


January 2019

ceo

The magazine for decision makers

Customer focus






The customer as the focal point

Focusing on the customer is elementary to staying in play in the future – more than ever, companies need to focus squarely on their customers. The way in which those consumers have to be approached and looked after will evolve constantly as a result of their ever-changing needs and the ceaseless march of digitalisation. This raises questions: in which areas and to what extent have our interview partners adapted to Customer 4.0? Which challenges in this regard will occupy your company, and how do you intend to master them? And: what does a peek at the future reveal?

In this issue of ceo magazine, we portray outstanding personalities as well as small and large companies from a wide range of industries – people who are asking themselves these and other questions.



Publisher:

PwC, Birchstrasse 160, 8050 Zurich, Switzerland

Layout:

PwC, Lisa Machado, Birchstrasse 160, 8050 Zurich, Switzerland

Graphics processing/print:

Linkgroup AG, Mühlebachstrasse 52, 8008 Zurich, Switzerland

Title photo:

Chimpy/Andreas Zimmermann

The opinions expressed by the interviewees may differ from those of the publisher.

This issue of ceo magazine is available in German, French and English.

Circulation: 7,000.

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Time brings transformation, because the passage of time changes society, politics, the economy and the environment – sometimes faster, sometimes slower. The linchpin of this evolution is man himself. He tries, multiplies, capitalises, optimises, digitalises. He constantly expresses new ideas, demands and wishes. So it should come as no surprise that an old principle is back in fashion: the customer is king.



Andreas Staubli
CEO PwC Switzerland

In this ceo magazine, we get to the root of today's rediscovered customer centricity. Because those who want to survive in the future need to focus more than ever on their customers. How this gets done depends largely on new customer needs and new technologies. Digitalisation places a new sceptre in the hands of customers, and they very much like to wield it – around the globe, around the clock, around any particular topic.

We asked personalities from business, education and healthcare why their companies are putting the customer back in the spotlight. And how. Some talk about advanced technologies and approaches that allow them to know their customers better and consequently serve them better. Others talk about new communication channels and a new understanding of customer relationships. And outside observers offer their thoughts on the revival of personal encounters and customer experiences in daily offline life.

Orell Füssli, for example, is celebrating its 500th anniversary in 2019 – five successful centuries in the service of its customers. In the early days, Bible texts were the source of income for this humble printshop; in the year of its founding, Zwingli had just taken up office in Zurich. Today, the family-owned enterprise specialises in banknotes, securities and books. And in so doing, it is able to satisfy a wide range of customer groups that have highly complex needs.

But despite their various professions, our interview partners are of like mind on one point: the customer is and remains a human being. He doesn't make only rational decisions; occasionally, they're straight from the gut. He changes his behaviour and allows for contradictions. He's well informed, excellently networked, digitally proficient, very viva voce and quickly makes himself heard via social media. In short: he wants to understand and be understood, to have a say and co-decide.

We, too, at PwC are keeping up with the times. That's one reason why we've freshened up our appearance: this is the debut of ceo magazine's new look & feel.

We are glad to elevate you to the throne of the critical reader – and wish you an enlightening lecture.

Andreas Staubli

How do customers tick these days?

Inspiring customers – from mere shopping to enjoyable experience. A current study by PwC Germany provides in-depth insights into how stationary retailers create a positive customer experience with the right services. How do customers tick these days? On this page, you'll find the top 5 answers.

What makes it easier for consumers to shop in a store?

Easy access to the store	76%
Good assortment with a large selection of products, so that no further shopping around is necessary	66%
Clear shop layout and easy navigation	65%
Sufficient parking spaces	58%
Friendly, helpful employees	57%

Do robots create added value in retail stores?

None of that for me – I wouldn't use such a thing	45%
The robot can lead me to the product I'm looking for, e.g. show me the quickest way to find it	39%
The robot can give me all the key information, such as ingredients, origin and price	36%
The robot can show me alternatives to an unavailable item	36%
The robot can give me tips on how to use a product (e.g. recipes)	23%

What creates added benefit for consumers when they're shopping?

Surprises, e.g. spontaneous offers, gifts, tastings, etc.	52%
Trying new products	49%
Large, exclusive product range	45%
Free drinks or snacks	44%
The shop offers a lounge corner, a bistro with drinks, a café or a restaurant	37%

What improves the payment process in the store?

Self-service (scan and pay) checkouts	61%
Display of the expected waiting time at the cash register	59%
Scanning products in the store and paying directly via mobile phone without going to the checkout	41%
Paying via an app from a payment provider at the checkout	41%
Paying via an app from the store chain at the checkout	37%

What do consumers want from sales staff? The salesperson...

... is friendly, mindful and present	75%
... is an unbiased advisor and gives the impression of selling the most suitable product	60%
... can adapt to me and quickly understands what I'm looking for or what suits me	51%
... gives me recommendations for appropriate products or alternatives	50%
... has knowledge of product origin, ingredients, etc.	48%

Which after-sale services are important to consumers?

Reliable delivery	93%
Uncomplicated, fast processing of complaints and rapid reimbursement	91%
Disposal of old products (e.g. electrical appliances, mattresses, etc.)	85%
Rapid, fault-free assembly service for bulky or complicated products (e.g. furniture)	83%
The possibility to choose a specific delivery date/time	81%

Accelerated development offers an array of possibilities

The customer wields the sceptre once again – owing to digitalisation. PwC expert Gustav Baldinger, Partner and Head of Advisory Services at PwC Switzerland, explains what this means for companies. He talks about the new opportunities for client centricity and speaks his mind about the need for customer experience and entrepreneurial agility.



Gustav Baldinger
Partner and Head of Advisory
Services PwC Switzerland

Mr Baldinger, how does digitalisation contribute to customer centricity?

It accelerates the development of products and services and offers various possibilities for segmenting customers in real time. In addition, more agile platforms for customer relationship management have emerged in the Cloud. Digital tools can be used to automate recurring customer interactions. All of this contributes to a more thorough understanding of customer behaviour and enables companies to engage with their customers more flexibly today.

Which industries are the most advanced in this regard, and which ones are the laggards?


Basically, all companies and industries are affected. Two prominent early adopters are the consumer goods and telecom industries. The B2C markets are subject to rapid innovation and technology cycles and are under tremendous price and margin pressure. Financial services providers, insurers and pharma/life science companies jumped on the bandwagon in a second wave. The public sector is one of the late followers. The manufacturing industry is concentrating mainly on the optimisation of their E2E value chains by means of the Internet of Things, artificial intelligence and robotic approaches, as their B2B business is less affected by other digitalisation trends.

Buyer experience and entrepreneurial agility are key components of business models that focus resolutely the customer. Why?

The customer experience has become more important, ecosystems have evolved and geo-economic changes have become more volatile. This forces companies to react flexibly to change. First, they have to establish short decision-making paths, form alliances and partnerships, and minimise interfaces. Second, they need to adapt their way of thinking and culture by continuously learning, strengthening their leadership culture, forming flexible team structures, as well as taking Gen Z into account in the ways and means they create value.

How client-centric is PwC?


Customer centricity is part of our corporate culture. Together with our clients, we conduct immersion sessions and accompany them with flexible methods and workshops in their quest for new business models. Moreover, through rapid prototyping, we make the customer experience and new business models tangible for the consumer. We listen carefully to our clients and grasp where they stand within their transformation. Based on these findings, along with our industry-specific experience and the innovative symbiosis we share with the client, we develop business cases with joint investments and joint returns. Together, we also build databases and platforms that can involve the inclusion of third-party partners and the formation of alliances. And finally, we set a good example: we invest a lot of time in the training of our people and entrust young, dynamic employees with responsibility for addressing today's digitalisation issues.



“Our challenge is to meet
the specific needs of our
customers and at the same time,
out of efficiency considerations,
strive for standardisation.”

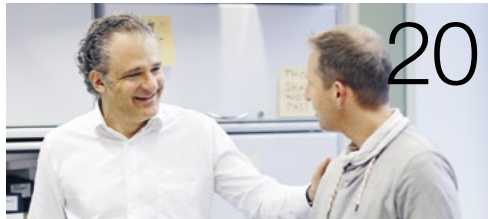
Thomas Klühr

CEO Swiss International Air Lines




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is close to the customer



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“I follow customer feedback practically in realtime”

Françoise Clemes explains how Sunrise has significantly improved customer satisfaction. The Chief Customer Services Officer of Switzerland’s second-largest telecommunications provider promulgates a proactive, customer-focused approach.

Sunrise is the second-largest telecommunications provider in Switzerland. However, with around 3.4 million customers, Sunrise is the country’s largest non-government-controlled telecom enterprise and thus the “leading challenger”. Together with partner companies, more than 1,000 agents work in direct contact with customers. Sunrise offers three brands: Sunrise, yallo and Lebara. The company employs a total of 1,700 people at its headquarters in Zurich, at its business locations in Prilly, Geneva, Bern, Basel and Lugano, and at 85 sales outlets in all language regions of Switzerland.

www.sunrise.ch

Text: Aline Yazgi
Photos: Markus Bertschi

Françoise Clemes is passionate about customer relations. Sunrise’s Chief Customer Services Officer (CSO) isn’t satisfied with quality alone – she strives for excellence. Just like Roger Federer, who has been Sunrise’s brand ambassador since 2014.

When asked about the fact that this private telecommunications provider won the Swiss Digital Transformation Award 2017, Françoise Clemes puts it into perspective: “This award was naturally a tremendous honour for us, but it doesn’t mean the culmination of our efforts, rather just the beginning. We were trailblazers in this area, a transition that’s of great importance to our customers. Since then, though, Sunrise has achieved much more. Our digital approach has become highly refined.”

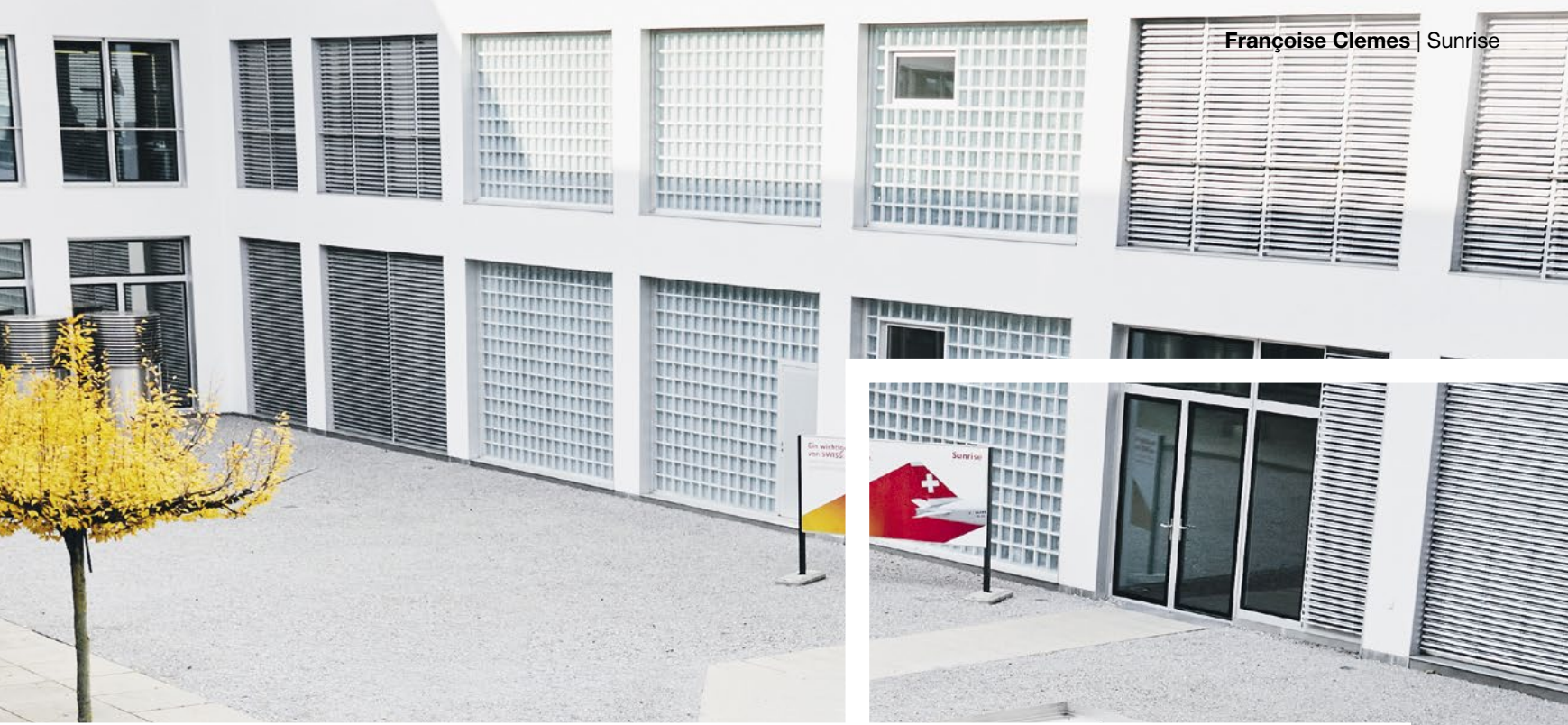
In other words, the Sunrise teams are now increasingly focused on the mishaps, which they analyse and correct to ensure that they don’t recur.

Speed and pragmatism

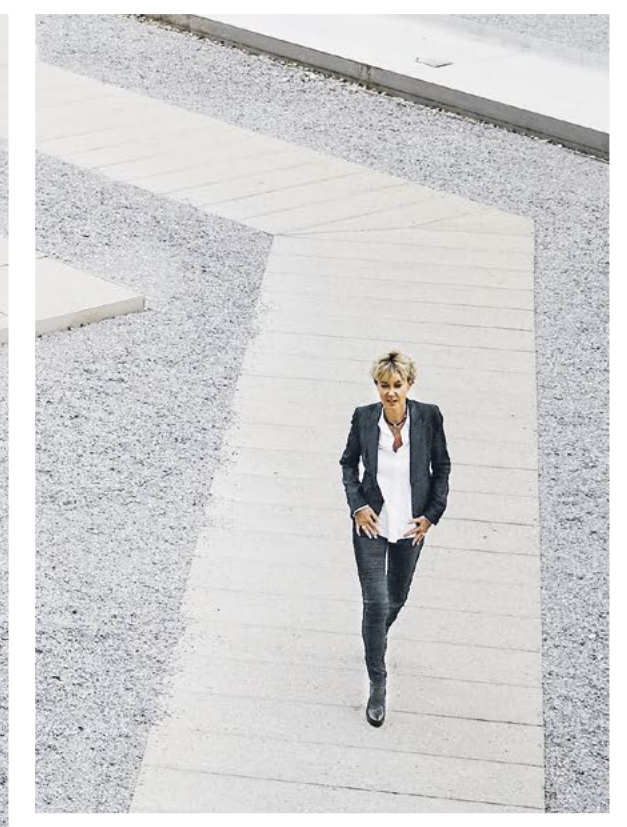
Specifically, the CSO advocates a transversal, interdisciplinary approach. “It’s not the digital team that takes the lead; rather, the entire company is devoted to solving customer issues. This allows us to make changes practically in real time. We can act quickly and pragmatically, because we experience the customer’s problem firsthand.”

The speed of response is enormously important because customers want immediate answers to their questions. “Electronic devices are now a central part of people’s everyday life. If you’re offline for more than two hours, you start to panic,” she says with a laugh, admitting that for her it doesn’t even take two hours.

The lesson from all this: as products become more complex, service needs to become ever faster yet. The know-how of the teams therefore had to be significantly improved, something which is now happening through practically constant supplementary training. “Although our profession has become very technical, customer service may never be technocratic,” the CSO is convinced.



For **Françoise Clemes**, telecommunications is certainly no book with seven seals. The trained psychologist (Master in Experimental Psychology and Human Engineering from the University of Paris Descartes) has been involved in the telecom industry since 1992. Before taking over as Head of Customer Services at Sunrise in June 2016, she worked in London for mobile operator EE (a BT subsidiary) as Chief Customer Services Officer and in Paris for Orange France Telecom Group, where she was Vice President HR Europe. A French citizen, she is the mother of two daughters.



In Egypt, I learned this Arabian saying:

“Before you speak, ask yourself whether what you want to say is more beautiful than silence.”

The voice of our customers

From an organisational point of view, this approach has led to a certain coalescence of the executive suite and the front. Every two weeks, a discussion forum is held where the customer advisors can state their opinion on what works well and what has caused problems. “And each week, we on the Management Board review these points. Our consultants are the voice of our customers. They’re the ones who draw up the roadmap.”

Outside of these meetings, all eyes and ears are focused on the frontlines also in everyday business. “I follow customer feedback practically in real time. We’re firmly anchored in reality, and that’s what steers our strategy.”

The company’s employees today have greater competencies and more freedom to act. Sunrise wants to ensure that each advisor can handle 99 per cent of the cases in order to avoid escalation, i.e. “customers being forwarded to several other contact persons before they get an answer to what they’re actually calling about”. To that end, “our people receive regular training and have constant access to updates, all of which greatly increases their motivation”.

Competence, commitment and quality: these are the keywords of customer service à la Françoise Clèmes. On top of that is passion. “The advisors have to be passionate about their work because this energy is perceived by the customer, and it’s contagious.” Whatever the case, Françoise Clèmes’ passion is definitely there!



Françoise Clèmes, the person

What from the past do you still appreciate today?

The candle. Even the light from the highest of high-tech lamps can’t come close to the glow of a candle. Although I love technology, there are simply things that shouldn’t be snuffed out.

If you had a magic wand, which product or service would you conjure up?

A product that’s automatically connected anywhere without your first having to set the bloody thing up before it can be activated.

How do you achieve your work-life balance?

I’ve never asked myself that question. If you love what you do, you don’t sense work as being a burden. The two spheres are closely intertwined – the clue is in being enthused about whatever you’re into at the moment.

Your most valuable tip for professional life?

KISS: keep it simple, stupid – that’s the key to success!

“The Swiss customer loves innovations.”

You worked abroad for a long time.

To what extent do your Swiss customers differ from those in other countries?

Swiss customers have significantly higher quality expectations. But by the way, in Switzerland there's a unique commonality, something that people here are not always aware of. Contrary to what might be occasionally whispered about the staid Swiss, the market is very open to innovation, and consumers like to try something new.

How is Sunrise adapting to Customer(s) 4.0?

Every week, we look at the feedback and carefully check everything that's not positive. We've implemented new digital processes that are very successful. And this only because we really and truly have listened to our customers.

In today's digital world, the customer experience is of paramount importance.

What are the most important issues for you as a customer service manager?

When our customer service department receives a call or a message, it means there's a problem. So my dream is that there would be no more calls and we'd only be there for consultations. That's why we want to be very proactive in this regard. My Management Board colleagues and I give constant thought as to how we can avoid problems before they even become issues for the customer. By anticipating problems and addressing them proactively, we ensure that there's no need for our subscribers to contact us. This is the best service we can offer the customer!

Can you give us an example of this proactive approach?

For instance, we've created a Welcome team for fibre-optic activation. Changing providers is complicated and stressful for the customer. So we decided to change our organisation and form a team with all the necessary know-how for such activation. The customer is then proactively accompanied by a personal contact person from the beginning to the end of the process. This fundamentally changes the relationship: the Sunrise agent is no longer Mr or Ms Unknown, but a dedicated contact person with a first and last name. And it's also highly motivating for our teams, who as a result are much more committed to the concerns of our customers. It's no longer an anonymous, nebulous process, but instead a genuine partnership. I'd now like to integrate this service into other areas of our business.

Customers appear to be rather flighty these days, especially in your industry.

How can you improve customer loyalty?

In Switzerland, people rarely change their provider out of cost considerations. We need to work on their satisfaction, because the correlation is clear: the more satisfied the customers are, the more loyal they are. Ensuring customer satisfaction is therefore the best way to prevent a switch to the competition.

And how do you measure customer satisfaction?

We use the NPS (Net Promoter Score) method, in which customers express their satisfaction on a scale of 0 to 10, whereby negative comments are accorded a particularly strong weight. In other words, a customer who gives a score between 0 and 6 is classified as a detractor, whilst only those who respond with a 9 or 10 are considered promoters. We then determine the difference between detractors and promoters, examine the comments and monitor the net results minute by minute. And I can tell you that all these efforts have certainly been worth it: the number of our detractors has decreased dramatically.

Like many other companies, you've chosen an omnichannel strategy where the bricks-and-mortar locations and digital services complement and mutually reinforce each other. What are the key points to consider in order to best meet customer needs?

It's important to understand that these are not mutually exclusive channels: customers don't use just one channel. The channels therefore need to communicate with each other. As a rule, the customer first obtains information online and then visits the shop. But it's never a static customer route, and the fluidity between the channels is very important. So the key point here is: it takes homogeneity between the channels, otherwise conflicts arise.



“The Swiss aren’t indifferent to what happens to Swiss”

Swiss CEO **Thomas Klühr** is delighted that guests still have an emotional bond with Swiss International Air Lines. In future, he wants to introduce personalised offers that correspond much more precisely to their needs – even as the procedures behind the curtains become more standardised. Digitalisation is sure to be of help to him in this balancing act.

Text: Roberto Stefàno
Photos: Andreas Zimmermann

There’s a strong emotional bond people in this country have with Swiss. Where does that come from?

Airlines generally arouse emotions because they create a bridge to people’s dreams of foreign shores. And as Switzerland’s home carrier, Swiss is the connection to the world for many people here. What I find particularly striking, though, is that – no matter where I go – folks in Switzerland always know someone who has worked for Swiss or its predecessor, Swissair. That naturally strengthens the emotional bond.

How important is this solidarity to you?

It pleases me greatly. The Swiss aren’t indifferent to what happens to Swiss. Equally spoken, we at Swiss have a responsibility; we’re brand ambassadors for Switzerland, and that can be quite demanding.

Does this bond suffer in any way from the fact that Swiss belongs to the Lufthansa Group?

We must always make it clear to people how firmly anchored we are in Switzerland. What many don’t know: 70 per cent of our employees have a Swiss passport; 90 per cent work in Switzerland. The majority of our suppliers are local companies. We also draw up our flight schedule according to the needs of the local population. I’d venture the guess that there are only very few companies as Swiss

as we are – and Lufthansa has no interest in changing a winning team.

You fly to over 100 destinations in 43 countries. What are the differences between the passengers that come from and fly to different countries?

For one, the customer groups are becoming increasingly similar. But on the other hand, the need for personalised offers is increasing – worldwide, even in Switzerland. We try our very best to fulfil this desire, regardless of cultural differences.

What do you mean when you talk of personalised offers?

Customers these days use several different channels when preparing their trips. They take advantage of everything from online platforms, to social media, to the traditional travel agency as the means for getting in touch with us. We have to deal with these in a differentiated way. The flight itself can also be individualised: some travellers have no choice but to fly with luggage, others prefer not to. The same applies to meals, entertainment and much more. Our challenge is to meet the specific needs of our customers and at the same time, out of efficiency considerations, strive for standardisation.



Swiss International Air Lines, or Swiss for short, is Switzerland’s flagbearer in the sky, with operative headquarters in Kloten. From airports in Zurich, Geneva and Lugano, it serves over 100 destinations in 43 countries across the globe with a fleet of 90 aircraft. Each year, some 17 million passengers fly with Swiss, a company that has been a subsidiary of the Lufthansa Group since 2005 and is a member of the Star Alliance network.

In 2017, Swiss, with its more than 8,800 employees, generated revenues of close to CHF 5 billion.

www.swiss.com



What does it take to keep passengers satisfied on board?

The customer must feel comfortable and be able to unwind. Our guests use the time on board to catch a movie, read e-mails or simply be unavailable for a few hours. A good entertainment programme and tasty meals are musts. And it's also important to have a crew who know how to respond to the individual passengers.

Where do you see the greatest potential for optimisations?

During phases like last summer – if you recall, European airspace was overloaded and the ground infrastructure had practically reached its limits – we need to take even greater care of our customers and inform them of irregularities.

How are you preparing for the summer of 2019?

We're trying to bring relief through the deployment of additional reserves in terms of aircraft and crews, but also by planning

differently those routes that are susceptible to delays. Moreover, we'll improve the processes both on board and on the ground. Our procedures are very customer-friendly, but they frequently lead to delays in boarding. In the event of disruptions, we have to be in a position already at an early stage to inform our guests about connecting flights and alternatives. Basically, the infrastructure at airports – here in Zurich as well – needs to be expanded even further in order to avoid gridlocks.

How important is it for Swiss to take care of its guests on the ground?

It's the way for us to stand out from the crowd of our competitors, especially on short-haul flights. In Zurich, I'm very satisfied with where we stand at the moment. This past year, we completely renovated our lounges in Dock A. The new SWISS First Lounge A now offers our top customers a dedicated security control area. Another little amenity: a coat-check option for the duration of their journey to warmer climes.

“Despite all the adventurous digital possibilities, people’s desire or necessity to travel will still be there.”

Thomas Klühr, 56, has been CEO of Swiss International Air Lines since February 2016. The aviation specialist from Nuremberg joined Lufthansa in 1990 and held various positions with this parent company of Swiss, most recently as Chief of the Lufthansa Hub in Munich. Klühr studied business administration at the University of Erlangen. He is married and the father of two grown-up children.





And since late last year, our Terminal 1 check-in area has been radiating in new splendour and exemplifying our brand values more strikingly than ever before.

Swiss recently invested in new aircraft. To what extent was the customer in mind here?

As we were the first airline in the world to put Bombardier's C Series (now Airbus) into service, there was very close cooperation between the manufacturer, our technicians and our pilots right from the start. The customer perspective was of great importance in the development of the aircraft. This can be seen, for example, in the capacious luggage racks, large windows and roomy cabin.

How has customer behaviour changed in the last 15 years?

Certainly the most important change can be seen in the way customers prepare their trip. Today, this is accomplished digitally and regardless of location. We need to adjust more adeptly to this change.

Is this having an effect on your organisation?

We're becoming even more digital. For example, all cabin personnel now have tablets that can be used to call up passenger information, products or duty schedules at any time. The rapid growth in digitalisation is also having a major impact on aircraft maintenance. Today, the planes are constantly sending data, which we then evaluate in order to identify early on when it will become necessary to replace a part. In order to make better use of synergies within the Group and to facilitate the transfer of know-how, we've also introduced a matrix organisation.

Brief questions – short answers

How do you achieve your work-life balance?

Suffice it to say that my work-life balance is in need of improvement – yet I'm convinced that achieving that balance over a one-week or even a one-month period is hardly possible in my position. Nonetheless, I consciously plan any available downtime to gain at least some semblance of work-life balance.

Your favourite app?

Kicker.

Your private highlight in recent months?

My daughter completed her master's degree and started her work as a teacher. This is a special moment for us as parents, even though we didn't play much of a role in that achievement. I'm very happy for her.

Your most valuable tip for business life?

You need to stay authentic, do what you enjoy, and not constantly reinvent yourself out of the belief that people expect it of you.

What do you wish for yourself in the years ahead?

Health, for me and my family. People often only comprehend this once they're ill and everything else suddenly takes a back seat. Politically, I hope we don't forget what made Europe and Switzerland great. We need to stand up and make sure that the nationalist ideology being propagated in Europe these days doesn't take root. I believe that this is a vital task.

Your favourite meal?

Ham and noodle casserole.

Taking a look at the future: which needs and behavioural patterns will characterise airline customers ten years from now?

The need for mobility will almost certainly grow, this because – despite all the adventurous digital possibilities – people's desire or necessity to travel will still be there. This of course is good news for us as an airline. However, we'll need to focus even more closely on the specific concerns of our customers – all the while as we attempt behind the scenes to standardise certain processes. Given the overburdened airport infrastructure in Europe, we want to be better equipped to deal with irregularities before they actually occur, and otherwise avoid annoying disturbances. Nonetheless, it's essential that investments be made in the physical infrastructure. Unfortunately, that's not happening in Europe right now.

How will the airline business of the future look?

In Europe, I expect to see further consolidation within the industry. Ultimately, no more than five major players are likely to survive. The Lufthansa Group – and with it, Swiss – will play a leading role. I also place great

hope in data analysis as a means for predicting future trends. One way or the other, the data dimension will gain in importance for airlines as they strive to resolve the contradiction between personalisation and standardisation. On the other hand, the trend is towards heightened data protection. Those who offer the best solutions to this inherent conflict will be the ones who come out on top.

When will we be flying for the first time in a pilotless plane?

That's likely to take even longer. Today, the majority of customers have no desire whatsoever to board an aircraft that will fly at close to supersonic speed with no one at the helm. Moreover, thousands of new aircraft are currently being delivered with pilot-tailored cockpits. Those planes will be in the air for at least another 20 years.

But technologically, that would be possible, right?

In principle, yes. But things happen on board that don't necessarily conform with the norm. And then we're all happy when a real live person is there to deal with the situation.



Andrea Schenker-Wicki (59) is Rector of the University of Basel. After studies in food engineering at the ETH in Zurich and economics at the University of Zurich, she received her doctorate in operations research and computer science from the University of Fribourg. She began her career at the National Emergency Operations Centre (NEOC). Andrea Schenker-Wicki then became Head of the University Section of the former Federal Office for Education and Science, as well as Full Professor of Business Administration at the University of Zurich, where she also served as Deputy Rector from 2012 to 2014. She is a member of numerous commissions and committees, is married and the mother of two children.

High-level education

Andrea Schenker-Wicki, Rector of the University of Basel, heads a major institution with over 5,000 employees – one that doesn't serve what would normally be considered the traditional customer, but rather those people whose hearts and minds are focused on top-notch education.

Text: ceo magazine editorial staff
Photos: Andreas Zimmermann

When the Rector's eyes drift from her desk to the window, Basel sprawls at her feet. In the distance, the Roche Tower, currently the tallest building in Switzerland, soars above the city. The Rectorate housing Schenker-Wicki's office, where white furniture and light wood dominate, is situated on the second floor of a sober, purpose-built block on the Grossbasel side of town. Basler Handels-Gesellschaft AG and drug industry federation Interpharma reside under the same roof.

We get to talking about customers. When asked who the customers of a university might be, Andrea Schenker-Wicki needs a moment to think. Customers? "No," she concludes, "we don't speak of customers here, but rather of stakeholders." In the case of this 558-year-old educational institution, these include the students, assistants from the lower and upper level teaching staff and the professors, as well as what in certain instances are the highly qualified technical personnel, without whom no research or lecturing would be possible.

However, the Rector is also heavily involved with external stakeholders, amongst them the executive and legislative branches of the funding cantons Basel-Stadt and Basel-

Landschaft. Add to that the public, the media, other educational institutions, research partners, third-party donors and private benefactors, as well as suppliers and service providers of all kinds who contribute to the smooth functioning of such a large-scale operation. Although it's not always easy to discuss the constant need for equipment and resources: "I have great respect for the work of politicians," says Schenker-Wicki.

"Contextual know-how is becoming more important."

Schenker-Wicki has difficulty using the term "customer" to describe the 13,000 or so students who, due to their demand for education and payment of tuition fees, could normally be categorised as such. No, she's of that mind because those who learn do so for themselves and their own personal advancement. Knowledge is not a commodity; it's not a service in the classical sense, she says.



Founded in 1460, the University of Basel is Switzerland's fifth-largest canton-supported comprehensive university, with almost 13,000 students today, including some 2,700 doctoral aspirants. The university's annual revenues amount to about CHF 750 million, almost half of which comes from its two patron cantons, Basel-Stadt and Basel-Landschaft. With around CHF 150 million third-party funding raised each year, the university holds a leading position amongst its Swiss peers in the attraction of financial backing for research.

www.unibas.ch

How has digitalisation changed the tasks and behaviour of students in recent years?

In the teaching environment, new tools have been added that make processes more efficient, perhaps even a little more anonymous. This already starts upon registration, which today is accomplished independently, online and regardless of the time of day. In terms of the learning experience, the study routine has become more digitalised thanks to podcasts, visual aids and simulations. This makes the classical lecture more attractive. These days, many students come to the auditorium with their laptops instead of a pen and paper. However, a bricks-and-mortar university is not just a place for acquiring knowledge; it's also a venue for intellectual exchange, discourse and learning to focus. Contextual know-how

When it comes to people motivation, the Rector quickly finds the right words. For her, it's important to foster autonomy and self-reliance. "We encourage our faculty to make the most out of their freedoms, to take responsibility and act entrepreneurially," says Andrea Schenker-Wicki. The available resources are scarcer and competition more intense, even as teaching and research – especially in the natural sciences – has become increasingly complex and expensive.

is becoming more important. The manageable size of our university, with its almost family-like atmosphere, offers optimal conditions for this.

When it comes to studying, is there still the necessary leeway?

The Bologna system has made studies more rigorous and demanding. The number of examinations has increased. Students need more time to accumulate the necessary credits and, at least during the semester, they have a tight schedule and less free time than before. Many also have to work part-time to make ends meet. But we've also seen growth in extracurricular activities, such as sports.

How do you come in contact with the students?

With today's digital possibilities, you can reach out to many of them very quickly and very easily, for example by means of an e-mail newsletter – but whether we actually get through to the addressees is another question. Mailboxes nowadays are often cram-full. I can't find the time for some other route such as social media, since that presence needs to be continuously administered in order to have an impact. Of much greater importance to me is the personal contact and exchange with our students, during which I can win their confidence and spark their enthusiasm.



**“We concentrate
on our strengths.”**

Transparency of research projects

The University of Basel is one of the country's leading universities in terms of raising third-party funds for research projects. Of great help is its proximity to the internationally positioned pharmaceutical and chemical companies that have concentrated a portion of their proprietary research activities in this Rhine-knee metropolis. "Switzerland's future prosperity depends to no small extent on what our universities achieve. They're drivers of growth in their respective domestic

regions and for society as a whole," Schenker-Wicki is convinced.

The Rector cites the new eye institute established jointly with Novartis as an example of the opportunities that can come from such collaboration. This project represents a unique chance, in that the fundamental and clinical research as well as product-specific development are all conducted under one roof.

At the University of Basel, a comprehensive sponsorship doctrine, "one of the strictest in Switzerland", applies to the promotion of research projects. The contracts with external partners are made public and can be inspected. The Rectorate is committed to full transparency and ensuring the independence of committee members.



What do you expect as a customer?

What would you definitely not want to do without?

I absolutely adore sweets – Basler Leckerli for example. It's always been that way with me. But when it comes to services, I can't imagine getting by without my household helper. I'm very busy professionally and wouldn't be able to cover all the bases if it weren't for her.

point B, travel is becoming more and more bothersome. Beaming... wow, that's the way to go!

What do you like that's just the way it's always been?

Having a good old-fashioned newspaper in my hands. Simply sitting back, taking time and sipping a good cup of coffee.

If you had a magic wand...

If I could, I wouldn't travel anymore, I'd beam myself. Despite the increasing number of ways to get from point A to

What's on your shopping list?

A new washing machine, but I don't have the time. Maybe I'll get around to it in 2019.



Educational offerings at the university level are increasingly competing with each other. What does this mean for your curriculum and services?

Especially with the young students, we need to spur their enthusiasm not just for studying, but also for the field they're majoring in – otherwise they'll go somewhere else after earning their bachelor's degree. Other, larger universities offer a broader range of subjects than we do, and we charge comparatively high tuition fees. This forces us to excel in what we do and focus on our strengths in order to keep up with the competition.

Swiss universities are also highly regarded by foreigners. How do you reach those potential students, and what can you offer them?

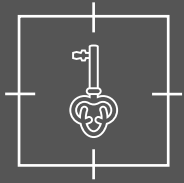
Compared to other Swiss universities, the proportion of foreign students at Uni Basel is below average. The cost of living and relatively high fees here may be a reason for this. But the non-Swiss proportion of doctoral students and postdocs is signifi-

cantly higher at over 50 per cent. These up-and-coming scientists are attracted by our top-notch professors and quality of research.

Rankings attempt to make the quality of universities comparable. Where does Uni Basel stand, and what is the point of such comparisons?

Some of these rankings are justifiably criticised. But they do exist, whether you like it or not, and they serve as orientation. In the "Times Higher Education" ranking, the University of Basel is most often amongst the top 100; sometimes just above the threshold, sometimes below. I see a clear causality between budget and student enrolments. More money at a university leads to more and better offerings and thus to a higher place in the rankings. This puts smaller universities at a disadvantage. Moreover, competition from Asia is growing. We are currently seeing how China is progressively becoming a knowledge nation.

From the Rector's office window, the view over the roofs of Basel reveals a spatial dichotomy: here, the old town, the time-honoured and the familiar, the 558-year tradition of the University. Over there, the cosmopolitan, globally oriented business district, the neighbouring countries, the traffic. Andrea Schenker-Wicki describes her activities as "the most interesting work I've ever had the privilege of doing". She finds the challenging topics, the interaction with young people and the disruptive times we live in "immensely enriching" – but also a tremendous challenge.



100 million logins each year

UBS already records 100 million logins per year from its e-banking and mobile banking clients. And today, the vast majority of payment transactions are also handled via digital channels. **Andreas Kubli**, the digital Top Gun at UBS Switzerland, talks about new client solutions, and reveals whether the bank of the future will become 100 per cent digital or still need real live people behind the counter.

UBS is the largest Swiss universal bank. Switzerland is the only country in which the bank pursues all five of its specialised business areas – personal banking, wealth management, corporate and institutional clients, investment banking and asset management. UBS employs a total of around 21,000 people around the world and services 2.5 million clients. In 2022, UBS will celebrate its 160th anniversary.

www.ubs.ch

Text: Mark Baer
Photos: Marc Wetli

Andreas Kubli has been bringing a breath of fresh air to UBS ever since he joined the company in 2013. As Head of Multichannel Management & Digitization, he's put together numerous channels and launched an array of new products for the bank. An example: the Paymit mobile payment solution, which was integrated into the Twint app in 2016. Other achievements of his team include the Access app and the SumUp card terminal. The app enables customers to conduct banking transactions simply and securely via their mobile phone or computer. Any gadgets necessary for further identification are now a thing of the past. SumUp, on the other hand, is designed for SMEs and start-ups and allows their customers to pay easily with credit or debit cards.

"The digital route has become tremendously important," the 49-year-old tells ceo magazine. Five years ago, things were quite different. Today, though, customers are

making increased use of mobile banking, e-banking, Twint and other digital offerings. "Last year, for the first time, we registered 100 million logins from our customers." In addition to this "clear shift to digital channels", Kubli also points out the fact that Mr and Mrs Swiss are increasingly doing their banking business via smartphones. "All in all, the number of mobile-only users has increased by almost 60 per cent alone in the past year." In other words, 40 per cent of all active UBS Mobile Banking clients now use only the app on their smartphone to handle their digital banking transactions.

Digital payments

That the bank is becoming increasingly digital is something Kubli also sees in the ways it communicates with clients and goes about processing payment transactions. "Today, more than 60 per cent of our customers already receive their bank documents electronically," explains the

Zurich urbanite. In addition to providing convenience for customers, the switch to e-documents also increases the bank's efficiency. "In the past, we sent on average more than 100 pages of paper per year and customer in some 30 envelopes. With 2.5 million customers, those were tons of documents and countless trees that can now be saved.

Meanwhile, the payment transactions of UBS clients are now conducted almost exclusively via digital channels such as e-banking, mobile banking or Multimatt machines at the branches. "Today, less than 1 per cent of all payment orders are still submitted at the counter, by letter, fax or e-mail," says Andreas Kubli.

The payment app Twint now has one million activated users, and roughly 400,000 of them use the app at least once a month. "That's quite a respectable number," digital aficionado Kubli is pleased to say.



“The desire
for a human touch
will always be there.”



“In private banking, for example, the trading turnover of digital clients is 80 per cent higher than that of non-digital clients.”

Andreas Kubli has been Head of Multi-channel Management & Digitization at UBS Switzerland AG since 2013. As Group Managing Director, he is responsible for the digital activities of UBS Switzerland. Under his leadership, various digital channels and e-customer solutions have been introduced. He joined UBS in 2010 as Head of Strategy Switzerland. The 49-year-old Zurich townsman originally studied jurisprudence and graduated with a degree in law. After having earned his Master of Law in New York, he worked for McKinsey in Zurich and Hong Kong for a total of 12 years.

Andreas Kubli as a customer

What product or service would you definitely not want to do without?

My two smartphones. For instance, when I'm waiting for my Uber driver to show up, I can follow his approaching car on one device and read the newspaper on the other smartphone. I think that's great!

If you had a magic wand, which product or service would you desire for the future?

I'm still looking for the paperless office that nonetheless offers me all the amenities of paper. During a meeting, for example, I usually have various dossiers in small folders in front of me. I can quickly flip from one to the other. With a smartphone, it's still difficult to switch from one file to the other. In a perfect digital world, I'd like to see precisely this advantage that paper offers.

What do you appreciate that's still the same as it always was?

My more than 60-year-old watch, which I bought at an auction 15 years ago. I'd never trade this Rolex for a smartwatch. I have nothing against clever watches, but they don't offer me any added value

at the moment; if they did, I'd be wearing one right now on my other wrist.

How do you arrive at personal decisions – rationally, or straight from the hip?

When it's a matter of product type, I buy rationally. But when it comes to the product itself, I tend to choose more emotionally. For example, I bought a gadget that acts as a constant hotspot when I travel abroad. The mere fact that I wanted such a roaming fee saver was a head decision. But the actual choice of device was a gut-level decision.

What's at the top of your shopping list for 2019?

I always plan little New Year's projects. This year, I have my mind set on buying a drone. Last year, I tested several voice assistants.

Digitalisation is a win-win for both sides

The bank clientele who benefit from UBS's digital offerings are "happy and loyal", according to Andreas Kubli. "The customer satisfaction reported by these people is significantly higher, and they tend to stay with us." The departure rate for customers who use digital products is 70 per cent lower than for those who have yet to go digital. Moreover, this particular Swiss universal bank also generates significantly more income with digitally active customers. "In private banking, for example, the trading turnover of digital clients is 80 per cent higher than that of non-digital clients."

So it comes as no surprise that the Multi-channel Management & Digitization area is important for UBS. Under Andreas Kubli, a team of 180 people now work in Switzerland and about 20 in Poland. A digital factory has also been set up at the bank's headquarters on Zurich's Paradeplatz. Employees from all areas of UBS work there. "In the Digital Factory, we put our heads together and constantly deliberate on what banking is like from the client's vantage point," explains Kubli. "In this connection, we define so-called client journeys and think less in terms of bank-internal silos the way we used to do." The Digital Factory has therefore changed UBS's structures. Another facility of its kind will be added later this year at the bank's offices on Hardturmstrasse in Zurich.

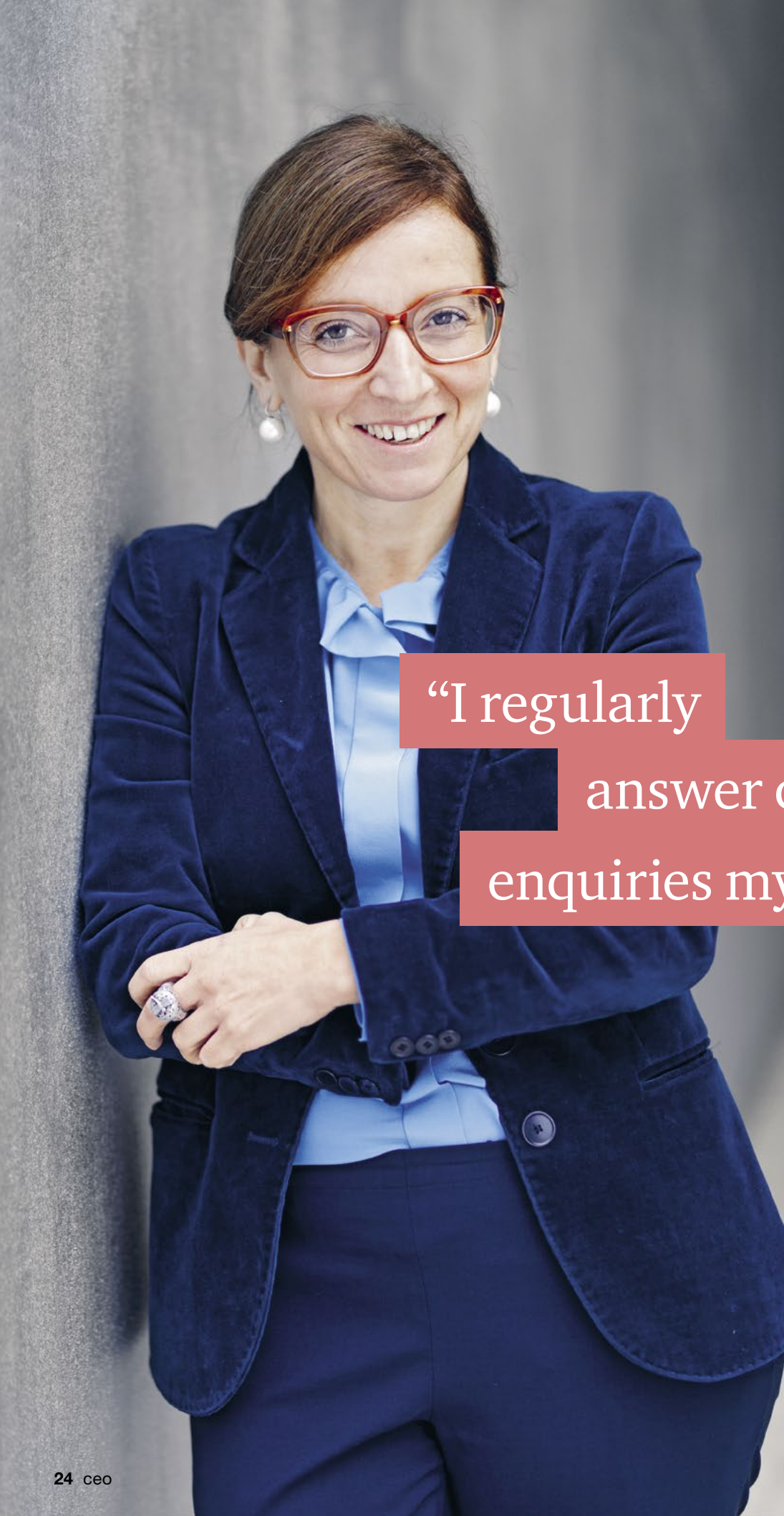
"High tech and high touch"

Today, customers are integrated into the development process at a very early stage, for example when it comes to testing prototypes. The related findings flow into the further development efforts. The agile work approach at the Digital Factory always centres on solving customer problems. "With all our developments, the client is constantly in the spotlight." Today's customers expect from their bank simple, fast services that are available anytime and anywhere.

Digitalisation will create new segments and lines of business also in the broader financial services industry. Andreas Kubli cites the blockchain-based trade finance platform we.trade as an example. This international project, in which UBS is the only Swiss bank participant, aims to help business clients

conclude complex raw goods transactions economically and without their having to deal with reams of paperwork.

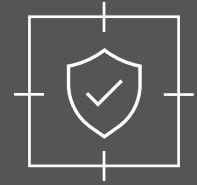
Despite the relentless march of digitalisation in the financial sector, Andreas Kubli doesn't believe that his firm will ultimately become a 100 per cent digital player. "As a universal bank, we'll take the hybrid approach for the majority of our customers also in the decades to come: high tech and high touch." Especially when it comes to complex client needs, such as real estate financing or the issues relating to corporate succession, personal contact will remain a central element according to this UBS manager and family father.



“I regularly
answer customer
enquiries myself.”

Philomena Colatrella (50) has been Managing Director and Chairwoman of CSS Health Insurance since 2016. She's worked for the company in various capacities ever since 1999. This modern-day insurance aficionada originally studied law at the University of Fribourg and was admitted to the bar of the canton of Lucerne. Philomena Colatrella is married and a native of Lucerne.

“Customer orientation has to be proactively exemplified”



For **Philomena Colatrella**, the customer is at the centre of all her entrepreneurial activities. In order to feel the pulse of the premium payers, the Head of CSS Health Insurance regularly responds to customer enquiries herself. She wants to get a grip on today's rising health costs through a balanced inter-relationship between solidarity and self-responsibility.

Text: Roberto Stefano
Photos: Marc Wetli

“The customer is king” is an important precept in business life. Do you also see it that way?

Customer needs are central to CSS. Wherever possible, we try to involve our policyholders. To this end, we evaluate the feedback from them as well as conduct customer surveys and market research. For me, customers are the point of departure for all activities of a company.

How does this customer orientation become noticeable?

Customer concerns are regularly addressed by the Executive Committee and Board of Directors. In addition, we've formed interdisciplinary teams which, as a network throughout the company, attend to specific customer concerns and consequently find solutions quickly and efficiently. But customer orientation also has to be proactively exemplified. That's why I, too, regularly answer enquiries myself.

Customers actually get through to you directly?

I continually get feedback from policyholders, and I feel it's my personal responsibility to address their troubles. For me, those enquiries are an indicator of the issues that bother customers.

What's at the top of their wish list?

Affordable premiums, naturally. But also optimal insurance coverage and good service.

The needs of your customers vary greatly: the healthy policyholders want low premiums, those with ailments want comprehensive benefits. How do you deal with this?

We try to cover the differing customer needs by means of our multi-product strategy. Our online insurance platform Sanagate is aimed more at a young, digital-savvy audience, whilst CSS is more likely to appeal to the older generation. Our subsidiaries Arcosana and Intras are also geared to specific target groups.

But there's still the conflict between the objectives of healthy people and ailing customers.

That's the basic happenstance for health insurers. We try to address the healthy customers with prevention and health maintenance offers, and in case of illness see to the optimal therapy. However, the scope is limited: the law prescribes which procedures we're allowed to cover.

The CSS Group, headquartered in Lucerne, is Switzerland's largest basic health insurer with 1.38 million customers. In total, the company insures 1.7 million policyholders and earns premium revenues of around CHF 6.27 billion. CSS has 110 agencies throughout Switzerland and employs 2,700 people. The Group encompasses health insurers CSS, Sanagate, Arcosana and Intras.

www.css.ch



“Our credo: we accompany our customers through the various episodes of ‘being healthy, getting healthy and living with an ailment’. And we make it easy for them to navigate through our digital and analogue offerings.”

If we can't compensate a specific treatment, we need to explain the decision to the customers in the best possible way and discuss with them the various options for supplementary insurance.

When it comes to prevention, we have the myStep programme where policyholders receive compensation for the number of steps they've taken per day. I'm really enthusiastic about this programme. In future, we want to offer even more opportunities in this area.

What are you thinking of?

Nutrition is certainly an important issue, just as much as physical activity and relaxation.

How relevant are these digital services for CSS?

They're important because more and more customers want to take a digital path through the insurance process. At the same time, however, we're trying to achieve a balance between digital and analogue offerings.

Why is that?

With our omnichannel strategy, we're striving to reach out to our customers via a wide array of channels, whereas the digital route is naturally of central importance. But we also have a dense agency network that we're also investing in. Our credo: we accompany our customers through the various episodes of “being healthy, getting healthy and living

with an ailment”. And we make it easy for them to navigate through our digital and analogue offerings.

To what extent do you use these digital offerings to attract new customers – especially young ones?

We're very active in promoting our digital channels and using them to reach new customers. We feel that both younger and older health insurance customers have a need for digital services, as well as for uncomplicated, efficient support.

You were recently awarded a prize for your QualiCheck hospital comparison service. What's the idea behind it?

Comparisons in the healthcare field are necessary because they heighten transparency. Our goal is to show customers what a hospital can accomplish. In future, we want to go one step further and develop the portal into a kind of TripAdvisor.

Should your customers write their own critiques?

Yes, we want to take their opinions into account.

When you see how the critiques of hotels turn out, this doesn't seem to be – how should I say? – unproblematic...

We'll certainly give careful consideration to how we involve the insured commentators. Customer guidance is crucial, as it's often difficult for policyholders to judge

whether an orthopaedist is doing his job well or not. That's why we have to offer assistance in this regard.

Will this have an influence on the list of accredited hospitals?

This aspect is specified in the basic insurance policy. But when it comes to supplementary insurance cover, we can make the choice ourselves. This control mechanism is very promising in terms of the cost debate. And policyholders could save premiums by accepting a restriction on the choice of hospital – similar to the alternative models for basic insurance. It's also conceivable that we would offer an incentive if their decision is based on the recommendations of QualiCheck.

You once said that you invest a lot in the effort to understand customer data, structure it and then use it for the benefit of customers. What's to be understood with that?

It relates on one hand to billing and cost control. Here, we want to heighten the degree of automation so we can focus more on the complex cases. Over the past three years, we've succeeded in doing this quite well. On the other hand, with the help of data analysis, we try to identify customer preferences in order to offer people new products and services. Data protection is a top priority here. We're in regular contact with the Federal Data Protection and Information Commissioner, to whom we

Philomena Colatrella – up close and personal

What personal goal have you set yourself for 2019?

I'd like to take more time for "needy things" and relaxation – like playing the piano.

How do you tank up on energy?

Regaining balance through sport is important to me. But I recharge my batteries most when I can spend an evening with friends and have interesting conversations. I'm a sociable, impassioned person.

What guiding principle do you adhere to in business life?

Stay true to yourself.

Are you a meadowlark or a night owl?

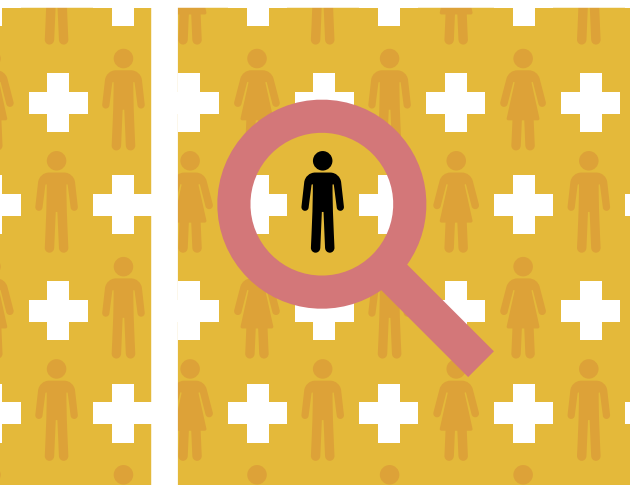
Both. I read a lot from 4 to 6 in the morning. Six hours of sleep is enough for me. I benefit from the fact that my regeneration time is relatively short; my fuel cells fill up quickly.

If you could do magic, which product or service would you like to conjure up in the future?

Well, that would be a digital advisor who could supply answers to all the questions I'm confronted with 24 hours a day – from health matters, to what's for dinner.

What's at the top of your shopping list for 2019?

A new upright piano. My old one now lives in my parents' vacation house. And I don't have room for a grand.



submit all our plans. Only if we handle customer data very prudently, can we expect our policyholders to grant us the necessary trust.

Many insured people fear that they'll become a "glass customer" as a result.

It's crucial that we educate our customers and show them what's being done with their data. If you can explain the benefits to them, then their willingness to share that data is much greater.

How do you protect against cyber-criminality?

We've taken appropriate organisational and technical measures and are sensitising our employees to the seriousness of this issue. They're repeatedly confronted with phishing and social engineering attacks. Our training sessions and simulations are therefore absolutely essential.

How will customer needs change in the coming years?

Customers want more and more comfort. Other decisive factors of course are good service, support and information. But ultimately, the issue of the entire health insurance ecosystem can be expected to gain in importance. We want to accompany our customers in terms of health maintenance throughout their various phases of life and offer them comprehensive services in the areas of health promotion, disease prevention and therapy, but also when it

comes to chronic illness. To this end, we're planning to network with specialised partners. And in light of the relentless progress in medical treatment, we're also having to deal with the ramifications of longevity. So the question arises as to what overall coverage we can offer patients under basic health insurance going forward.

How do you envision this ecosystem? For example, will you operate your own fitness centres in the future?

It's rather a matter of networking with other service providers. Aside from that, we want to identify new business models in health-care-related areas.

How will our domestic healthcare system change?

Measures are needed to curb the increase in costs, as the budgets of middle-class households are heavily strained these days. The sustainable financing of the healthcare system is of major concern to us. We're committed to ensuring that premiums remain affordable and that the interrelationship between solidarity and self-responsibility is balanced. If we extrapolate the current annual healthcare-related costs of CHF 82 billion linearly into the future, they'll increase to CHF 114 billion in two to three years' time. Nobody can afford that anymore.



“In a certain sense, medical care is made to measure – every patient is individual”

Text: Regula Freuler
Photos: Markus Bertschi

The **Hirlanden Group** operates 18 clinics with 1,800 beds in 11 cantons and has an annual turnover of CHF 1.735 billion. The private clinic group, which now employs some 9,600 people, was formed in 1990 as a result of the merger of several private hospitals and since 2007 has been part of the international hospital group Mediclinic International plc, which is listed on the London Stock Exchange. The 18 Hirlanden clinics generate almost half of Mediclinic's annual turnover. Its remaining 58 hospitals with 9,000 beds are located in South Africa, Namibia and the United Arab Emirates. Daniel Liedtke took over as CEO of the Hirlanden Group as of 1 January 2019.

www.hirlanden.ch

Dr Wiesinger, you stepped down from your post as CEO of Hirlanden Group at the end of 2018. When you look back on your decade of service at Hirlanden, what are you most proud of?

We managed to bundle a rather loose network of hospitals into a serious medical enterprise and brought systematic methodologies to the company through collective thinking. This also includes regular, uniform quality metrics for all hospitals in the Group. Only this way was it possible for us to gain equal footing with the competition.

Hirlanden Group has grown enormously during your time in office.

That's correct. But for us, it was never merely about growth for growth's sake. I don't have a better standing just because we now have 18 clinics instead of 13 and our revenues today total almost CHF 1.8 billion instead of 1 billion. The idea was and still is that every patient in each location, at least along the west-east axis in Switzerland, has the opportunity to enter the Hirlanden world, be it a doctor's office, a medical practice complex, an outpatient OP centre, a regional hospital, a specialised hospital or a maximum care facility such as the Hirlanden Clinic or the St. Anna Clinic. We've gotten to where we wanted to be – except for Basel-Stadt. We haven't managed that yet.

What was the greatest difficulty in this transformation process?

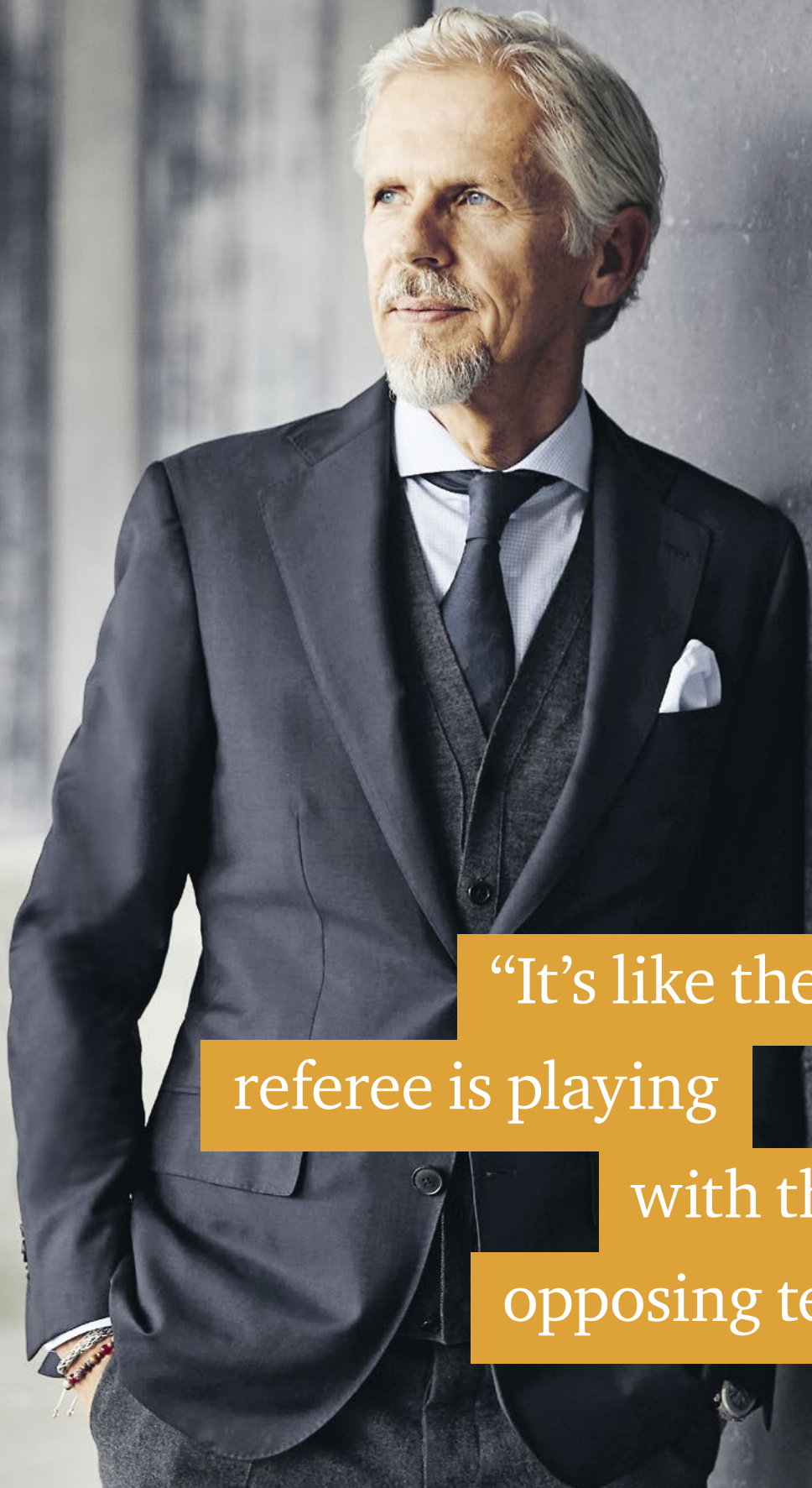
The Swiss hospital sector is not a free market, and that's a problem. The 2012 Health Insurance Act revision, which we supported, had the goal of stimulating competition – but exactly the opposite happened. The cantons have too many hats on. To use a metaphor from football: it's like the referee is playing with the opposite team, or – even worse – he's our goalie.

And the consequences?

The cantons are the largest hospital operators in the country. They also set the tariffs and determine who can “play” and under what conditions. They regulate highly specialised medicine, and if things go as I fear they will, they'll be able to regulate even more in the outpatient area going forward.

Two parliamentary initiatives are pending in the Cantonal Council of Zurich which would set a mandatory minimum on the proportion of basic-cover-insured patients that accredited hospitals must provide care for. The thrust is aimed at clinics such as Hirlanden that have a high percentage of patients covered by supplementary insurance. What's the next step in this matter?

The factually correct comment here is: we treat 100 per cent of the patients with basic insurance, because every patient with



“It’s like the
referee is playing
with the
opposing team.”

Brief questions – short answers

Your personal goal for 2019?

A wise man once told me: “As a young person, you wonder what life has to offer you. As an aging person, you turn the whole thing around and ask yourself what you still have to offer in life.” I’d like to find an answer to that question in 2019.

The most important advice you’ve ever received?

Less a piece of advice than an important tip, namely that there’s such a thing as “systemic parenting”. It means that I have

a similar responsibility for my employees as a father has for his children. This gives rise to pivotal questions: how do I lead people? How do I relate to my team? What is my role as a boss?

Cinema or museum?

The movies. After a strenuous workweek, I just want to sit back and let myself be swept away. But in quieter times, I also like to go to the museum.

Novel or non-fiction?

Novel – due to the fact that I have to read so many professional journals. That may change in the next several months, though.

Some advice that you’re happy to pass on to others?

To young people, including my children, I always say: “Get the work done, then you’ll have success.” I believe in human qualities such as stamina, perseverance, consistency, determination. You’ll always be successful with that.

supplementary insurance also has basic cover. This actually should put the discussion off the table – but it doesn’t. Naturally, some people like to accuse Hirslanden of having focused for years on being the number one choice for patients with supplementary insurance. But any public hospital could have done this all the while! And what many don’t know or others don’t want to believe: go wherever you wish to within the Hirslanden Group and you’ll see that around 50 per cent of our patients are covered only by basic health insurance; at some locations, that number is almost 80 per cent.

For a number of years now, the cantons have been committed to the principle of “outpatient before inpatient”. How much pressure does this put on Hirslanden Group?

That doesn’t just put considerable pressure on us, but on the entire healthcare system. In principle, this trend is on the right track. A large proportion of surgical procedures and other medical interventions as well can be performed on an outpatient basis. This is the cheaper and faster way, and it’s not significantly worse in terms of patient comfort.

It sounds a bit “drive-through”, though.

Agreed, but patients usually like that. After all, who wants to spend time in a hospital? The question is simply one of how to introduce “outpatient before inpatient”, at what speed and at the risk of which consequences.

Is the system infrastructurally prepared for this?

No, there are too few functioning outpatient surgery centres. But that’s only one aspect. Another one is: at what tariff can you offer

this? According to the existing Tarmed tariff schedule, outpatient surgery is poorly remunerated. Patients who would otherwise be treated in the expensive inpatient infrastructure will more and more have their operations conducted on an outpatient basis, but with expensive personnel, expensive processes, expensive material, and all this at a rate that doesn’t really cover costs. This has already left enormous skid marks on the system – and at all hospitals in Switzerland.

You once said that Hirslanden doesn’t view their patients as “customers”, but rather as “guests” – why that?

Even the term “customer” is a step in the right direction, because the terminology used previously in hospitals sounded like it came from the penal system: admission, dismissal, transfer. The “patient” is the sufferer, and for many decades this term was considered an appropriate description in the healthcare system. Nevertheless, the change of perspective from “patient” to “customer” is at least correct: hospitals are service providers, simply with another kind of relationship with the customer. In a certain sense, medical care is made to measure – because every patient is individual.

So what’s then the difference to “guest”?

We shouldn’t kid ourselves: we’re selling a service that nobody really wants. Who goes to a hospital willingly, where it’s about illness, pain, fever, medication. That’s why a differentiated understanding of what most people would call a “customer” is so important to us.

You yourself practiced as a doctor for quite a long time. How close are you to the patient these days?

Unfortunately, not as close as I used to be. But especially from my emergency medical care experience, I was able to learn a lot about management. There are many parallels: you’re always in the limelight, teamwork is indispensable, you have to make decisions and live with the consequences. Communication skills are just as important. And, perhaps most of all, you have to be able to deal with stress. All things considered, there’s nothing that I’ve ever done more gladly than work in the emergency room. But I don’t regret my later career. Everything has its time in life.

Where does Hirslanden have room for improvement?

The interface between the clinic and the physicians who treat patients after their hospital stay; in other words: exit management. But we’re working on this and are continuously interviewing all our patients – for the past two years, even on an international scale.

How have the demands of patients changed over the past decade?

What’s really changed is their level of knowledge. They sometimes come to the doctor and, in questionable cases, know more about what they suspect is the tentative diagnosis than their doctor does – which can really put him in an awkward situation.

Are there also advantages to this heightened patient knowledge?

Certainly. The knowledge asymmetry between doctor and patient used to be huge. The doctor could attempt to level things out by acting empathetically – or not even go there by simply coming across as “God in white”. However, the doctor-patient relation-

ship suffered as a result. This kind of condescension is less pronounced today. There are probably doctors who don't like the fact, but if you want to discuss things on a par with patients, it's an advantage if they already know something.

Costs are the big issue in healthcare these days. Where can savings be achieved?

In the Swiss healthcare system, it would be possible to reduce costs without really losing anything. But this requires a socially and politically initiated discourse on what solidarity-based financing means. Our healthcare plans work like comprehensive collision coverage on your car. At the moment, this can be half-decently financed – but for how long?

What do you propose?

There should be a catalogue of basic services financed collectively. Anything that is not included, should be privately insured in a modular fashion. This may not yet be capable of gaining majority backing, but it's a realistic scenario for the future.

The discussion about costs always boils down to the expensive measures taken late in a person's life. What are your personal thoughts on this?

I don't really prefer to skate on this thin ice. But I actually believe that the issue finally needs to be settled by the general populace. For the time being, everyone has to figure it out for themselves. I don't think highly of the discussion about putting a price tag on years of life. That would be a mistake. But we need to face up to the issue. In 30 or 40 years, life expectancy will be over 90. We'll be surrounded by centenarians who are still relatively fit and, of course, entitled to appropriate medical care; for example, receiving a new kidney if theirs fails.

Ethically, a sticky wicket indeed. How should this discussion be kick-started?

One thing's clear: any politician who dares even a whisper about the subject today is out of a job tomorrow. So somehow it needs a social effort, a kind of crowd-backing effect. I don't know when that might come about. The simple fact is that presently, there's still a lot of money in the system and the degree of suffering is therefore comparatively low.

But the public seems ready to start a discussion when it comes to the astronomical prices for drugs that treat rare diseases.

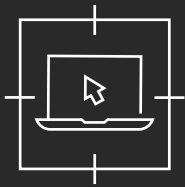
Right. That's the iceberg syndrome kicking in: something sticks out that's quite obvious; forget about what's below the surface. Everyone thinks: "OMG – so many thousands of francs for a hepatitis C medication!" But at least it takes the discussion in the right direction.

If fundamental research were to be allowed at Hirslanden Group, in which field should it be?

In principle, fundamental research is the bailiwick of the universities. Personally, I'm firmly convinced that one day we'll get cancer under control. My other great hope is that we'll no longer be dependent on organ donations, but instead that organs can be made from stem cells. It's doable, so let's do it.



Born in Hamburg in 1962, **Ole Wiesinger** knew early on that he wanted to “open up people's belly”. In 1980, he started his studies in biology and chemistry, followed by medicine. He also trained as a paramedic and emergency room physician. On top of that comes a degree in health economics with specialisation in diagnosis-related group systems. In 2004, Ole Wiesinger became Clinic Director of Hirslanden Zurich. From October 2008 until the end of 2018, he was CEO of the Hirslanden Private Hospital Group and member of the Executive Management team of Mediclinic International.



Either win ... or learn from it

Tobias Kindler, MediaMarkt Switzerland's Chief Digital Officer, is leading his company into a new digital dimension – one where the customer is the absolute focal point and experiences technological achievements via both analogue and digital communication and distribution channels.

MediaMarkt has been present in Switzerland for 25 years, operates 27 specialised retail stores and employs a total of 1,200 people. According to online market research company Marketagent.com Switzerland, MediaMarkt is the most popular company in the Swiss consumer electronics market.

www.mediamarkt.ch

Text: ceo magazine editorial staff
Photos: Andreas Zimmermann

Actually, his title is inappropriate. "Chief Digital Officer" makes it sound like Tobias Kindler is only responsible for digital technologies. His unofficial, but more descriptive job designation would be "Chief Digital Customer Officer". He's dedicated to dealing with digitally influenced and stimulated customer behaviour. He therefore concentrates mainly on the fully informed, multichannelled and cost-sensitive Customer 4.0; a person who pays attention to price, availability and service, and whose contacts with MediaMarkt are 70 to 80 per cent in a digital mode. Kindler's task is to translate this behaviour into a successful corporate strategy, strengthen the company's online business and tie it even more closely to the point of sale. In short: multichannelling.

In-store digital

Some 65 per cent of all home electronics products are still purchased in stores. "We want to continue to participate in this attractive market," says Kindler. Stationary retailing is one of MediaMarkt's core competencies: it optimally complements the company's digital retailing efforts and offers customers decisive advantages over pure online retailers, for example in the form of personalised advice and service expertise. So it's not out of naïveté that online giants such as Amazon or Zalando are opening physical shops. The bricks-and-mortar route is indeed more capital-intensive and complicated than online trading. But MediaMarkt has a valuable know-how advantage in this discipline.

"MediaMarkt's previous stationary concept represented nothing more than what the Internet had to offer: simple product presentation, low prices, wide selection." But our ambitious digital expert wants to change this, because that's not the way the Internet or the customer functions these days. "Our concept has been broadened to include digital sales, services and multichannel shopping experiences. Customers can shop with us when and wherever they want and still enjoy all the ancillary services associated with the products they buy. We call this a 'seamless shopping and service experience'."

A first-hand, on/off experience

"What I buy is becoming progressively less important than how I buy," says Kindler in describing the current trend in customer thought. That's why MediaMarkt has introduced in-store shopping adventures on so-called experience islands. In this regard, MediaMarkt's redesigned superstore in Dietlikon is the first of its kind in Switzerland. Nine islands have been installed there as a test run: from the kitchenette, to the virtual reality



“Never again will
the world change
as slowly as
it does today.”

corner, to the DJ stage, customers can try out the products in a simulated real-life environment. Of course, the same kind of products can also be found at competing stores, but this unique live experience makes MediaMarkt stand out from the crowd.

Store to web

In order to expand the experience dimension even further, MediaMarkt has furnished its consultants at the POS with tablets and a wealth of information. This enables a sales consultant to show the customer all product-specific ratings, reviews and comparisons. As a result, customers have assurance that they're getting the best value for money. Moreover, the motto "If we don't have it, it doesn't exist" applies at MediaMarkt. If an item isn't available from stock, the consultant can order it directly online via the tablet and have it delivered to the customer's home. With this store-to-web approach, MediaMarkt extends its shelves by the virtual breadth of its online shop.

Welcome to the Club

A targeted, demand-consistent approach for reaching out to customers is one of Kindler's main missions. "The customer expects to be addressed according to his or her own needs and via the right channels. If a retailer doesn't meet this need, customers will strike that seller from their relevant list." For that reason, MediaMarkt relies on customer relationship management. For example, the MediaMarkt Club is planned for launch at the beginning of 2019. This international programme is designed to inspire people to be repeat shoppers at MediaMarkt. The company wants to get to know its customers even better. However, this isn't going to be achieved by giving them loyalty points or discounts; rather, it will take the form of small gifts, events or the chance to win an entire purchase for free. With its new Club, MediaMarkt is paying the kind of attention that turns customers into loyal and satisfied brand fans.

Hello, Switzerland

Switzerland is a special challenge for this northern Germany native. Although it's one of the most digital countries in Europe, Switzerland has in the past been one of the weakest in terms of digital-based revenues for MediaMarkt. Kindler wants to steer the company back on the right track. "We have to turn the current situation around so that in a few years we'll be the largest online retailer in Switzerland with the hottest markets." Kindler and his team have already brought the digital channel up to European standards. Now he wants to enhance it with even more convenience – and this via comparability, reviews, customer opinions, usability and, most of all, much more "Wow!".

Rule #1: Learning from mistakes

Anyone who experiments has to make mistakes along the way – and learn from those errors. Kindler quotes Nelson Mandela: "I never lose. I either win or learn." According to Kindler, these words describe the bold "No blame, no shame" mindset that he'd like to engrain in MediaMarkt's corporate culture. But the ability to forgive mistakes needs to be learned. In many circles, committing a faux pas is a capital no-no, let alone fessing up to it. "So make mistakes and make them public. This is the only way we can learn from them." Kindler is trying to instil this thinking in the minds of his people. Alas, another difficult task.



Tobias Kindler has been Chief Digital Officer of MediaMarkt Group Switzerland since 1 March 2018. In that capacity, he bears responsibility for the expansion and networking of the company's online and offline businesses, as well as for marketing and pricing. Previously, he headed the Multichannel Concepts division at corporate headquarters in Ingolstadt, a task that involved the linking of markets, the online store and mobile shopping in all 14 European countries where MediaMarkt is present. Prior to joining parent company Media-Saturn in 2010, he spent eight years as a strategy and management consultant to companies in Germany, Great Britain, Australia and the USA. A banker by training, he studied foreign trade and international management in Hamburg and Cape Town. Tobias Kindler is the father of one daughter and currently shifts between residences in Zurich and Hamburg.



Brief questions, short answers

Work-life balance?

Too much work, too little life.

Favourite app?

The MediaMarkt app, naturally. But also Google Maps as well as news and weather apps.

Favourite meal?

Home-made hamburger patties, a speciality of – where else? – Hamburg and its surroundings!

Your most valuable tip for business life?

Stay authentic and honest. Charlatans get their comeuppance sooner or later.

What do you wish personally for the future?

That we'll be extremely successful with MediaMarkt as an enterprise and in Switzerland specifically.

What do you appreciate today that's still the way it always was?

The personal discussion.

Act instead of react

The new no blame, no shame culture is not the only internal adjustment at MediaMarkt. Today, the company must be able to react much more quickly to changes. "Never again will the world change as slowly as it does today," Kindler cites drones as an example of technology-driven hypercompetition. "When this technology emerged, it took far too long to get these gadgets into the store." That's why the Group is moving away from a classic department-based corporate structure to agile teams that are delegated overall vertical responsibility: from strategy and purchasing, to marketing and sales management. By doing so, Kindler wants to break up internal silos and make the organisation more agile.

Inspiration from an array of sources

In tackling his mission, Tobias Kindler relies on various sources of inspiration. One of them is the company's own DNA. The Group has always been in a state of flux, constantly augmenting its concept or even trimming parts of it. But the course of change is more radical today. Here, thought must be given to how the company's core competency – e.g. the product – can be placed in a new context. For example, by selling solutions and services instead of just products. Naturally, Kindler is also keeping a curious eye on international trade, which would represent another paradigm shift. Together with other retailers, the MediaMarkt Group has created an international accelerator for innovation. Start-ups can present their inventions within the framework of a competition. If the idea is convincing, the aspects of viable mass production and mass appeal are examined. Finally, if all systems are go, MediaMarkt consults consumers directly. A customer engagement programme is currently underway that actually involves them in the innovation process. The community poll on the "Spas der Woche" (Hit of the week) is a regular advertising format in which MediaMarkt offers particularly popular and unusual products at a preferential price. In general, though, the company is cautious with technological novelties. "Technology always has to solve a customer problem," and a gadget that bypasses customer needs is doomed to failure.



“Customers come to the bookstore to be inspired”



Text: Regula Freuler
Photos: Markus Bertschi

Orell Füssli celebrates its 500th anniversary in 2019. It all started in 1519 with a print shop named Buchdruckerei Froschauer – and the Bible. So, what does Orell Füssli Thalia identify itself with in the book business these days?

Still with the book per se, whereas today it doesn't matter whether it's in digital or printed form.

Digitalisation has led to significant disruption also in the book trade. To what extent have the ways of addressing and servicing your customers changed as a result of digitalisation?

Communicating with them has become more complex and demanding. In the past, bookshops were mainly quaint points of sale. Today, there's a greater demand for inspiring experiences, myriad services and personalised advice. Communication takes place via various channels – on-site and digital – all of which need to be coordinated with each other. But digitalisation also represents a tremendous opportunity. It enables us to create new sales channels and touchpoints with our customers. As a result, we can communicate efficiently and in a target-group-consistent way.

In this digital age, what role do good old-fashioned bookshops play anymore?

They're still very important. We make the book tangible – experienceable – at our outlets. That's why we place great emphasis on store concepts that invite you to browse,

linger and meet. With events and readings in the bookstores, we create venues for encounters. As digitalisation continues its relentless march, the human dimension has become one of the most important success factors – by this I mean both for our customers and our employees.

How has digitalisation changed your customers?

People are spending their leisure time differently. And they're consuming media differently – this also applies to books. Their shopping behaviour has changed dramatically: customers today are much better informed, they buy more spontaneously and shift between the different channels more effortlessly. That's the biggest challenge for us.

Since 2009, turnover in the Swiss book trade has declined by 20 per cent.

What has to happen for this trend to be reversed?

We don't view digitalisation as an obstacle, rather first and foremost as a chance for us to shape the future. And the industry sees it the same way. On one hand, we're developing new digital products such as e-book systems and new sales channels. On the other hand, with our bookshops and printed books, we also offer people an opportunity to break out of their digitalised daily routine from time to time.

The history of Orell Füssli dates back to the 16th century. In 1519, Christoph Froschauer set up his presses in Zurich and started to print, among other things, the works of Zwingli and Erasmus of Rotterdam. In 1780, the company (which was now also a publishing house and bookseller), founded the “Neue Zürcher Zeitung”.

In 1999, Orell Füssli became a holding company which today comprises five divisions: securities printing, publishing, books, business information and Atlantic Zeiser (a manufacturer of equipment for digital printing and package encoding). Orell Füssli Thalia AG is the market leader in retail bookselling in the German-speaking realm.

www.orellfuessli.ch

Simona Pfister

Born in 1985 in Wil (canton of St. Gallen), Simona Pfister has broad specialised know-how and abundant management experience in the retail sector. From 2006 to 2014, she worked for boesner GmbH, a company active throughout Europe, and then became Head of Sales & Marketing for the M-Outlet format of Migros Cooperative Eastern Switzerland. Simona Pfister was named Head of Sales at Orell Füssli this past October. As a member of the Management Board of Orell Füssli Thalia AG, Simona Pfister bears responsibility not only for book-store sales and controlling, but also for key accounts and customer service.



Digital books still account for less than 10 per cent of the total Swiss book market. Is Orell Füssli Thalia actively trying to grow this market share?

We've noticed that more and more people are taking a hybrid approach to reading. In other words, although they still like the printed book, they're increasingly turning to digital devices like the tolino e-reader when travelling or on holidays. We're therefore expanding our range of e-books and e-readers – not only online, but also in our shops. And e-reading is gaining importance in the B2B area: more and more schools and institutions are seeking digitalised content. With Delivros Orell Füssli AG, we're the Number 1 supplier in Switzerland for the procurement, distribution and use of electronic content for companies and educational institutions.

In 1996, buch.ch became Switzerland's first Internet bookstore; today, it's part of Orell Füssli Thalia. What's the best way to approach the online customer these days?

Orell Füssli Thalia has 32 stores throughout Switzerland and, with our "tolino Orell Füssli" ecosystem comprised of e-books, tolino e-readers, cloud and reading app, as well as orellfuessli.ch, we're the Swiss book industry's largest online player. Only 2 per cent of our customers are pure online shoppers. The vast majority of people who shop at Orell Füssli do so both in the online shop and locally in the bookstores.

What distinguishes Orell Füssli Thalia from other suppliers in the book market?

In contrast to pure online players, we focus on cross-channel solutions and offerings. The cross-channel approach, which we've been pursuing and continuously refining for years, allows us to connect our physical bookstores with the web shop and mobile solutions. This results in an admixture of purchasing processes that address today's changed buying habits – for instance, the customer buys/orders online and then picks up the book at the most convenient Orell Füssli store. This model is complemented of course with a high level of advisory competence on the sales floor and a wide assortment of books on the shelves.

Customers are staying away from the traditional walk-in shop – each year, around a dozen bookstores close in Switzerland. Why do you still plan to open two new outlets in 2019?

At Orell Füssli Thalia AG, we're keying on an expansion strategy that provides for smaller floorspaces yet in high-traffic locations. We're investing in the future with clear objectives; however, nothing has changed in terms of our overall strategic orientation. Orell Füssli Thalia AG will continue to focus on expanding its market position in the Swiss bookselling sector. Our goal is quite clear, namely to remain the Number 1 bookseller in Switzerland – be it stationary, online or digital. This year, we're opening two new bookstores, one on Europaallee in Zurich and one at the Seedamm-Center in Pfäffikon SZ.

Which customer segments will you be addressing at those locations?

On Europaallee, we expect to serve urbanites as well as commuters. After all, the bookshop will be situated a few steps away from the railway station, but also close to downtown work and residential districts. In the new shop at the Seedamm-Center in Pfäffikon, we'll address a very heterogeneous group of customers who have more time to discover and linger.

Besides books, your shops also sell gifts, stationery, games and films. How do you select these additional items?

They're always a kind of appendix, if you will, to our array of books. For example, in addition to cookbooks, we also offer high-quality cooking accessories or selected specialities. Here, we frequently work together with partners who provide us with suitable items. The range of stationery goods fulfils a customer need, and it simply fits with a bookstore.

Most publishers today are responding to the crisis in the book market with process optimisation and improved cost structures. What about innovations at Orell Füssli Thalia?

We're constantly launching new projects. We recently published a personalisable children's book in collaboration with a start-up company. Last year, together with our reading ambassadors, the Swiss rap duo Lo & Leduc, we initiated the YOUNG CIRCLE, a book community for young people. Orell Füssli is celebrating its 500th

“Orell Füssli is celebrating its 500th anniversary this year.”

anniversary this year, and within that framework we'll soon be unveiling a number of innovations.

As revealed in the 2018 study “Buchkäufer – quo vadis?” (Book buyers – quo vadis), the number of people who buy books has fallen, but their “buying intensity” has increased; in other words, the individuals interested in buying books are spending more money on them. How do you interpret this?

The study confirmed our own experience. Customers are looking for quality and high value. They come to the bookstore, take their time, and let themselves be inspired to buy several titles at once. I see that in myself, too. The pile of books I have at home and still want to read is getting bigger and bigger – and not just since I joined Orell Füssli Thalia.

According to the same study, the average age of your core customer base is constantly rising. How do you contend with that?

It's important to us that we're there for all generations. Our assortments, customer programmes, readings and events in the stores are also based on this credo. The highest degree of diversity is our imperative. We offer our customers a

comprehensive range of literature that has something for everyone. Reading knows no age limits.

The proportion of 20- to 29-year-olds amongst all book buyers has halved since 2002. How are you going about dealing with Customer 4.0, i.e. the millennials?

We communicate with them via the appropriate channels. Last year, we expanded our presence on Instagram and introduced WhatsApp as a communication channel. The events at our bookstores are also becoming more oriented towards the needs of youngsters and teenagers. For example, we're actively involved in the poetry slam trend. And with our Kids Club and YOUNG CIRCLE, we have two customer programmes that specifically target the up-and-coming generations.

How will Orell Füssli Thalia AG look ten years from now?

Over the next ten years, we'll have expanded our segments, opened even more bookstores, and further widened our lead as the largest Swiss provider of a book-related shopping experience. And meanwhile, digital will also have become even more tightly bonded with bricks and mortar.



Nifty powerpack for mobile phones in distress



Zurich-based start-up **Chimpy** lends batteries to smartphone users who've run out of juice. But CEO and founder Andreas Braendle first had to convince retailers of the advantages of the Sharing Economy.

Andreas Braendle is CEO and co-founder of Chimpy. Headquartered in Zurich, the company lends portable powerpacks for recharging mobile phones and other electronic devices at more than 1,200 points of sale throughout Switzerland, most of them kiosks, but also booths at festivals, events and ski resorts. The five-year-old, multi-award-winning start-up company, which uses only certified solar energy for its powerpacks, today employs a permanent staff of 13 as well as 20 part-time workers. SBB and Valora are just two of Chimpy's high-profile partner companies.

www.chimpy.ch



“Use Chimpy once
and you’ll always
come back.”

Text: ceo magazine editorial staff
Photos: Andreas Zimmermann

These flat, slime-green contrivances with a cheeky monkey visage affixed to them as a logo are no larger than the devices they’re supposed to resuscitate in an emergency. Dead battery – a phenomenon that indefatigable mobile phone users are surely familiar with. Always at the dumbest moment, often in the evening, out on the town, the power flatlines. No Net, no WhatsApp, no SOS possibility, and nary a socket in sight. Nothing works anymore.

Andreas Braendle, who together with three friends founded Chimpy five years ago, experienced precisely this calamity more times than he could count. So he devised a solution: making available easily and inexpensively and at as many places as possible fully charged backup batteries, a.k.a. power banks, for the purpose of recharging dead-on-arrival mobile phones. Braendle already gained pertinent experience with this kind of business in his earlier years when he would take rechargeable AA batteries to companies and then rent them out on the premises.

That batteries tend to give up the ghost rather quickly when devices are used intensively is a universal problem, one which Braendle is quite aware of. On the road, though, it always seems to happen that you don’t have a charger with you or, if you do, you don’t have the time to plug it into a socket for an extended period of time. The Chimpy team offers a simple, ecologically convincing solution: “We perceive ourselves as a mobile power supplier.”

How first-time customers become regulars

It takes an average of about 16 seconds for a customer to get a freshly loaded Chimpy, replete with the appropriate power cord, at one of the company’s points of sale. The borrowing cost is CHF 4 for an entire week, plus a CHF 15 refundable deposit. Making the service known is a challenge, says the young entrepreneur, even as he stresses its potential: in Switzerland, the market penetration of smartphones is now well over 90 per cent.

In this instance, product promotion works well via word of mouth. “Once you’ve used a Chimpy, you always come back,” says Braendle. And then first-timers make the offer known in their circle of friends and on social media. The Chimpy team are present wherever throngs of people are joined at the thumb with their mobile phones and electricity is scarce: summers, at all major music festivals in Switzerland; winters, at selected ski resorts. In cities, the service is also offered at a number of bars and clubs.

Not least in the target group are commuters and hikers: those who need to be reachable throughout the day, be it in the office, on the road or on the trail. In the meantime, it’s even possible to load a Chimpy subscription onto the SwissPass for public transport, which works even if your mobile phone has chucked a wobbly.

Shared logistics with press and kiosk articles

At company headquarters in Zurich, where a photovoltaic system is installed on the roof, the atmosphere is laid back. Stylish music entertains the afternoon shift: the team cleans, recharges and checks the returned Chimpys. After that, back in the small delivery boxes, back in the logistics chain.

The small boxes are transported pallet by pallet to the central warehouse of Valora, the largest kiosk operator in Switzerland. From there, they get distributed together with newspapers and other kiosk goodies to the points of sale, and are later collected again. Braendle is proud that Chimpy was the first to establish a sustainable, rentable, recyclable consumer electronics product in the local retail market, thereby adding another element to the Sharing Economy.

The Chimpsters and their investors in the background are already thinking about further products that can be shared and distributed in a similar way; for example, expensive, but rarely needed consumer goods. Our friendly entrepreneur prefers not to reveal quite yet what those products might be. More concrete, however, are his plans to expand abroad with the company’s lending concept. The cheeky Chimpy visage may soon also be seen in European metropolises when batteries once again run dry.



Bridging the gap between depth and immediacy

Dr Felix Graf, CEO of NZZ Media Group, uses new tools and formats to render clarity from the digital media world's flood of information – and in doing so, wants to inspire his readers anew each day.

Text: ceo magazine editorial staff
Photos: Markus Bertschi

At the dawn of the Internet, pundits were already predicting the demise of the printed newspaper. Yet it's still around.

Why?

People tend to be conservative in the way they go about things; they don't want to change at the drop of a hat. The printed word has a certain beauty. A newspaper leads the reader elegantly through the content: you can separate the sections and share them with others over a cup of coffee. This kind of reading experience is not easy to transmute into the digital domain.

How has digitalisation changed media consumption?

Digital transformation and the spirit of the times have engendered new ways of accessing and enjoying media. Audio and video are coalescing. And whilst overall media consumption remains essentially unchanged, it has become more granular and is now spread across several devices and types of medium. Hardly anyone still reads a newspaper for 40 minutes at one go.

What do your customers think?

Many of them struggle with today's surfeit of information. They've neither the time nor the inclination to deal with the daily barrage of breaking news snippets. And so they appreciate the fact that our medium pro-

vides context, orientation, and walks them through the labyrinth of information.

How is your company responding to these changes?

By designing and offering novel forms of use for various devices. We've given birth to new formats where we relate content and context via video clips, audio files, live-streams, photos and written reportage. Another example: condensed overviews, such as our e-mail newsletter with recommended daily headlines. We've also developed an app that actually reads the "Neue Zürcher Zeitung" to you when you're on the move. And then there's our personalised newsletter: in addition to the latest news from the reader's areas of interest, we make recommendations for reports that we, as media professionals, consider relevant. In this way, we combine artificial and human intelligence to create added value for our customers.

Our challenge is to bridge the gap between depth and immediacy. In terms of print, the change is of a less fundamental nature since traditional newspaper readers have not radically altered their consumption behaviour. But certain content – such as sport results – has been fully shifted to the online channel, simply because it's more adequately and flexibly presented there than on newsprint.

Be it in print, online or via social media; during the week or on Sunday – **NZZ Media Group** offers high-quality journalism with a liberal worldview. The Group's portfolio currently comprises eight print products and a diverse offering of digital and mobile information. It also encompasses various renowned events, including the Swiss Economic Forum, NZZ Live and the Zurich Film Festival. With its workforce of close to 800 employees, NZZ Media Group generated revenues of CHF 428.2 million in 2017, resulting in a consolidated net profit of CHF 28.7 million.

www.nzz.ch



“Digitalisation
has forced the media world
to become more
customer-oriented.”

Dr Felix Graf (1967) has been CEO of NZZ Media Group since 1 June 2018. Previously, he was a member of the Executive Board of Centralschweizerische Kraftwerke AG (CKW) from 2012 and became the company's CEO as of 2014. Simultaneously, he also had a seat on the Executive Board of Axpo Holding. From 2002 to 2009, he held various management positions at Swisscom after having worked for McKinsey from 1998 to 2002 on industry-specific and worldwide consulting assignments. Felix Graf studied physics and chemistry at the ETH in Zurich and earned his doctorate in physics. In 2007, he was named a Young Global Leader by the World Economic Forum (WEF). He is the father of two children and lives in Zurich.



How close are you to your customers?

Almost joined at the hip. Data analysis enables us to determine which articles users read, in what depth, and how much time they spend on them. We can gain a sense of where they come from and where they go. Some of those findings we pass on to our journalists. At the same time, we continuously optimise the customer experience.

But our discourse with customers isn't just data-driven. We organise events where we can exchange thoughts directly with our readers, for instance during the "NZZ History" tour or at the NZZ Swiss International Finance Forum. Our customers value and seek out these opportunities for face-to-face dialogue.

As for me, I like being on the road and sharing ideas with our readers and advertisers. I'm interested in hearing not only positive but also critical voices.

The digital world is multichannel and fast-paced. What is the significance of high-quality journalism in this environment?

Customers are of course free to decide what they prefer to read and from whom. That's why we want to convince our readership each day of what we bring to the breakfast table. This isn't to say that we write what they want to hear all the time. But we do want to know what they're interested in. So we add the occasional controversial topic as part of our journalistic mission.

Digitalisation has clearly disrupted the previously oligarchic structures of the media landscape, and it's forced the players to become more customer-oriented. Communication today is increasingly pyramidal. At the very top is the essence – in other words, the headline. The deeper the reader goes, the more comprehensive the information becomes, and we want to deliver superior journalistic quality all the way down that communication cascade.

What advantages do you see in digital applications compared to good old-fashioned ink?

Print media are finite – in other words, they can only carry a limited amount of content, determined by the number of sections, pages and characters. Online media are infinite. The decisive factor here is not so much the length of the text but rather the form in which it's prepared and the storytelling per se. In online media, we can supplement new content with previously published reportage, refer to related material, provide audiovisual evidence or incorporate others' opinions. In certain instances, though, the content flow gets derailed. This naturally is avoided with the sections and rubrics of a tried-and-true newspaper.

Consequently, I'm pursuing the vision of a "print-plus" product, meaning an innovative online publication that offers the diversity of digital, yet the look and feel of print.

What will media consumption look like ten years from now?

Tough question. I believe that content quality will gain in importance. With today's vast profusion of information, a lot of hogwash ends up being published. That's why we need media and formats that help us to separate the meat from the offal. This ability heightens people's trust in a brand. In ten years' time, many things will be even more digitalised, and user behaviour will be entirely different. But the NZZ will still be here – as will a print edition.

You've been involved in a number of other industries during your career. What does that diverse background mean for you today?

I find it enriching. Moreover, it gives me perspective as I come to understand the logic of the media industry and deal with the various issues. Granted, that's hard work. Here at NZZ Media Group, I'm immersed in an enormous pool of intelligence, passion and sense of purpose. It's indeed a unique experience for me.

Insight into customer needs

According to the OED, a customer is “a person or organisation that [regularly] buys goods or services from a store or business [and is therefore known in said store or business]”. As many customers as there are out there, as varied are their needs and attitudes. ceo magazine interviewed four people about their own inclinations as customers. Check out the full video online: magazine.pwc.ch/en



Irene Meyer

How do you decide where to do your shopping?

I'm increasingly keeping an eye out for special deals and whether the shop is on my way.

Which method of payment do you prefer?

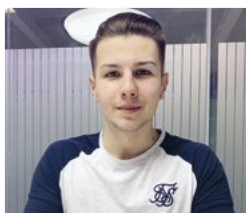
I prefer to use my PostFinance card. From time to time, I also pay with a credit card or, if the amount is very small, cash.

How important to you is data protection?

I have a great basic trust that everything will go well – be it my credit card payments on the Internet or the use of my Cumulus data, etc.

Cash register or self-checkout?

I prefer the self-checkout – I get out of the store faster this way, and can pack my things without anyone doing it for me.



Mehmed Besic

Which store is your favourite?

Clearly Jack & Jones, because in my opinion it's the most attractive and qualitatively superior shop.

When you have in mind to buy something, do you first inform yourself online?

Usually not. I take the advice of my colleagues as to where the best deals and offerings are at the moment.

Do you prefer shopping online or physically in the store?

I myself prefer to shop online because the product range is considerably wider and prices are much easier to compare.

If you had a magic wand, what would you conjure up?

Personally, I'd like to have a money printing press so I could buy everything I want. But I could also help other people in poorer countries by providing them with medication, etc.



Priska Willer

What in your opinion constitutes good customer service?

I really appreciate it when a salesperson comes up to me when I enter the store and asks me what I'd like to have. If I only want to take a look around, I think it's great if they just back off and let me do my thing.

Which product do you still appreciate today as much as you did years ago?

Back then as today, I appreciate high-quality bed linen, towelling, cashmere and wool. It's important that the goods are of outstanding quality.

What was your most pleasant shopping experience?

The time I bought a new bed. Amongst other things, I was very competently advised about the softness and how to operate the motorised backrest. What's more, I was able to have my old bed disposed of for free.

Today, many products are only still available online, not to mention that, sadly, many shops are closing down. What do you think of this development? Catastrophic! It's the worst thing that could happen. The small specialist shops with personalised advice are shuttering their doors due to large, anonymous online dealers.



Yannic Aufdenblatten

What was your last birthday present? And where do you get ideas for your own gifts?

I got AirPods (wireless headphones) for my last birthday. Most of the time, I find ideas on the Internet or I see things that my colleagues have.

Have you already shopped online?

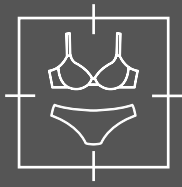
Not alone yet, but I was allowed once to order shoes from Zalando with my mother beside me.

When you're an adult, what would you like to be able to afford?

I want to be able to buy a house or flat and feed my family. And of course get a cool car.

What do you like to order most in a restaurant?

I prefer hamburgers or a good plateful of pasta like spaghetti.



“The future lies in omnichannel”

Text: Regula Freuler
Photos: Markus Bertschi

Reiner Pichler has been CEO of the Calida Group since March 2016. Previously, the 56-year-old German-Swiss dual citizen headed the Holy Fashion Group (where he built up the Strellson brand, among other things) and subsequently the much larger German fashion group S. Oliver. Since the beginning of 2017, he has also been chairman of the board of the Zurich eyewear label Viu.

Mr Pichler, calida.com won this year’s Shop Usability Award in the Fashion category. What does this prize mean to you?

First of all, that we’ve done a great job. We now have a user-friendly webstore that can connect viewers to our other sales channels. People want a quick and easy way to make a purchase, yet still know what’s important about the product. We’re working on that constantly.

“The customer is king” is an age-old business imperative. What does it mean today?

It’s still the most important aspect. For us, meeting the needs of our customers is both the goal and the purpose of Calida. Profit and growth are the by-product.

Does the Calida Group mainly focus on customer needs, or does it want to create its own trends?

In Europe, we’re faced with saturated, stagnating markets. It takes a tremendous effort if we want to earn a larger share of our customers’ wallet. On one hand, we need to outshine the competition and, on the other, ensure that customers actually go to our shops. To accomplish that, you need to identify trends early on so you can play a role in shaping them. But innovations are also very important.

The Calida Group has a multifaceted product portfolio that ranges from traditional underwear, to lingerie, to outdoor wear, and even to garden and camping furniture. Is there still a typical Calida customer?

The common denominator between all of our customers is their desire for high quality. And we at Calida are obsessed with quality. Of course, quality gains its expression in different ways, depending on the specific brand. Our Mountain Group company offer the perfect gear for people who spend a lot of time with Mother Nature. When it comes to indoor/outdoor furniture, comfort is key. Calida, itself, has a very significant locational advantage: at our stores, but also amongst our wholesalers, we have a return customer rate of more than 70 per cent – that’s fantastic! It means we have a very loyal customer base that appreciates our performance.

And how do you win new customers?

By developing innovative, impeccable products. The Daily Functionwear from Calida, a stand-alone line that supplements the men’s collection, is an example of a very successful innovation of ours; as is the superlight down jacket from Millet. Calida is the exact opposite of “fast fashion”, and the exact opposite of “fast fashion” is durability, sustainability and quality. That’s what we work on, day in, day out – and it’s also what wins customers.



“Calida is
the opposite of
‘fast fashion’.”

The portfolio of this international clothing group includes the **Calida**, Aubade, Millet, Eider, Lafuma Outdoor, Lafuma Mobilier and Oxbow brands. Its main division focuses on daywear, nightwear and luxurious lingerie. Outdoor equipment and garden/camping furniture are also part of the mix. Calida reinforced its e-commerce business with the purchase of German online retailer Reich Online Services in March 2017.

Calida was founded by Max Kellenberger and Hans Joachim Palmers in 1941, originally under the name Strickwarenfabrik Sursee AG. In 1946, the company was renamed Calida AG. The Kellenberger family are the principal shareholders of Calida and control 34.5 per cent of the voting rights. Calida's head office is in Sursee. The Group employs close to 3,000 people.

Calida gained fame for its pyjama cuffs, which prevent the sleeves and legs from riding up, as well as for the high quality of its products in general. Most of the production takes place in the company's own facilities in Hungary or else is centrally controlled from there and carried out in partner companies, whereas the design work is accomplished in Switzerland.

www.calida.com



With its biodegradable/compostable “I Love Nature” shirts, Calida is tying in with the trend towards sustainable fashion. What’s up next in this area?

For us, sustainability isn't something “modern”, it's part of our corporate culture. For one, at Calida we certify our products with the “Made in Green” label, a totally transparent means of knowing where and how they were produced. This already applies to a large proportion of our products. Then there's our compostable “I love Nature” shirt, which was truly a great innovation. Soon, a series of other compostable products will follow. In the outdoor segment, we recycle goose down: this filler from pre-owned duvets and jackets is washed and reused in new jackets. We also recycle PET bottles for making jackets, and all our products are now PFC-free. Moreover, once a year we go with the employees of the Millet Mountain Group to the Mer de Glace, one of the largest glaciers in the Mont Blanc massif in France, and clean it up. This evidences our attitude as a company.

The Calida brand stands not just for quality, but also for tradition. This appeals above all to an older clientele. How is the Calida Group zeroing in on Customer 4.0, i.e. the millennials?

For example, with sustainability. Two out of three millennials are prepared to pay a higher price for sustainably produced, high-quality products. In addition, “Monocle”, one of Europe's foremost lifestyle magazines, entered into a product venture with us this past fall. The result is a fine capsule collection for the modern, urbane, big-city gentleman who likes things that

are practical and fashionable at the same time. And of course, we put together the most suitable collections.

What look do the millennials prefer?

Basics play a major role, and we reinterpret their design. Essentially, simple things with all the right functions are very popular. But fashionable attire such as culottes or modern soft bras in the women's collection are big sellers.

How specifically are you taking aim at target groups?

Today, “target group” is probably no longer the right word. It's rather a matter of buyer groups or, more precisely, interest groups. Nowadays, one doesn't think anymore in terms of age limits. When I go to the gym, a 65-year-old on my left and an 18-year-old on my right sweat just like me. The older ones are becoming ever younger, it seems. This is an exciting challenge for us.

By acquiring Reich Online Services, the Calida Group reinforced its e-commerce business. Has your company now achieved its initial goals in this area?

We've even surpassed them. E-commerce is much more than a passing trend – it's a revolution that has given rise to completely different behaviour on the part of end consumers. Singles' Day in Asia has become the world's top-selling online shopping event and grew from USD 20 billion to USD 28 billion in a single year – an incredible rate of growth! The demand these days is that we reach the consumer where he is and when he's online; obviously, we have to be there at that point.



Reiner Pichler as the customer

Do you wear Calida products yourself?

Of course I do! Every day. Not just because I like them; I'm also testing them.

What product or service would you definitely not want to do without?

I'm rather inclined to think about the things that need improvement, like travelling in Europe. Here, you often feel like you're amidst a flock of sheep being herded in and out of the plane. Travel service is becoming increasingly important because people are journeying much more these days. The level of service you receive should be high. Asia beats Europe by a mile in this regard.

Is there a product that's already accompanied you your entire life?

I have a pocketknife from my grandfather – I love it dearly.

Do you prefer to shop online or rather in a store?

Both, actually. I buy quite a lot in shops when I'm underway, whether abroad or in Switzerland. Online, I buy just about 100 per cent in Switzerland. I purchase books almost exclusively online, but no e-books.

Which online shops do you use most frequently?

Globus and Amazon.

What's at the top of your shopping list for 2019?

I want to buy a Millet ski outfit, and I also need a new motorcycle helmet. I'm a passionate biker.

Two years ago, the e-commerce business accounted for about 3 per cent of Calida's total revenues. Where does it stand now, and what proportion are you still striving to achieve?

We currently generate roughly 10 per cent of our revenues via our own e-commerce platforms. This equates to an increase of 60 per cent in the past year alone. If we add the sales attributable to pure e-commerce customers and those that our wholesale customers generate with us in connection with e-commerce, then we come to almost 20 per cent.

How does Calida go about handling the related online customer comments?

I find the possibility to comment online basically good, as it quickly conveys the opinion of customers. But this of course puts us under the gun. Any negative comments become visible to everyone, worldwide. And they can develop their own dynamic, which in turn can result in a painful loss of sales. But we're happy to rise to this challenge because we fully support our products – and can also learn something from the justified comments.

The data collected through e-commerce make it possible for companies to gain a better understanding of their targeted customers. How does the Calida Group use customer data?

First of all, we may only use that data in compliance with a legal framework that is very constrictive. I'm also not sure whether we actually know all that much more about our customers than we did before. We've always had our own bricks-and-mortar business, and that gives us enough information about how well a product works, who the end consumers are and how often they come back. So we've never been entirely "clueless" about their tendencies.

Which other ways do you have for obtaining customer feedback?

We recently had a very interesting discussion with a group of alpine guides from Grindelwald. They were interested in a backpack from our Mountain division and made suggestions on how to improve it. Experiences of people like this – who are on the trail every day with one of our products – are very useful to us.

The e-commerce business is growing in leaps and bounds. What will ultimately be the function of bricks-and-mortar shops?

Our shops have an important function. The future is not to be found in e-commerce or proprietary stores or wholesale; for us, the future lies in what we call omnichannel. It's the means by which we bring the different sales channels together. We've already opened the first two omnichannel stores in Hamburg and Bremen, and more are set to follow. We also plan to open additional new stores and integrate our wholesale partners.

Current PwC studies on the topic



2018 Global Consumer Insights Survey
Annual consumer behaviour survey



Store 4.0
Zukunft des stationären Handels



Kunden begeistern – vom Einkauf zum Erlebnis
Wie der stationäre Handel mit den passenden Services eine positive Customer Experience schafft



Total Retail 2017
Sechs Trends, die den Handel nachhaltig verändern



Customers are calling the shots
It's time for retailers to get fit for the digital age



Customer Centricity – den Kunden im Visier
Warum eine Customer-Centricity-Strategie unerlässlich ist





magazine.pwc.ch/en



Additional background information on customer focus, more about our interview partners as private individuals, and a video on current customer needs can be found in our online edition of ceo magazine. Whether relaxed on the sofa, on the train or in a café – by means of your smartphone or tablet – have a pleasant read!

The next issue of
ceo will appear in
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