

Customer success in insurance



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To stay competitive in the face of escalating risks and regulatory pressures, insurance companies can no longer rely on investment income to stay competitive. Insurance executives need visibility into every facet of the business—underwriting and rating, claims, marketing, distribution management, portfolio risk management, and more—to make the right decisions.

Cognos, an IBM company, is the world leader in business intelligence (BI) and performance management solutions. We provide world-class enterprise BI, planning, and consolidation software, and services to help companies plan, understand, and manage financial and operational performance.

Better care for customers

- Manage captive and independent agents to improve performance.
- Engage front-line sales and service managers with the planning process.
- Allow more transparency and visibility into the claims process.
- See where customer service is missing service targets.

Reduce costs and increase efficiency

- Create a self-service reporting platform that reduces the demand on IT.
- Make more timely decisions on claims, quickly analyze sales agent performance, and serve customers more efficiently.

Manage risk and compliance more effectively

- Efficiently manage multiple reporting and consolidation standards such as IAS, U.S.-based GAAP, as well as international solvency legislation.
- Perform intercompany elimination and reconciliation, multicurrency translation, complex ownership calculations, and financial consolidation rules.

Make planning easier

- Augment or replace cumbersome, error-prone spreadsheet-based systems.
- Provide flexible, connected planning software that reduces consolidation, close, and reporting cycles by days or weeks.

Thousands of insurance companies worldwide choose Cognos, including six of the top 10 insurance companies in the world, and seven of the top 10 insurance companies in the US. In addition, Cognos has been recognized by Insurance Networking News and IDC Financial Insights with awards in the category of “Keeping Insurers Informed Through Analytics.” Read on to find out how:

- Cognos and IBM helped **BlueCross BlueShield of Tennessee** provide a consolidated view of its complex claims performance across the organization.
- Dutch insurance group, **Achmea**, has evolved with Cognos solutions to results-oriented management based on up-to-date, reliable information.
- Health insurance agency **BKK Bundesverband** reacted to changing legal guidelines and new reporting requirements from users, and made huge savings in cost and time in the process.
- The **Munich Re Group** reinsurers removed reporting and analysis roadblocks with IBM Cognos 8 BI, leading to substantial time savings, which are now being put to better business use.
- Insurance leader **Folksam** leveraged Cognos 8 BI, Cognos Planning, and Cognos Controller to reduce data collection and consolidation by 45 percent and deliver fast, accurate reports, plans, analysis, and more.

Cognos was acquired by IBM in February 2008. Customer success stories written prior to that date may not reflect the new product naming conventions stemming from the acquisition.

BlueCross BlueShield of Tennessee (BCBST)



Nothing's more important than your health. No one knows that better than employees of BlueCross BlueShield of Tennessee (BCBST), where health is their business.

The company is an independent licensee of a nationwide association of health care plans – the BlueCross BlueShield Association – and Tennessee's largest provider of health coverage, insurance products and services.

Representing more than 2.4 million member-clients, BCBST processed in excess of 54 million claims and \$14 billion in health care benefits in 2004.

Beyond individual members, BCBST is also the state's largest TennCare managed care organization and manages group insurance coverage for a significant number of private and federal organizations. Given the size and scope of these combined communities, staying connected to clients is BCBST's chief priority.

With the tremendous volume of data it manages, having a view of information to assist in service delivery and strategic planning is a challenge. Having a real-time, consolidated view, available to both itself and its largest customer accounts, was for a time thought to be impossible.

"Information is our key performance indicator. Without a view to our data and trending – in time to course-correct – we're unnecessarily limited in our responsiveness and the service levels we are able to provide," said Kevin Janes, Data Warehouse Technical Infrastructure Team Leader at BCBST. "Our customers also want immediate access to their records and profiles to help make financial decisions, and it's our job to make that a reality."

Success strategy

In 1996, BCBST created its first data warehouse. To achieve a view to this business-critical information and to enhance analysis and reporting capabilities, BCBST chose to partner with Cognos, a business intelligence (BI) leader.

Industry

- Healthcare

Geography

- Tennessee, United States

Information needs

- 360-degree view of member information
- Real-time analysis of corporate and client data

Platform

- IBM DB2 UDB
- IBM DB2/390
- IBM WebSphere Data Integration Suite
- IBM pSeries, xSeries, zSeries Servers

Solution

- Cognos® Business Intelligence Series:
 - PowerPlay Web
 - Impromptu Web
 - Metrics Manager
 - ReportNet

Users

- 2.4 million member community
- 500 Users

Benefits

- Strategic, information-based corporate and client decision-making
- Efficient resource allocation – operational, management and support
- Highly available, on-demand information access
- Permissions-based security

Through this partnership with Cognos and the use of its powerful enterprise BI solutions, BCBST was able to meet many of its early corporate performance objectives.

Over the tenure of this relationship, BCBST has rolled-out Cognos reporting to more than 400 users, and more than 100 users across the organization are gaining insights from Cognos multidimensional analysis.



Protecting members' financial well-being is as important as protecting their health. In order to pass along increased efficiencies to its client base, BCBST again turned to Cognos to further streamline operations.

Traditional solutions not enough

"We wanted to provide a dynamic, flexible, and powerful web-based information portal for our customers to help them keep their fingers on the pulse of their health expenses and expenditures," said Janes. "From a competitive perspective, this type of solution gives us the edge we need to surpass the competition."

Janes added that from an operational point-of-view, "Traditional solutions, characterized by software distribution challenges, installation, data transfer and support issues simply would not meet our complex requirements."

With significant support from the executive management team and a large-scale operational data and transformation (ETL) project, BCBST's IT team worked with Cognos to develop a web-based reporting and analysis application that promised to overcome traditional management limitations and exceed client service objectives.

Working with Cognos, BCBST modeled its medical, pharmacy, provider, and membership data into a single cube. According to Janes, "Modeling based on usability is especially important when constructing cubes of this size to avoid end-user confusion and information overload."

The resulting application was architected on BCBST's high-performance, massively scalable, IBM middleware infrastructure layer, to provide customers easy online access and on-demand analytical tools to help monitor medical and prescription claims. The scalability of this application helps pave the way for future growth.

For BCBST, web delivery made the most sense as it provided centralized administration and support and required minimal internal training.

Today, this solution offers always-on access to both current and archival member and provider information - dating back four years - directly to the clients BCBST serves. With an intuitive, easy-to-access analysis interface that enables customers to closely monitor their healthcare information and identify trends and smart solutions for cost-savings, the portal appeals to even the most novice customer users.

From a security perspective, the solution also provides accessibility based on various user roles and permissions to ensure only authorized users have access to their sensitive information.

As predicted, the application is also a winner from a competitive perspective. BCBST is now able to offer a service to customers that none of its competitors could provide. Beyond gaining a competitive edge, the portal's high degree of functionality has also helped with customer retention and is a key selling feature to new clients.

In terms of operational streamlining, BCBST has seen a reduction in report requests as customers now have the ability to generate their own.

Future focus

Given the runaway success of the online client portal, BCBST has many plans for several future BI projects. In the near-term, BCBST will undertake an ambitious migration project involving the rollout of Cognos ReportNet to the corporation.

The functionality provided by Cognos ReportNet provides the right tools to support the activities of BCBST's Special Investigation Unit for fraud and abuse. The ability to track and trend workflow, staff activity and case progression helps streamline the investigative process and increase productivity. Various levels of reporting, from monthly account-specific reports to overall departmental performance over time, allow the unit to meet contractual requirements and monitor its own progress to more efficiently leverage resources.

“We now have more up-to-date management information, enabling us to run Achmea in a results-oriented way, based more on facts than on a gut feel.”

Thomas van der Eerden, Program Manager Business Performance Management, Achmea

Achmea is the largest insurance group in the Dutch market and is the core company behind brands such as Centraal Beheer Achmea, Interpolis, Zilveren Kruis Achmea, FBTO, and Avéro Achmea. The shared aim of these insurers and service-providers as part of Achmea is to take special care of their customers. The central issues at stake here are security, health, retirement savings, employment schemes, business continuity, and employment conditions. To be able to take good care of customers in these areas, Achmea is seeking to distinguish itself as a committed, results-oriented, and innovative organization. Achmea is a subsidiary of Eureko, which employs 22,000 people and had a turnover of 14.3 billion EUR in 2006.

Challenges faced

Achmea was facing a wide range of different production systems and fragmented management information, and needed to make the move from management information to BI.

Achmea is a company whose history is dotted with mergers. As a result, it has a diverse IT landscape, with the various divisions in the group working with a wide range of different production systems. This makes it more difficult than it should be to provide smooth and efficient management information.

“Each department has its own information,” says Thomas van der Eerden, Achmea’s Program Manager Business Performance Management. “And this fragmentation often results in arguments about the accuracy of the figures.”

To be able to cope with this challenging situation, a strategic decision was taken at the beginning of 2007 to lay strong foundations capable of handling management information right across the organization, based on the IBM Cognos 8 BI product platform from Cognos, an IBM company. To increase the organization’s ability to maneuver and make it less unwieldy to control, the information provided to the business needed to have more structure, while at the same time having greater uniformity.

Industry:

- Insurance

Geography:

- The Netherlands

Information requirement:

- Coordination of a wide range of different production systems
- Consolidation of fragmented management information
- Evolution from management information to BI

Users:

- 2500

Platforms:

- IBM DB2
- Windows
- Oracle

Solutions:

- IBM Cognos 8 BI
- IBM Cognos Enterprise Planning
- Cognos Professional Services

Benefits:

- A strong information infrastructure
- A fast roll-out of BI to various divisions
- Up-to-date and reliable management information
- Results-oriented guidance based on facts

“Opting for standardization will make Achmea lighter on its feet,” says Van der Eerden. “This is vitally important in the competitive market where we operate. Our aim is to raise the way information is provided throughout the organization to a higher level. We need to increase the quality, reliability, and level of automation, while taking management information towards business intelligence. Doing this will enable us to target our strategy better.”

Achmea’s intention is to develop BI solutions that can be applied with only limited adjustments to various places within the organization and use them to exchange as much knowledge and experience as possible.



Strategy followed

To achieve its objectives, Achmea decided that it needed to:

- Establish a BI Community of Practice
- Build a data warehouse with generic organization
- Use IBM Cognos 8 BI and IBM Cognos Enterprise Planning as an organization-wide solution for end users
- Develop reporting modules
- Obtain the support of Cognos consultants

To provide a firm base for improving the provision of information, Achmea began by establishing a BI Community of Practice (BICoP). This in fact operates as a business intelligence competence center where BI specialists from across the entire organization can work together.

To develop its applications, the company opted for IBM Cognos 8 BI. Van der Eerden says, “In the first instance, we set up a pilot project with Cognos at Achmea Social Security to handle reporting about campaign management. Working closely with the various departments involved in this process, the BICoP developed reports that provided a weekly insight into how recruitment campaigns were progressing. It was a move that provided a great deal of peace of mind and there was less discussion about the accuracy of the figures, because people knew where they stood.” He adds, “We then started to examine whether this approach could be expanded and used elsewhere in the business. In response to the results from the pilot, we set up an IBM DB2 data warehouse with Informatica PowerCentre ETL software for opening up the source systems. The data was then converted into relevant guidance information and offered across the organization to end-users with products from the Cognos platform.”

To enable the BI reports to be reused, Achmea opted for the data warehouse to be set up on a generic basis and for other modules to be developed.

“We designated dimensions that were used in various divisions, such as customers, products, and processes,” explains Van der Eerden. “The modules are sets of ready-to-use reports that can easily be adapted to the needs of the departments and quick to roll out.”

With its eye on a sustainable approach, Achmea decided from the outset to call in the support of the Cognos Professional Services organization.

“We certainly wanted to know that we are doing the right thing. The Cognos consultants act as experts for us,” says Van der Eerden. “They are involved in projects fulltime,

from the design stage and implementation through to quality control. They also help us to keep the whole environment running.”

Results realized

With the deployment of IBM Cognos 8 BI and IBM Cognos Enterprise Planning, Achmea has achieved:

- A strong information infrastructure
- A fast roll-out of BI to various divisions
- Up-to-date and reliable management information
- Results-oriented guidance based on facts

Achmea’s BI approach works. “Our challenge was to make the reporting module 75 percent reusable,” says Van der Eerden, “which is something we have succeeded in doing. We have also created a module that provides end-users with an updated daily insight into our operating processes: how much work is involved, when it needs to be ready, and whether the arrangements made with the customer have been complied with. This module has been implemented in a number of divisions and we intend to introduce it shortly in our IT department. We are also seeing users working with the modules without having to wield the big stick.”

The development of modules is also progressing steadily and there is a range of projects underway for a number of divisions. The aim of all these projects is to increase the decisiveness and performance of the divisions concerned and will make use of the information infrastructure created. As a result, there are also plans to provide senior division management automatically with the main key performance indicators.

What has the main benefit been thus far? “We now have more up-to-date management information. Our figures are better organized, so that we are able to comply better with the arrangements made with our customers. And we can now be results-oriented, more on the basis of facts than just a gut feel,” says Van der Eerden.



“Whether the BKK Bundesverband is confronted by changing legal guidelines or by new reporting requirements from users, Cognos solutions ensure that the system can be configured in the way that we need. As the system is administered centrally on one of the BKK Bundesverband's Web servers, any modifications made are now immediately available throughout the whole BKK network.”

Manfred Latsch, Project Manager at the BKK Bundesverband der Betrieblichen Krankenkassen

BKK Bundesverband customer success

The BKK Bundesverband der Betrieblichen Krankenkassen (Bundesverband) is the umbrella health insurance organization for 199 member organizations and their eight regional federations. With around 14 million people covered by their policies, its members, the BKKs, represent the oldest and third largest grouping of statutory health insurance providers in Germany. For more than 250 years, these organizations have been closely involved in the provision of healthcare services, allowing both blue-collar and white-collar workers to sleep peacefully without having to worry about reaching old age or suffering from unexpected illnesses or accidents. The popularity of the BKKs continues today as more and more people become members.

Challenges faced

The German healthcare system currently faces a real test of its strength. Patients expect the Krankenkassen to be reliable partners providing high-quality healthcare at an affordable price. At the same time, doctors and hospitals are fighting to ensure that their rapidly rising costs are covered in full, and the Krankenkassen also have to compete with private providers for the most profitable customers.

As the umbrella association for many of these insurance providers, the BKK Bundesverband must implement a set of constantly changing legal requirements, and also has to provide its member organizations with a continual stream of commercial and market information that is vital to their competitiveness. As part of the clearinghouse process, all service providers in the healthcare sector, from doctors and pharmacists to clinics and hospitals, send their data to the

Industry:

Health insurance

Geography:

- Germany

Information Needs:

- Flexibility, ease of use, and control for a data warehouse of many billions of data records

Platforms:

- Teradata Warehouse

Users:

- 17,000 users

Solutions:

- Cognos 8 BI

Benefits:

- Organization-wide, flexible access to the same, detailed, up-to-date information for decision makers
- Improved user satisfaction and confidence through access to ready-made reports and analyses
- Savings in cost and time through central administration and eliminating software CD distribution

federation electronically—prescriptions, diagnoses, payments, and bills. The BKK Bundesverband then passes the documentation and billing data to the various member BKKs, as well as providing the strategic information that is vital to their management of services and costs.

Since adopting the Cognos reporting solution, however, the BKK Bundesverband has had access to a new, flexible, and user-friendly information platform that fulfils both current and future requirements for efficient and effective knowledge transfer: the BKK InfoNet Web.



Strategy followed

“To help us keep a handle on the massive and constantly growing amounts of information and manage it reliably, we set up a large-scale Teradata data warehouse for sharing data with the various BKKs,” explains Manfred Latsch, Project Manager at the BKK Bundesverband. “Since 1998, the BKK InfoNet has been a central application for us, storing all of the sensitive billing data from the BKKs and supplying both pre-defined standard reports and ad hoc analyses.”

The BKK Bundesverband’s information management system was originally designed for a client-server architecture, and was generally highly reliable in satisfying users’ needs. However, it was increasingly running into functional and technical limitations, due primarily to information overload. The federation began to look for a specifically Web-based business intelligence (BI) solution that would bring new functionality to the existing InfoNet tool and add value in terms of flexibility and ease of use.

“Our relatively inflexible system had not kept pace with the rapid rate of change facing the Krankenkassen today,” explains Latsch. “If we were to carry on working economically in the long term for the federation’s members, we had to find a way of meeting our needs for more extensive decision-support tools, which would give us and our members a lot more flexibility.”

When investigating the market for suitable reporting solutions, one of BKK Bundesverband’s priorities was that all functions should be user-friendly and capable of being operated intuitively. The user interfaces also needed to be set up without significant time spent on installing, maintaining, and supporting the system at the various user locations. With the wide geographical distribution of the BKKs, such a model would in itself bring major cost savings in terms of training and system administration.

After intensive examination of the options available from a number of vendors, the BKK Bundesverband decided to opt for Cognos.

“The fact that the Cognos BI solution was so clearly Web-oriented was what really won us over. The software has allowed us to lift the BKK InfoNet tool onto a new platform with an innovative architecture based on a real zero-footprint design,” explains Latsch. “Cognos Reporting was the answer, since it is Web-based from the bottom up, not just a client-server solution tweaked for the Web.”

Benefits realized

In 2004, the BKK Bundesverband embarked upon the gradual introduction of the Cognos solution. Manfred Latsch has an especially positive opinion of the stable server operation throughout this implementation period, and also points to the effective support provided by Cognos during the customizing and installation of Cognos Reporting and the redevelopment of the BKK InfoNet Web.

“The Cognos technology allows us to run new, flexible types of analyses, giving a precise picture of past spending. The Cognos solution also enables us to identify possible future trends—something vital in helping us to increase contributions,” adds Manfred Latsch.

The BKK Bundesverband can also rely on the cooperation of the Cognos partners.

“We’re very happy with the Teradata database,” Latsch explains. “Right from the outset, our InfoNet tool was based on Teradata’s data warehouse technology, which supplies all of the data reliably, from the one billion data records on outpatient diagnoses and three billion records of treatments provided, to the five to six hundred million prescription records.”

The boost given to the BKK InfoNet Web has enabled the BKK Bundesverband and its 199 members to enjoy a wide range of benefits. Now, a greater number of decision-makers and administrators have access to ready-made standard reports and analyses that are also more up-to-date and detailed than before. In addition, every BKK can now use the tool to create the analyses they need independently from selectable business models.

“Cognos Reporting makes researching easier in every way,” says Manfred Latsch. “Without spending any significant time on programming, you can obtain the business information you need extremely easily.”

With the Cognos solution, the BKK Bundesverband has been able to achieve substantially greater flexibility in its data warehousing activities. The new BKK InfoNet Web now reaches 17,000 users, who benefit from additional BI functionality, a range of options for the production of reports, integration with the organization’s existing security model, and reporting interfaces that are extremely easy to use. At all times, all users have access to the same information and up-to-date reports and analyses. Overall, this efficient provision of decision-support material is proving to be essential in helping the BKKs to remain competitive.

“Cognos technology has been a very important tool in maintaining our position in the reinsurance market by ensuring all our reporting is more accurate and agile, improving the service we offer customers, and helping us to make better decisions about risk.”

Tony Dumycz, BI Manager of Munich Re UK Life Branch

The Munich Re Group reinsures the risks connected to everything from oil rigs, satellites, and natural catastrophes, to health, life, and company management.

With over 40,000 staff in more than 50 countries, it has become the world’s leading risk carriers and financial services provider.

Challenges faced

In an increasingly competitive industry, there is more and more pressure for insurance companies to be agile, so they can quickly react to market changes and make decisions faster.

However, the UK Life Branch of Munich Re realised that its information reporting systems were limiting its ability to respond quickly to business needs. Built in-house, over time, these reporting tools had become fragmented and unwieldy to use. This posed a number of challenges for their business.

Firstly, there were operational challenges. For example, during the end of the year valuation, the finance team would make over 500 report requests each day. But, given the volume of data to be interrogated, some of the larger reports would take ten minutes each to run. This resulted in a real strain on the system, with some members of the finance team waiting up to a day for business critical information, slowing the decision making process.

At a management level, the disparate reporting systems made it very difficult to have visibility of performance across customers, regions, or the business as a whole. Only static reports were available and it was sometimes difficult to understand the reasons behind the headline figures.

Secondly, the volume of data related to policies covered by Munich Re is huge. It was extremely difficult to have full visibility of the risk it was exposed to in relation to different regions, customers, or claims categories.

Industry:

- Life reinsurance

Geography:

- UK

Information needs:

- Reporting and analysis

Solution:

- IBM Cognos 8 BI

Benefits

- More accurate and agile reporting, which is improving service to customers and helping Munich Re to make better decisions about risk
- Robust analysis, which gives complete visibility of the spread of risk, by customer, industry, or geography
- Performance reports, which are shared with customers, increasing the transparency of the insurer / reinsurer partnership
- Removal of system limitations, leading to substantial time savings

“Risk is the focus of our business. So it is critical we fully understand the spread of risk we are exposed to, by area and by customer, as this will influence future decisions about new liabilities we take on,” said Tony Dumycz, BI Manager of Munich Re.

Strategy followed

“It was becoming clear that our legacy reporting system created serious performance issues for the organisation,” Dumycz continued.

The reinsurer looked for a solution to ensure operational reporting was faster and more integrated, and which also offered improved access to accurate information for the organisation’s decision-makers – including the executive Board, and marketing and finance teams.



Following a rigorous evaluation of all the major business intelligence providers, Munich Re chose a business intelligence (BI) solution from Cognos, an IBM company.

“Cognos technology was the obvious choice, for both our IT team and the executive Board,” said Dumycz. “We were impressed by the functionality, its ease-of-use, as well as the Cognos presence within the marketplace. Its experience within the financial sector was also important to us, and Cognos stood out as being the best match for our business.”

IBM Cognos 8 BI was quickly introduced across the complete flow of reporting for the business, including the marketing, finance, and operations departments. Also, key performance indicators (KPIs) were set in place to track critical areas of the business – such as financial success, risk by customer, underwriting or operational statistics.

“For the first time, all decision makers can quickly compare and contrast performance across different marketing initiatives, customers, or regions,” said Dumycz. “The robust analysis solutions allow us to spot trends and identify where the business is weaker or stronger, or where the risk is higher and lower – and we can respond accordingly.”

Benefits realized

“Cognos technology has been very important in maintaining our position in the reinsurance market by ensuring all our reporting is more accurate and agile, improving the service we offer customers, and helping us to make better decisions about risk,” said Dumycz.

Following the implementation, the system limitations that created operational and reporting inefficiency were removed, leading to substantial time savings.

“Cognos has provided all business users with the ability to self serve and have almost immediate access to the information they need. For example, reports that used to take up to a day, or in some cases not be available at all, can now be accessed by our finance team in just a few minutes. The time saved is being put to better business use,” explained Dumycz.

Further, the analysis technology has helped Munich Re UK Life Branch to limit its exposure to risk by helping it better understand the potential liability of customers. Cognos links with the huge volume of data relating to each customer that is held within Munich Re’s policy data warehouse system, allowing the branch to analyse it and produce a complete picture of exposure to risk within that company. Cognos gives decision makers the chance to consider this risk, not just by actual numbers, but also through visuals and images.

Also, by having a better view of the all data related to risk, Munich Re is able to be more competitive in price for differentiation in a crowded market.

“Not only are we better able to avoid taking on unnecessary high risk, we can also better understand when risk is low, and fine tune our prices accordingly. This ensures we can offer the most attractive deal,” said Dumycz.

Munich Re has also started to share performance reports with its own customers, based on the level of service Munich Re has provided. This is increasing the transparency of the insurer / reinsurer partnership, to better demonstrate the quality of service being offered, as well as highlight any potential problems before an issue can develop.

“Our priority is to be the preferred partner in risk for our customers, and Cognos is a very powerful tool in helping to achieve this,” said Dumycz. “Our user base continues to grow. We have already increased the number of licences by 30 percent since the original implementation, and we are planning to increase this by a further 20 percent this year.”

Further, while Cognos was originally introduced as an information solution for the life insurance organisation, it is being rolled out to other lines of business, as well as other companies within the Munich Re UK Group. Munich Re’s next step is to roll out the next release of IBM Cognos 8 BI.

“Cognos provides users with accurate business-critical information, quickly and in the right format,” Dumycz concluded. “It is only a matter of time before every decision maker in the business will have access to the technology.”

“With Cognos we have a simple and quick environment which can handle all our needs. We’ve increased our reliability and reduced the time spent on certain operations from 66 to 3 hours. In the long term, this means we’ll save masses of time and money thanks to this solution.”

George Janson, Business Intelligence Coordinator, Controller Division, Folksam

Folksam is one of Sweden’s largest insurance companies and is represented nationwide. The company has around 50 offices in Sweden and slightly more than 3,000 staff insuring every other Swede, every other home, and one car in four.

In a sector characterized by rapid change Folksam needed to be able to boost productivity by adapting themselves to changing patterns of customer demand and pushing down costs.

Essential to this mandate is finding the right technologies and standardizing on them. That’s why they combined Cognos 8 BI, Cognos Planning, and Cognos Controller to create a standardized solution for their corporate performance management (CPM) platform and the primary tool for effective management.

With Cognos they now can provide user self-service to business intelligence, access heterogeneous data sources, and can leverage a complete performance management framework that includes capabilities such as reporting, analysis, dashboards, scorecards, budgeting, planning, consolidations, and more.

Challenges Faced

A number of years ago, Folksam established that up to 60 percent of their time was spent during the follow-up process on the collection and consolidation of data, while only 40 percent remained to actually use the information. They needed a faster way to unite data, and they needed better processes for reporting, analyzing, planning, and budgeting on the unified data.

Strategy Followed

In 1995, the company launched a project for installing a new business system — SAP R/3 — and immediately realized that the reporting functions available in SAP did not meet their needs for some users. They needed

Industry:

- Financial Services

Geography:

- Sweden

Information Needs

- Unite disparate data across the organization
- Better capabilities for reporting, analysis, planning, budgeting, consolidation
- Reduced costs/ provide more concise information by standardizing

Platforms:

- SAP R/3
- IBM DB2

Solution:

- Cognos 8 BI
- Cognos Planning
- Cognos Controller

Users:

- 700

Benefits:

- 45 percent reduction in time spent collecting and consolidating data
- Fast, accurate information from reports, scorecards, dashboards, plans, budgets, and more
- Significant savings now and in the future through standardization

to unite and leverage data more effectively and were finding that SAP R/3 alone was not enough. Following a survey of various reporting systems, Cognos analysis module was chosen, as it was found to be flexible and user-friendly. The solution needed to be flexible in order to gather and report on information from both SAP R/3 and other sources to get a complete view of the business. The solution also needed to be tailored to specific users and user needs, ranging from high-level strategic reporting to operational reporting. Relying on SAP R/3 alone could not satisfy Folksam’s reporting requirements.



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Folksam later expanded their solution with functions for reporting, scorecarding, and planning/budgeting. A web portal has also been installed in the company intranet where users, depending on their access privileges, can access everything from the minutes of the board meetings of the various subsidiaries to analysis models. Most recently the company migrated to Cognos 8 BI in order to leverage its enhanced capabilities and unified architecture.

The underlying data is provided in most cases by SAP R/3 or IBM DB2, but is also collected from other sources. Information on the market shares is taken from The Swedish Road Administration, PPM statistics from the Swedish Social Insurance Agency, travel expenses from travel agents, and many other external sources. All external data is first saved in a common database and then processed with Cognos systems into easy to use reports.

The key to a cost-effective and flexible system is in the infrastructure. Folksam uses Cognos data integration to collect and prepare all information used for CPM. “With Cognos, we have a system that’s easy to change and we avoid becoming too person-dependent, which is what happens when you have many specialized systems,” says Business Intelligence Coordinator in Folksam’s controller division, George Janson.

Benefits Realized

Thanks to the Cognos solution, the company has now reached their target of spending a maximum of 15% of the time on the collection and compilation of figures and the remaining 85% on future-oriented work. The staff now has more than twice as much time at their disposal for analyses and initiatives. The 50 local offices can monitor their own figures, claims managers see the claims figures, the personnel department sees the personnel statistics and so on.

Folksam currently has 700 Cognos users spread throughout the entire organization. By means of scorecards, analysis models, and reports, they can quickly and easily gain insight into:

- Premiums paid and disbursed insurance sums
- Operating costs per cost centre and product
- Internal purchasing support
- Follow-up on purchasing for the purposes of claims adjustment
- Profit and loss statement and balance sheet
- Staff statistics — e.g. hours worked per person and cost centre (overtime, holiday etc.)
- Sales in relation to the budget
- Analysis of customer surveys
- Market shares for auto insurance
- PPM statistics
- Change in the sums insured over time
- Internal follow-up of travel expenses

“With Cognos we have a simple and quick environment which can handle all our needs. We’ve increased our reliability and reduced the time spent on certain operations from 66 to 3 hours. In the long term, this means we’ll save masses of time and money thanks to this solution,” says Janson.

The various reports and scorecards are used very diligently throughout the entire organization. Folksam has a number of specific targets which are ticked off on the scorecards. Key figures are highlighted in light green, yellow, or red depending on the situation. 25 units now have their own scorecards with key figures.

According to George Janson, the management has been firm in the mandate that Cognos gets used at a high-level across the organization. “We work a lot on management issues. The management sets overall targets to aim at. Cognos is an important tool in our follow-up work as well as in analyzing these targets.”

With a competitive marketplace Folksam needs to work with forward-looking management to be able to detect warning signs in time and react more rapidly to change. “If you don’t know what you’re talking about, you can’t make the right decisions”, says Janson and mentions the claims statistics as a fine example of how a sound decision-making base can mean a real boost for the business.

“When we started producing statistics on the claims cases, we turned up a whole load of issues that required action. For example, we saw that there were many cases which had never been closed. The claims reports have provided a solid base for determining how long claims cases of various kinds should normally take.”

By using Cognos Planning, for planning, forecasting, and budgeting. Folksam can quickly update the corporate plans when required, providing greater flexibility while maintaining control. Users work on their own plans which are then consolidated on a common server. Thanks to the built-in workflow, the user has perfect control of all elements in relation to the plan. The consolidation occurs on an ongoing basis in line with the saving of the plans.

“Users of Cognos are very happy with it and we’re constantly getting in requests for new report templates, says Janson. When we train staff in Cognos products, we encounter so many “aha, I see!” moments when users see reports and numbers generated in Cognos for the first time—numbers that include all data presented in a way that they can understand and act on.”

The Munich Re Group reinsures the risks connected to everything from oil rigs, satellites, and natural catastrophes, to health, life, and company management.

With over 40,000 staff in more than 50 countries, it has become the world’s leading risk carriers and financial services provider.

About Cognos, an IBM company

Cognos, an IBM company, is the world leader in [business intelligence](#) and [performance management](#) solutions. It provides world-class enterprise planning and BI software and services to help companies plan, understand and manage financial and operational performance. Cognos was acquired by IBM in February 2008*. For more information, visit <http://www.ibm.com/software/data/> and <http://www.cognos.com>.

**As a result of the acquisition, product names have now changed to reference IBM at the beginning of the software or service.*