

...and Nothing But the Truth

With access to more data than ever before, insurers are struggling to come up with what has been described as a single version of the truth. Carriers that leverage dashboards are finding automation, productivity, and business intelligence now are converging to provide one timely view into their business they could swear by.

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Insurers often speak glowingly of the amount of data they possess and how it is their industry's single greatest asset, but going from owning all that data to figuring out what to do with it has created a disconnect for some carriers. Many large insurance carriers have turned to the development of dashboard technology to bring information to the people who need it the most. Dashboards now are commonplace among the top 50 insurers, estimates Richard Romano, insurance practice director with [Ascend Consulting](#).

There are two areas of development insurers are focusing on when examining dashboard capabilities, according to Gail McGiffin, a partner in the consultancy practice for Accenture. The first aims at improved knowledge management—trying to ensure there is a continual learning environment and a push/pull of information as it is needed during business processes. “We’re seeing investments in enterprise content management and improved knowledge management capabilities integrated into the workflow to bring the best brains at the right point in time into the decision processes,” she says.

The second area involves business intelligence and having access to real-time, accurate insights, whether relating to performance management, portfolio results, or information used in real-time decision-making in the underwriting process, McGiffin explains. “The ability to have accurate, timely data there is [based on] an underlying set of capabilities that need to be in place,” she says.

Laundry List

In addition to the corporate-wide view of how resources are being allocated across projects, Romano reports carriers are using dashboards to track breakages, manual interventions—how much of their straight-through processing actually is paying off—and whether resources are sufficient.

On the financial side, Romano finds dashboards are helpful in collecting data for SOX and other regulatory issues. The technology allows for a day-by-day view of where the company is heading financially. He believes carriers are trying to get away from the traditional quarterly look at the

books. “When you close the books, you are looking at the upward flow of, say, T plus seven-day-old data,” Romano points out. “[Companies] are trying to have a finger on the pulse for week-end or month-end views to see where the business is going. [Financial leaders] are looking at collecting a lot of varied metrics to analyze the business from inception through closure.”

The turn from a hard market into a softer market and a refocusing on growth have brought an emphasis on leveraging dashboards for better product management and innovation, McGiffin maintains. “How can we better understand our product performance, optimize our portfolio, focus our growth, and draw insights to innovate on products?” she asks. She has noticed a renewed focus on product innovation using the business intelligence from dashboards for analytical purposes to glean insights into product development. “We’re seeing product innovation as a motivator,” she says. “We’re also seeing a renewed focus on leveraging business intelligence into dashboards for better catastrophe management. Now that A.M. Best is incorporating assessment of catastrophe management capabilities as part of its ratings review, that has increased accountability and pressure to improve financial management.”

Misinformation Highway

Ohio National Financial Services has more than \$2 billion in revenue and \$20 billion in assets yet still found a lot of misinformation was finding its way up to the senior executive management group within the company, particularly in the areas of sales and marketing. Executives would receive one piece of information that would say the company had produced a certain result, which would be followed by another report that would say the company was doing something dramatically different. “We were trying to get to what I would call a single version of the truth about what was going on in our sales and marketing organization,” says Al Bowen, senior vice president in charge of systems for Ohio National.

Insurers want dashboard capabilities to get access to information and have it presented in a timely and accurate manner, McGiffin indicates. However, she continues, the challenge of dashboards is achieving the necessary accuracy and aggregation of data to integrate into the dashboard. “Getting to the single version of the truth, you need to have authoritative sources of data, whether that’s customer data, policy or product data, producer data, or locations and buildings for CAT management,” she says.

With the increasing evolution of SOA within the technology environment, McGiffin sees a focus on developing enterprise data stores so there is one place for adding and updating such information.

Using dashboards may pose a change for many business users, notes Bowen. “Every company has folks who have a different degree of comfort with electronic solutions,” he says. “Some folks just want to pick up a piece of paper.” Users still can do that, but what Bowen is hoping they’ll do is select a few key pieces of information that are particularly meaningful to them and use the intranet as a way of getting at that data. “It’s not so much a downside, but it is a challenge to get folks comfortable operating in that environment,” he says.

The new frontier in dashboards for Ohio National involves financial reporting, Bowen states, and some discussions have begun on providing better access to financial data. “One of the strengths of the solution is the capability to pull information from your operational systems, and when that piece of information is aggregated at the highest level, you can track it throughout and attest to the integrity of that piece of data,” he says. Such data integrity is a problem most companies are

trying to solve often because of Sarbanes-Oxley. “We’re a company like many that grew over time, and spreadsheets were the only hammer people had to drive the nail with,” he says.

Major Hit

The Hartford rolled out dashboard technology to its sales organization this year, according to Saad Ayub, CIO of property/casualty sales and service. The Hartford’s sales reps had dashboards, but the data was used mainly for reporting purposes. What is available now allows sales reps, who oversee independent agents, to take key performance indicators and use the dashboard to monitor performance on a monthly basis.

For example, if there is a target of X number of calls per month and the agents are not reaching that amount, the sales reps can drill down to see what is contributing to the problem. “It gives [sales reps] the mechanism to pinpoint how they can improve against the target and meet objectives,” says Ayub.

The dashboard has been a major hit with The Hartford’s sales reps, affirms Ayub. “Generally, when you roll out something, sales people look at it to make sure it is not eating into their time,” he says. “They are very conscious of adopting new things. Everyone who saw [the dashboard] could see how it could benefit them and help them save time.”

One approach The Hartford wanted to take that was different from other companies was not to come at the project from a higher level and then drill down to users. “[The Hartford] wanted to use the technology to drive productivity and change behavior in our sales reps, so we focused on the reps and on their needs,” Ayub says. “We could have gone to the home office and regional managers [as users] to see what they need in their reporting and dashboard technology so [higher-level executives] could evaluate whether agents were performing well or not. We felt that direction was improving the performance of a much smaller subset of people. We decided: Why don’t we actually take this to the people whose productivity is going to make a bigger difference to our bottom line?”

The Hartford is trying to achieve a balance of giving [the sales reps] a lot of information but also ensuring it is quality information they can use. “So when they are drilling down, they are doing it to figure out what went wrong or what they can do as a next step,” he says. “The whole objective of using dashboard technology [at The Hartford] was to improve productivity.”

On the other end of the spectrum, the senior executive team and one level down are using the dashboard at Ohio National. That is about to change, though. “All the architecture and infrastructure are there to support a broader implementation, it’s just a question of finding the right time,” says Bowen. The company has about 40 wholesalers on the institutional side who are on target to get the system as are the regional vice presidents who work with the company’s traditional distribution systems.

SOA to the Rescue

The carriers that have made the move toward open architecture are finding it easier to build or buy dashboards, Romano observes, cautioning there is no magic bullet that guarantees a consolidated dashboard giving companies all the information they want. Companies have the resource project management tools and financial management tools, which allow them to build

framed-out architectures that access these components in the middle layer and grab data from there, he explains.

One challenge, Romano points out, is the constant data primacy issue and documentation. As long as companies pull data from true source systems and are not manipulating it, the company can prove the data is accurate and business users can report off that data as opposed to companies that take data and either manipulate it, combine it, or transform it in the dashboard. Touching the data can cause regulatory issues because such data isn't really "owned" by the business user, he warns, so there is not a sufficient audit trail to trace the cleanliness of the data. Companies are looking for in-house systems, he says, where the data is accurate and they are reporting from it and using the technology to grab it from the source systems and present it in one common framework.

Intranet Tool

The Ohio National system includes a sophisticated set of extract, transfer, load (ETL) programs that allow the carrier to dip into the operational systems and pull information out of those systems into a repository. "It's a data warehouse of sorts," says Bowen. "There is an intranet Web site through which the information is delivered."

Many insurers are using intranets to connect business users to the dashboards, notes Romano. Security is a key issue—both in protection of the corporate asset and securing confidential customer information. "[Dashboards] pull the information through the shared pipes in-house," he says. "It's very security siloed and controlled generally by a corporate security area, just like any other application data would be. Basically, you are pulling [data] from production so no unauthorized people can get access to the data."

In the last two years, Romano claims, the industry has seen the reemergence of the corporate audit group. One of the audit group's tasks involves earlier entry into the process to define who has access to the information and who needs to see it. "[Carriers] take a hard look at the data so it doesn't get exposed to a lot of layers," he says. "It is highly secure, and [carriers] treat it as important data, so you don't have to worry about identity theft and you don't have to worry about people pulling out information and looking at data they shouldn't have access to."

Taking security into consideration, Ohio National developed its system so business users can see only the data they are supposed to, indicates Mike Vogel, second vice president of corporate systems and new technologies with Ohio National. "We have a management hierarchy that has many levels," he says. "You are allowed to see only the data based on where you are in that hierarchy."

Part of Ohio National's system selection criteria was integration with its portal software, which addressed security issues, as well, according to Dan Flannery, information technology head. "We made a strategic move to pull our extranet and intranet sites in a portal," he says. "One of the criteria we looked at was the vendor's compatibility with portal software and its ability to integrate so [access] can be presented under a single sign-on through the intranet portal and the security model we had running there. So, once [users] logged in to the portal, we knew who they were and, by virtue of that, knew what data they would have access to, and that information would be logged into the application."

The carrier had to establish where a business user came in through a hierarchy—the levels of the organization, Vogel explains. “Wherever you are in that hierarchy, you are going to see data based on the distribution you are in along with the intersection of where you are in the hierarchy,” he says. “The trick was to build the right groups. We can build the groups to say where [users] have security clearance.”

Can You See It?

Carriers tackling dashboard projects need to start with what McGiffin calls “vision architecture.”

“What are you trying to accomplish with this dashboard?” she asks. “What kind of information is important?” Business users need to prioritize the information they want to see, the timing, and frequency of it. “Vision architecture needs to be developed to frame what these dashboard capabilities need to look like,” she says.

The business architecture then is quickly followed by data architecture work, McGiffin continues, which is going to define the data requirements, data needs, data definitions, architecture, and where the data is sourced from. The third step is to move into the implementation of the extraction and aggregation process. “In many cases, companies have not fully developed these routines,” she says. “We’re working with them to implement data repositories and warehousing capabilities and then bringing the dashboards and analytics into that environment. There is a bit of a road map we follow to develop these dashboards.”

One of the complications with Ohio National’s dashboard involved data analysis, reports Bowen. “You go into the operational systems, pull information from them, and put some meaning to it,” he says. “What you find when you go into those operational systems is there is a long history of short-cutting with things that have been done that aren’t consistent with data you would describe as having real integrity for these purposes.”

Ohio National put business practices in place at the lowest levels that radiate all the way up through its business intelligence architecture. “When we first started running the dashboard, we got some weird data about one particular activity in one distribution system vs. another,” says Bowen. “You looked at the numbers, and they didn’t smell right.”

What the company found out was years earlier—and with no explanation why—a different online system with different data requirements was set up for one distribution system vs. another. “You started looking at some totals on the highest level, and they were completely out of whack,” Bowen comments.

Who’s Next?

Dashboards slowly are moving down to the middle- and small-tier insurance carriers, Romano believes. One problem smaller carriers face is they remain challenged by the pure automation of their manual processes. As an example, Romano points out some underwriters don’t have the automated underwriting tools or the information coming through workflow systems. “They still are carrying around case folders with all their data,” he says. “Their challenges still are getting up to that automated level.”

Midsized insurers are taking the step to manage the new-business process, so they are looking at statistics in terms of how the sales force performs from a prospecting perspective, Romano

reports. Carriers are tracking a lot of metrics through CRM programs to accomplish this. “The challenge, though, is a lot of companies are on much older technologies that are not open, so trying to grab disparate mainframe applications and consolidating data out of them is a significant [task],” he says.

The future of dashboards, suggests McGiffin, involves getting enough intelligence into the system to have it monitor trends in the data and alert users only when there is something important to look at. “We’re seeing the next wave of dashboard intelligence bring information to users that historically has been disparate, inaccurate, and not timely,” she says. “The next horizon people want to move to once they have dashboard capabilities will be to become more precise on how they focus their analysis. They are going to want technology to do more of the preliminary analytics and watch for key events based on rules the business defines. The convergence we will be seeing on the next horizon is business intelligence with business rules to become more efficient in the analytics.”