

# Focus on the Next Generation

Text ALEXANDER HEINTZE / Photo JÖRG EBERL



**How the digital unit of the financial services provider Wüstenrot & Württembergische is preparing for the customers of the future.**

**W**hat do midwives and prenatal yoga have to do with insurance? More than one might guess at first glance—Daniel Welzer, CEO of W&W brandpool, is firmly convinced of that. The financial services provider Wüstenrot & Württembergische founded the new business unit in 2018 with a view to offering the next generation of customers digital provision products that fit their lifestyle. And that don't necessarily need to be insurance or financial products.

"The sale of financial products to young target groups is sometimes a challenge nowadays," says Welzer. For most young people in Germany, their only association with hard times and economic crises comes from history class or stories they have read. Their own lifetimes have been

marked by tranquility, peace, and—thanks to the tireless efforts of helicopter parents—freedom from cares of all kinds. "This generation has a different perception of risk," says Welzer. Getting them interested in insurance and retirement investments is not always easy. Not least because the attention span of young people, schooled by Instagram, WhatsApp and the like, is shorter than ever before. A traditional appeal along the lines of "We should have a talk about your future ..." has little chance of success.

At the same time, "Generation Z," defined as the generation born after 1997, is arguably more flexible than any that came before. The concept of a career that stretches from apprenticeship to retirement in the same company is fading away. Full-time jobs jockey for time with freelance

work and side hustles; employment in one's homeland may alternate with a stint working abroad. Companies and industries are often only interesting for a certain period of time. "People who change their lives in short cycles need products that are tailored to their respective life situations and have a strong service character," explains Welzer. "Retirement products for these target groups must therefore be differently conceived than in the past."

The new business unit in the W&W Group focuses on precisely these young people. It is developing new business models, but is also a strategic investor in the start-up scene. The focus is on B2C models in the fields of housing, finance and insurance, health, family, education, and mobility. To find them, Welzer and his team are constantly on the lookout for new companies and fresh ideas. And not only in Germany. "In Asia in particular, there is much more going on than would be feasible in Europe or that consumers would be looking for." Nevertheless, these business models can provide inspiration for modified or related concepts.

One of the investment holdings by W&W brandpool to date is the Berlin start-up Kinderheldin, which specializes in offering almost around-the-clock midwife consultation for pregnant women and new parents. And then there's the coaching app Keleya. With this app, which gives mothers-to-be a wide variety of tips on good nutrition and staying active, the company has a further holding on offer within the realm of family and health. The brandpool portfolio also includes the online insurer Adam Riese, the financing assistant NIST, which helps clients find new homes—from the real estate search to financing—and the financial apps treefin and FinanzGuide. "The mission of brandpool is to translate provision products for the digital world," explains Welzer. For 2019 alone, over €20 million have already been earmarked for investment in digital business models.

The strategy of Wüstenrot & Württembergische is not one that enjoins the subsidiary to sell more insurance policies and building loan contracts via digital channels. Rather, the aim is to reach out to and attract new customer groups that range anywhere from difficult to impossible to reach through the company's existing channels. "We have the freedom to be bold and experiment with a multitude of approaches," Welzer emphasizes. The fact that one or the other idea may fail is baked into the concept. "If you're in a company environment that meticulously avoids the chance of even the slightest mistake, there's really no point in bothering with digitalization."