

“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 to unite and leverage data more effectively and were

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

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.

© 2006 JupiterImages Corporation

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.”

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>.

