

“Cognos is a really efficient tool for company management. The tasks that took several hundred man-hours and, consequently, considerable time, financial, and human resources, can now be accomplished in just one day.”

Alexander Belavin, Deputy Chairman, JSIC Oranta Board of Directors

The National Joint Stock Insurance Company (NJSIC) Oranta was founded on 25 November 1921, and until 1993 was known as Ukrderzhstrakh. Throughout its long history the company has played an important social and economic role in Ukrainian life, gaining great prestige and earning the special confidence of its customers. Successive generations have associated the company with guaranteed protection and honesty. Although it changed its name in 1993 and altered its pattern of ownership between 1993 and 1996, Oranta remains the leader in the Ukraine insurance market to this day.

Challenges faced

The NJSIC Oranta agents' network is the most developed in the country, comprising around 7,000 employees, 27 regional offices, and 508 affiliates, agencies, and branches all over the Ukraine. However, this multi-divisional structure also meant that the company's budgeting process was labour-intensive and required a lot of resources. Similar problems arose in the analysis and reporting process — the efficiency and timeliness of these operations lowered significantly as a result of the large number of branches and retail sales agents.

Strategy followed

Oranta management engaged with consultants from Robertson & Blums Corporation to address these issues and define two overall objectives: the automation of budgeting and financial planning processes, and building a retail sales data analysis system. When selecting software for the budgeting process automation, Oranta's management considered the full range of budgeting and planning systems available in the Ukraine.

The Cognos Planning solution was selected, and the system currently supports centralised financial planning and budgeting for the whole of Oranta's three-level hierarchical structure. This structure comprises the headquarters, regional directorates, representative

Industry:

- Insurance

Country:

- Ukraine

Solution requirement:

- Analysis of large volumes of data on retail sales through the network of departments and agents
- Automation of planning, forecasting, and budgeting processes

Platforms:

- Oracle
- 1C

Solution:

- Cognos Planning
- Cognos Business Intelligence

Benefits:

- Reduction of budgeting cycle to one month
- Reduction of data consolidation time
- Lowering costs relating to changes of budget models
- High speed of response to user requests

offices, and over 2,500 sales outlets across Ukraine. A powerful online Web client (which enables work offline when necessary) provides an efficient solution to centralised administration tasks. It also takes into account the characteristics of communication channels between regional directorates and departments, which do not always ensure a stable throughput capacity.

Benefits realized

The Cognos Planning system enables the creation of various budget models and versions, as well as forecast profits, losses, and cash flow on a company-wide basis and for individual regional directorates and branches. As

a result, NIJSC Oranta managers now have uninterrupted access to budget information and control over the fulfilment of financial targets on an organisation-wide basis. The planning drill-down feature allows users to perform a comparative analysis of planned and actual indicators, and evaluate the performance by financial accountability centres.

In addition, the algorithm for the allocation of profit and loss budget to the company's areas of activities was successfully implemented, enabling the priority areas for the company's future development to be determined.

The use of built-in tools for the automation of budgeting procedures has streamlined the budgeting process and reduced the budgeting cycle to just one month. The use of a Web interface for data collection and consolidation dramatically increases the involvement of the company's employees in the budgeting process. This raises participants' accountability for the authenticity of budget data and reduces the deviation between the planned and actual data. In addition, the centralised data storage capability and advanced system security tools ensure that personalised access to budgets is controlled in an efficient manner.

According to Alexander Belavin, Deputy Chairman of JSIC Oranta Board of Directors, "Cognos is a really efficient tool for company management. The system implementation resulted in a significant reduction of time required to consolidate the data of over 600 geographically distributed sources of financial information. It also allowed for the presentation of departments' budgets in one single format.

The costs relating to changing of budget models were reduced, because all changes can be seen at all workstations, almost in an instant. The tasks that took several hundred man-hours and, consequently, considerable time, financial, and human resources, can now be accomplished in just one day."

About Cognos

Cognos, the world leader in business intelligence and performance management solutions, provides world-class enterprise planning and BI software and services to help companies plan, understand and manage financial and operational performance.

Cognos brings together technology, analytical applications, best practices, and a broad network of partners to give customers a complete performance system. The Cognos performance system is an open and adaptive solution that leverages an organization's ERP, packaged applications, and database investments. It gives customers the ability to answer the questions—*How are we doing? Why are we on or off track? What should we do about it?*—and enables them to understand and monitor current performance while planning future business strategies.

Cognos serves more than 23,000 customers in more than 135 countries, and its top 100 enterprise customers consistently outperform market indexes. Cognos performance management solutions and services are also available from more than 3,000 worldwide partners and resellers. For more information, visit the Cognos Web site at <http://www.cognos.com>.