

A photograph of a modern, multi-level office building interior. The space is characterized by clean, white architectural lines and warm, ambient lighting. A person is walking away from the camera down a long, brightly lit hallway on the ground floor. The upper levels feature glass railings and recessed lighting, creating a sense of depth and openness. The overall atmosphere is professional and contemporary.

Satisfying the digital customer

Philomena Colatrella, CEO at CSS, shares her thoughts on agility, focus and how to drive her business forward

KPMG *How have you settled into your role as CEO of CSS?*

Colatrella I feel really positive in my new role, and there is great potential to move the business into a higher gear. CSS needed restructuring in order to be well prepared to meet future challenges in the healthcare sector. In my first months as CEO, I carried out around 100 interviews with employees and analyzed the company from various perspectives. Then, on September 1, 2016, I introduced a new organizational structure. The Corporate Executive Committee has also since been restructured. I'm really looking forward to working with this management team to tackle the challenges ahead.

What was your biggest challenge?

One big challenge was to strike a balance between customer-centricity and costs. Customer satisfaction is key and we want to be best in class, but strict cost control is also essential and employees must really understand their duties and perform them effectively. We are currently the number one health insurer in the market, and so we feel it is our duty to help shape developments, such as reductions in healthcare costs.

Is it relevant that you are the first female CEO of a health insurance company?

True, I am the first female CEO of a Swiss health insurer. That is a major milestone. I am pleased to be a pioneer and able to support women in achieving their goals, but for my day-to-day work, it's irrelevant that I'm a woman – the ability to get things done and decisiveness are not functions of gender.



Philomena Colatrella
CEO of CSS

How do you ensure that your team and CSS employees support your focus areas and help shape the company's future?

I have always been committed to open communication, and this is even more important in times of change. People appreciate it when you make time for them and show them where CSS is going, and that's how I want to get the staff on board with the vision.

You know CSS well and are committed to continuity, yet there have been certain changes in your organization. Where is CSS headed?

I want balance preserving CSS's strong tradition and making our company even more innovative. One thing that won't change is our desire to represent our customers' interests. But we need to be faster and more agile in order to cope with changes in the healthcare market. This mentality must first be anchored firmly in the minds of every employee, which takes time.

We believe policyholders now have more confidence in health insurers. What do you think?

Following the popular vote on a national health insurance scheme in 2014, it was important for reputation to be treated as a priority – and to do something about it. Since then, insurance companies have positioned themselves more strongly and taken the appropriate measures.

Are you planning to collaborate externally as you move CSS forward?

We are considering a variety of options; for example, we have embarked on a collaboration with Galenica, we are in contact with various GP groups, and we are testing different models. Collaborations with medtech companies are also being evaluated. In line with our strategy, we are strengthening our network and improving our ability to build partnerships. I believe this is really important, as major issues such as

digitalization can only be managed as part of a network. It's essential that the various healthcare market players become better connected, which can only be achieved through collaboration.

If we look at the four key areas of the health ecosystem – prevention, diagnosis, therapy and treatment – where are you most focused?

All areas are important. We founded the CSS Health Lab with ETH Zurich and the University of St. Gallen to focus on new approaches to behavior control. The aim is to carry out research into how healthy and (chronically) ill people can benefit from digital support in their everyday lives. For healthy people, the focus is on increasing wellbeing; for sick people, we're aiming to improve the course of the disease. Results from behavioral research are critical for us. Two years ago we launched myStep, a prevention program that provides financial incentives for being active in everyday life, and we're now looking to develop this further.

What else can CSS customers expect in future?

I'm not turning CSS on its head. Our customers remain our number one priority. But we want to go one step further to ensure that our policyholders benefit from an even faster, more comprehensive service. With this in mind, we have consolidated all key aspects of our interaction with policyholders under the Customers & Market management area. We also want to expand our range of digital services: myStep and Qualicheck, our comparison platform for service providers, are just the beginning.

Customer-centricity, digitalization and innovation... Which of them are you most concerned with at present?

These are interconnected. As premiums begin to be more competitive and more comparable, perfect customer service becomes a symbol of quality. The digitalization of

our internal processes plays an important role in this. We want to drive forward the automation of these processes to boost efficiency, as low administrative costs also flow through into premiums. We would like to invest more in customer-focused digitalization; for example, by developing innovative services in the fields of prevention and digital treatment options. Our vision is to enable our customers to take more responsibility by giving them the tools (such as apps) to help them treat themselves every day, outside of their doctors' appointments. The customer should be able to make an informed decision about when a particular doctor or treatment is appropriate.


How will CSS influence the level of future healthcare costs?

To permanently reduce costs, every healthcare sector stakeholder needs to play their part. That includes us as an insurance company. Thanks to rigorously monitoring the around 15.6 million invoices that CSS receives each year, we will save some CHF 700 million. These savings will flow directly through to premiums. CSS has also been actively working to identify benefit fraud for about two years; during this time, we have found benefits having been paid out wrongly in hundreds of cases. We are in the process of getting this money back.

We are also developing special treatment programs, such as for patients with chronic pains or people in emotionally challenging situations. These should help those affected learn how to better cope with their disease, while also saving premium payers money.

Let's talk more about digitalization in your interaction with customers – how is this developing?

Process automation will allow us to boost efficiency so that our customers get their money even faster. To help with this, we are using tools such as machine learning to bring



"Our actions are grounded in trust, consistency and coherence."

digitalization to our customers. Our main focus is on omni-channeling, i.e. connecting and networking existing channels, so that customers are simultaneously informed across all channels – through our myCSS customer portal, for example.

Who would you say is further ahead in digitalization, CSS or its customers?

Our customers. We need to become a lot more digital.

With this in mind, how will machine learning and automated work processes affect your employees?

We want to use automation to boost efficiency and generate savings, which



Philomena Colatrella
CEO of CSS

will then free up capacity in both upstream and downstream areas and allow us to focus on more complex issues, such as monitoring hospital invoices. The important thing is that, ultimately, we can pass on some of the savings and synergies to our customers in the form of lower premiums.

What is needed to ensure that CSS continues to bring innovation to its customers and maintain, or even strengthen, its leading position?

Individual departments within the group need to be given more power to help shape that innovation process. I have created three boards in the new organization: an innovation board, a strategy board and an analytics board,



Oliver Windhör
Director, Audit Insurance at KPMG

comprised of both CSS employees and external people. I am very optimistic – we're on the right path.

What stakeholders/service providers outside the insurance sector will help CSS's development?

Innovations should stem primarily from CSS. We have created our own business area to help drive the company forward. We're also taking inspiration from startups outside the industry, which are often completely unconventional and highly customer-oriented in their approach to tackling problems and finding solutions. And it doesn't hurt to look outside Switzerland either.



Anup Nastik
Head of Insurance Advisory at KPMG

If you could choose anyone, with whom would you like to team up in a future ecosystem?

I'd like to work alongside doctors and hospitals to promote needs-oriented, integrated care that is both top quality and cost effective.

Where do you see CSS in five years?

As the number one insurer in terms of growth, the market leader, and an important and active participant in health management.