

The Business Intelligence Equation

Boiling Down Insurance Business Intelligence

In the data-rich environment of an insurance company where financial survival is based upon the ability to assess risk and exploit it for reward, insurers invest in business intelligence every day.

The concept of business intelligence is simple: use technology to identify, retrieve and analyze business data.

According to Daisy Weaver, financial services global director of business intelligence for CSC, “An insurer’s business intelligence process is as complex as the number of businesses and technologies multiplied by the number of metrics required by managers and executives.”

CSC’s insurance business intelligence practice has summarized that complexity with a simple formula:

Quality Data Provisioning + Meaningful Data Consumption = Insight for Decisioning

Data provisioning refers to the science and technology required to wrestle the data to the table regardless of source or content. But bringing it to the table is not enough, noted Weaver, “It must be good quality data that can be traced back through any transformations and to its original source.”

Data consumption is the business discipline required to present the right data in the right combinations (granularity and aggregation) required for metrics, analytics and dashboards to provide information on specific business issues.

Quality Data Provisioning — It’s Not Really Your Fault

“The insurance industry started out with columnar pads and ink smears. Since then, the only change to its data-intensive nature has been the addition of silos,” Weaver said. “Once the data is captured, it’s rarely modernized or rationalized to meet prevailing standards.”

Insurance industry silos — artificial boundaries of departments, administration systems, lines of business, regions and statutory companies — have created a legacy of reporting based upon fragmented

performance analytics built with differing standards, underpinned by disparate technologies and overly focused on narrow requirements. Mergers, acquisitions and conglomerated mega-insurers have only exacerbated these industry-wide challenges:

- Data access and data quality
- Labor-intensive manual or semi-automated data provisioning processes
- A morass of source systems and no single version of the truth
- Numerous uncontrolled spreadsheet applications supporting critical analytics processes
- Piecemeal approach to analytics adoption at the departmental level that stifles enterprise adoption.

In order to reap the great rewards of business intelligence, insurers need to approach data differently.

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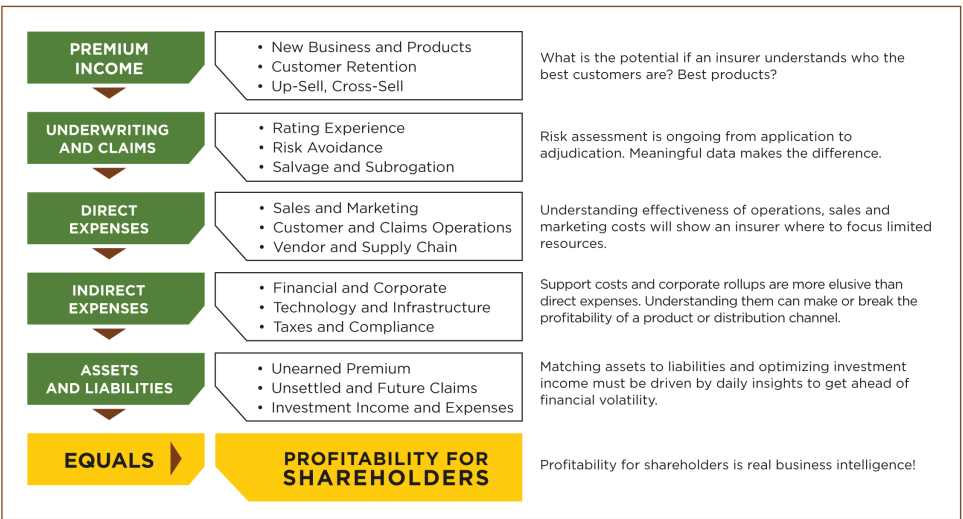
Daisy Weaver, Financial Services
Global Director of Business
Intelligence, CSC

Meaningful Data Consumption — Are You Maximizing Your Value Chain?

“For this part of the equation, CSC focuses on the business of insurance rather than technology,” said Weaver. Technology can improve decision making, but only if the data it consumes is meaningful.

All insurers, regardless of product line, geography or operating model, have the same money trail that drives the value chain to a profit (or loss) position for shareholders.

Meaningful data consumption begins with



understanding how better data can improve each link in the chain. CSC uses the chart pictured on this page to generate ideas with clients. To maximize your value chain, start with premium income, the first link, and break down its drivers. Then make a list of information that can help your organization get the most out of each driver.

Gain Insight for Decisioning

“The way that business intelligence improves decision making is by helping insurance executives understand the drivers of profitability,” said Weaver.

In stark contrast to the standard multiple manual and untraceable processes, an enterprise-wide business intelligence strategy can:

- Deliver a 10 percent to 15 percent improvement in revenue through customer retention and optimization
- Enable advanced analytics based on quality, reliable, auditable data
- Reduce cycle times for reporting and financial analysis by 75 percent to 80 percent
- Facilitate increased frequency and

sophistication of analysis

- Reduce operating costs by 25 percent to 35 percent through automation of manual processes
- Reduce technology costs by 15 percent to 20 percent through elimination of redundant data and integration points
- Provide regulatory transparency and traceability.

Solve the Business Intelligence Equation

CSC’s solution to the business intelligence equation is a family of insurance-specific business intelligence software and services called Insurance Optics™. The Insurance Optics suite includes CSC’s Insurance Industry Data Model, our pre-integrated Business Analytics software, and focused software and consulting expertise to accelerate the realization of your business intelligence objectives.

“If you can overcome your information silos to consume and analyze data, you’ll gain business insight for improved decision making. It doesn’t have to be more complicated than that,” said Weaver.



Learn more about CSC’s business intelligence practice at www.csc.com/InsuranceOptics.