

**"T**O BE HONEST, I NEVER THOUGHT THAT I could be an entrepreneur," recalls Julian Teicke. The founder of several successful companies, including the Berlin-based "insurtech" business wefox, a group intent on redefining the insurance industry, recalls that in the late 2000s, he was an inexperienced student with little self-confidence. His fellow students at St. Gallen University were on track to become investment bankers and consultants—neither of which seemed right or even achievable to him. He thought of becoming "a cook."

"I actually applied to [British chef and restaurateur] Jamie Oliver and I got turned down. At that point, I said OK, there's no choice but to go into business," he says.

An internship at Groupon became his proving ground.

"Day two of that internship, somebody said to me, 'Your manager is burned out. Can you take

design—just throw people into cold water and see if they could swim."

Within six months, his team was outpacing its sales projections and he discovered he had a gift for leadership. He quickly became an international sales manager with the company and then left to create shopping platform DeinDeal, the first of his successful startups. When he sold it to Swiss media and ecommerce group Ringier in 2015, DeinDeal had about \$100 million in annual revenue. Since then, in addition to being founder and CEO of wefox, he has helped launch companies like HeartSpace for remote work, Doctorly for healthcare, and Kenjo for human resources, plus an umbrella investment firm Force Ventures. All are focused in one way or another on reimagining our world.

wefox parses consumer data to increase its customers' awareness of their risks, betting that such knowledge will lower the individual's risk and the company's overall exposure, thus allowing it to

**JULIAN TEICKE,** founder and CEO of wefox and several other paradigm-challenging tech platforms, talks about his past, his strategy and his outlook with Brunswick's **NIELS SCHLESIER.**

# Reimagining LEADERSHIP

over?' Suddenly I was responsible for 20 salespeople, and nobody was telling me how to do that job. I went to a friend in HR and said, 'What should I do? Nobody's telling me what to do.' And they just said, 'Hey, just go for it. Just jump in and do things.' So I starting writing all of these messages to the sales people, telling them what to do. Then a manager above me comes and says, 'You've created the most chaos possible. Everyone is just completely confused,'" Julian recalls.

But apparently that confusion also netted some favorable results.

"When he left, he said, 'Keep it up,'" Julian says. "That was a huge lesson for me. I think it was by

offer insurance at lower costs. The business grew by 600% in 2020 and has its sights set on the US and Asian markets. Teicke's goal is to dominate the insurance market, simultaneously bettering the lives of customers.

That combination of ambition, innovation and social impact is at the heart of Teicke's mission, as Brunswick's Niels Schlesier discovered when he sat down to interview him in April. It's a strategy that puts wefox at the center of what Teicke sees as the "next wave" of the internet data revolution, and he is vocal about the company taking a leading role in creating "a new ethical standard."

The conversation ranges from Europe's growth



PHOTOGRAPH: COURTESY OF WEOFX

as a tech hub to his evolving views on holacracy—a philosophy of management that relies on the autonomy of individual teams and management approaches. Through it all, the theme of redefining business remains constant.

**Entrepreneurial success stories are nothing new to Germany—the Siemenses, the Boschés, the old industry. But there are few younger tech companies, if you compare it with the US, China or Israel. Why do you think that is?**

The biggest reason is the availability of capital. It's also cultural of course. But both of those conditions are changing.

## TECHNOLOGY IS REDEFINING INSURANCE AND WEOFX IS AT THE FOREFRONT OF THIS NEW PARADIGM.

What we're seeing now is the first wave of people who have made a lot of money—founders, entrepreneurs, investors. They're reinvesting that money in tech startups, similar to what happened in Silicon Valley. We're also going to hopefully see more capital from the government, which played a huge role in the US and in China, particularly with regard to innovation. I think politicians here are more open to that now.

The culture piece is a deep-rooted issue in Europe, especially Germany, that we need to overcome. We need to shift to the idea of allowing mistakes to happen, of taking risks. I see that mind-set growing.

The next wave of the internet data revolution will involve a new ethical standard regarding handling personal data. Europe—Germany, especially—is an ideal place to develop a business model around that new standard.

Consciousness about data is high here. The percentage of people paying with credit card or Apple Pay is significantly lower than anywhere in the world. People pay with cash here. Many people here have seen two terror regimes, each with its secret police, where talking to your neighbor about things in your life could land you in prison. People know how valuable it is to have privacy. That's deeply rooted in our culture.

I think Europe will be the winner of the next data revolution. We lost the last 20 years, but we will be the winners of the next 20 years.

**In wefox's early days, you introduced holacracy as a management approach—but then moved away from it. Why didn't it work at that time?**

Organizations can't be run the same way as they once were. The amount of information to be processed is increasing exponentially and the old structures just can't cope. Maybe 30 years ago, a CEO of a 100,000-employee company was able to analyze his organization and make the right decisions. But today the amount of data is just too much.

Holacracy is essentially a theory of how an organization grows and changes like a living organism, rather than being led by a single person with a single ego. The organization actually decides on its own structure based on tensions in its direct environment. In holacracy, there's no boss. You create a warm place where everybody's equal.

To me, this was a beautiful, beautiful concept. But the industry we're in just isn't there yet. Our employees were socialized in a different mindset before we hired them. While they understood the

concept of holacracy, they didn't believe in it. Many people were trying to outsmart it. So, yes, holacracy is the goal, but you need to create an organizational structure that aligns with the current state of consciousness, the expectations and experiences within your organization.

With that, you create a safe space. With holacracy, we didn't have a safe space. We had a space where people felt threatened all the time. Once you have a safe space, the organizational structure can evolve step by step. Our goal continues to be to build a very progressive organization, but it will take a very long time.

**You've worked with other German entrepreneurs to support the launch of the official German COVID-19 app. I also heard you speak about deploying technology to spot anti-Semitism on social media. Do tech leaders generally have a social responsibility for the impact of their technology?**

Absolutely. There are some tech companies now that have more power than a US president or the German Chancellor. It is the responsibility of a new generation of tech founders to limit the power of these organizations and to use our impact for positive societal change. I really hope that our generation of founders understands this and supports the important changes required to create a fair, just society in which every single human is in power. And in which we actually create solutions for the big pressing issues of our time, rather than just making money.

So, of course: climate change. But also, what happens when people are replaced at work by technology? What do we do with so much of humanity feeling irrelevant because they have no purpose in life? These are the things that we really have to look at and find solutions for. We don't have a lot of time.

**What lessons has COVID taught you as a leader of a fast-growing tech company?**

I'm still trying to figure that out. First of all, fully remote works. That's something I probably wouldn't have believed before. In terms of productivity, everything is fine. In terms of culture though, everything is not fine.

What can happen in a fully remote work setup is this slow degrading of the emotional connection between employer and employee. It's similar to what happens in a slowly declining marriage if you're not paying close attention to each other. Every day the relationship gets a bit worse, but you don't realize it. And then one day, your partner is standing there

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with full suitcases and says, "I'm out. I'm leaving. It's over." And you're like, wait, what did I miss?

In a business, the damage can be similarly huge. I'm still trying to figure out how we can turn that loss of emotional connection around. One of the things that we're trying to do is create workplaces that are not designed for work really, but more for people to come in and experience the company's community and culture. Something more like a clubhouse than an office.

The challenge has given all of us the opportunity to test the future of work. And the future of work is definitely remote—probably even freelance. Having multiple employers as outlets for your talents. This crisis has pushed us forward five years in terms of digitization and the future of work—which is great, but also confusing.

**You are now transforming wefox into a prevention company. How would that be different from what traditional insurers will be doing?**

We are rethinking everything about insurance. For a very large organization that has been operating the same way for 100 years or so, that would be very difficult to do. As a young company, we're in a very fortunate position. The incumbents have these discussions, have these brainstorming sessions, but they miss the boldness and ability to actually implement their ideas in their core business. We could go so far as to cannibalize our existing business if we need to—just create a completely new company.

With our model today, you would be paying €1,000 for your policies. With our model tomorrow you would only be paying €800 for your policies, because we will use data in order to tell you in advance about the riskiest situations in your life. So we increase your awareness about imminent and general risks. And then, on average, the risks for people that subscribe are reduced by 20%.

We are turning insurance from financial protection from uncertain risks, based on static data, into proactive protection for likely risks based on contextual data. Insurance will turn much more into a service industry than what we know of insurance. The Internet of Things—the third data revolution—will impact insurance much more than any other industry, because insurance is a product based on data.

**How does that significant use of data align with your outlook on personal data ownership?**

The vision for data ownership is: Every human owns their own data and has a hub where they essentially see which company or institution currently



has access to what data about them. As a user, I can restrict or give access to my data to trusted parties. I can even profit from sharing data. Digital sovereignty—that's the vision. That requires an infrastructure and a change in consciousness about how important data and privacy is. And that's going to take a few years.

In the meantime, we have to make sure that we have the right set of rules for handling data. We don't use data to discriminate when it comes to pricing. That's kind of the red line in our business. Let's say a company uses your data, Niels, to figure out you are a really terrible driver and cancels your car insurance or makes it really expensive. That's not a responsible approach. We want to increase your awareness but not make you pay more—we don't want data to have an impact on price for the individual.

**I wonder how you know that I'm a bad driver ... [laughter]. Earlier you mentioned reinvestment from founders in the German and European tech ecosystem. With four ventures yourself, you're also investing in other companies already. Can you tell me a bit about what your focus as an investor is?**

Organizations are a great catalyst for societal change. We think that, with organizations, we can actually have a positive impact on people's lives—the lives of the employees of those companies. So, how can we create companies with a maximum number of employees, and have the maximum impact on people's lives?

The companies that will be the biggest in the world 15 years from now are probably not even founded or are very small today. So we focus on the nine or 10 largest areas of human demand—those will be similar in 15 years. For each one, we want to build one company, a smart market-entry model with the potential to actually be the global dominator in 15 years.

Let's look at these large areas of human demand. You get paid \$100 from your employer. Of that, \$50 goes to the state, \$17 you pay for living, \$12 for mobility, \$7 for food, \$5 for insurance, \$4 for healthcare, \$2 for other services, \$2 for entertainment and a dollar left for savings.

At the top, for improving hiring and getting employees that \$100 in the first place, we started Kenjo. For insurance, that \$5 space, we have wefox. We've created a business for the \$4 space, healthcare, called Doctorly.

Our philosophy is, every company can become huge if it has two pillars. First, it has to have a vision

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ambitious enough that it triggers you to always think big. Let's say you've built a multibillion-dollar business. If your goal is to be the global dominator in insurance in 15 years, you are still in kilometer one of the marathon. The second pillar is having founders and CEOs that never give up, no matter how big the hardship, no matter how tough it becomes, no matter how impossible it seems, or how painful it is. Every time they get hit, they get up again.

The big vision and the resilience. If you have those and also have the perspective of creating positive societal impact with your organizations, then you have a good chance of actually creating some positive change.

**This year, during COVID, wefox turned profitable in its insurance business. You decided to put the US expansion on hold and relaunched all the businesses under one single brand. What's next for wefox?**

The rebranding has been really important because it helped simplify the story to our employees and to our customers and investors. wefox started as a distribution business, then had an insurance company, and then launched an API platform. What we are is a digital insurance company—but different from other digital insurance companies in the world.

Most other digital insurance companies do direct distribution. And that's around 10% of the insurance market today. What we do is indirect distribution. We digitize 90% of the insurance market and we essentially achieve much better results than all of the others. Faster growth and better profitability.

Our book last year has grown by 600% on the insurance side. We have been profitable on the insurance book while growing at that pace. We're ready now to really spread to other markets. First of all, we'll take our model all over Europe, where we're still missing a couple of countries. Then we'll go to the US and Asia.

The way we think about insurance is a little bit like what Tesla did for the automotive industry. No time soon are we going to be anywhere close to the large insurance companies when it comes to revenue. But we're scaling much faster and more sustainably—using technology to be more profitable and customer-centric. We're going to pass the large insurance companies in terms of market cap, but at a lower revenue. And much faster than anyone thinks. ♦

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