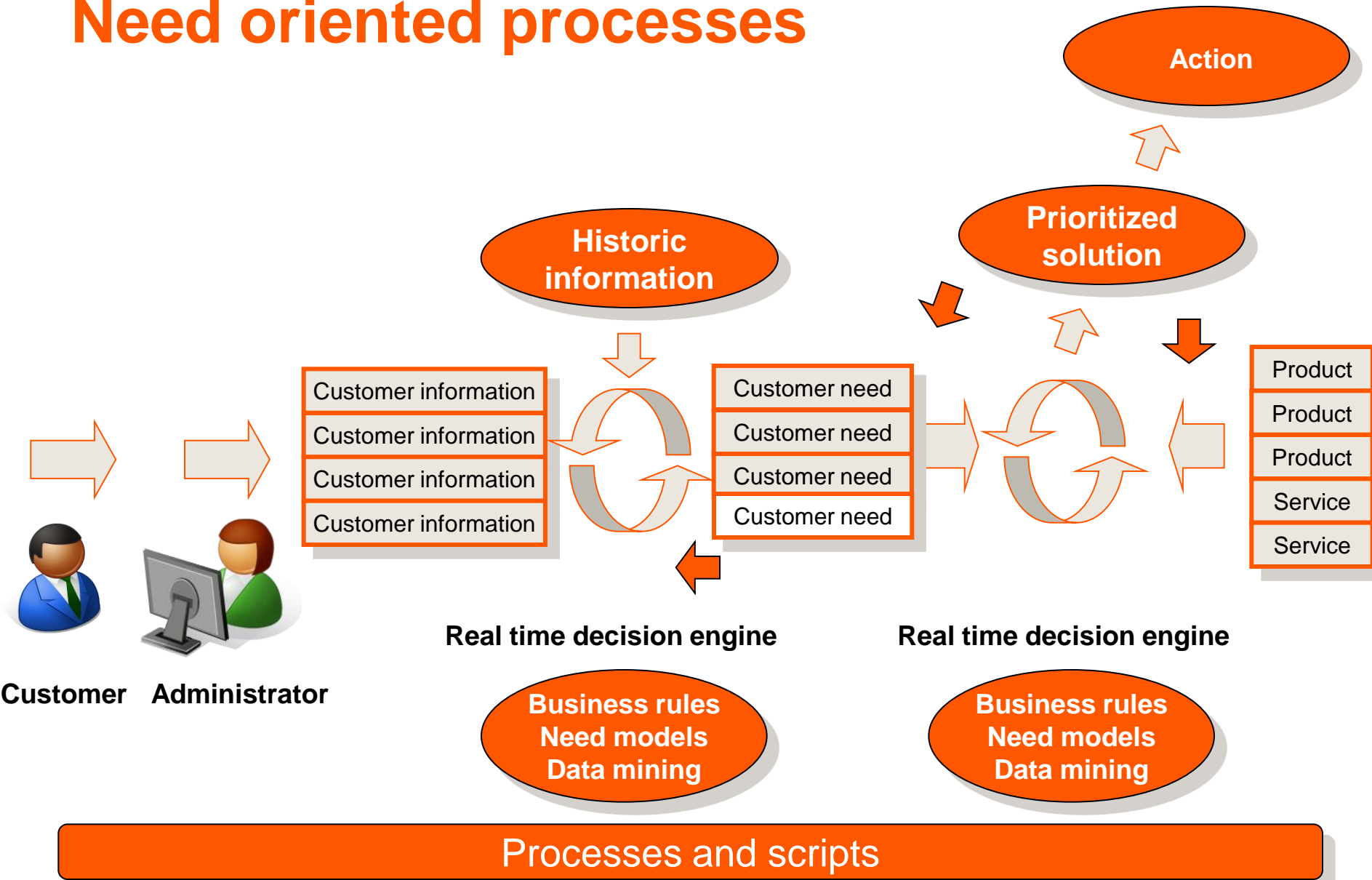
- Comparing change in needs after an event has occurred



CRM Architecture



Need oriented processes





A Customer Interaction Hub

Why would we need that?

Background

From:

Product

Information

Sales

One channel

From inside-Out

Expediting

Presentation

Product development

Long decisions

To:

Need

Communication

Relation building

Multi channels

Outside-In

Part in the process

Interaction

Need adaptation

Real time action



Aim



Objective, we will

- manage and store all *interactions* in ONE place
- be able to make decisions on the next step during the *interaction* or immediately after
- be able to allocate customers to the correct receiver where possible
- be able to resolve ALL the customer's needs for coverage and for that we need to achieve fast, coherent crossover of channels.
- with the aid of the CIH, be able to meet the customers' requirements on communications channels
- through knowledge of all *interactions*, be able to cultivate customers more in all sales channels
- obtain an overall view of the customer's entire communication with Folksam, which enables us to act as ONE Folksam.
- have the ability to optimise the channel in terms of both cost and customer development
- = ***The right customer to the right channel in the right time with the right information***

Overall areas of use and benefit

- To create an overall picture of the customer's interactions with Folksam.
- The ability to analyze the effectiveness of Folksam interactions.
- Better management of leads.
- Seek triggers for events
- Crossovers of channels
- Above all – Act



About us

Folksam has been more than an ordinary Insurance company since the start. For 100 years we have chosen to be an active participant and not a passive spectator. And we shall remain active for at least 100 more year, at least.



Quick wins (example) - Moving Customers

- Event-based campaign
 - When people are moving to a new place to live
- Important event to act on
 - Both a risk and an opportunity
- Multi-wave and multi-channel
- Automated Campaign
- >90% of the customers are contacted before
- 800 new leads distributed per day
- Leads are both prospects and customers
- New sales process – from product focus to customer centric



Quick wins – Moving customers

- 38% higher sales for prioritised products
- 500% more re-routes to other channels
- 300% higher sales for pension agreements
- 100% campaign response
- 35% drop in annulations
- 25% longer customer interactions



Our software vendors

- **Aprimo**
 - Campaign Management
 - Lead Management
 - MRM
- **Infor**
 - Sales
 - Service
- **SAS**
 - Analysis
- **Cognos**
 - Reporting
- **IBM**
 - ETL, DW



Lessons learned

- A long term CRM strategy together with short term plans
- Use the business case as your bible
- Start early with organizational readiness
- Top Management commitment
- A complex project with many competences
- Business process development was the key for us to be able to implement our strategies
- Be sure to have Top management in the Steering committee



Future challenges

- Change Management
- Act on all identified events
- Move more towards real time architecture
- Managing, maintaining and monitoring our implemented strategies





What's in it for...



Folksam

- Better understanding for our customers needs
- Being able to manage the processes for customer needs and service issues
- Better support for product development and pricing
- Effective use of our channels
- Loyal customers
- Increased Life Time Value

The Customers

- Increased customer satisfaction
- The customer need is taken care of
- Individual service
- Guidance in a complex insurance market
- Fast in taking care of change in life situation
- Increased security
- Simplicity in dealing with Folksam