IBM

Prudential builds on rock-solid services with IBM, Lotus technology.

Application	Enterprise-wide intranet for messaging; mobile LaunchPad program
Business Benefits	Intranet led to savings of at least $170,000 annually in paper-related expenses and reduction of organizational barriers; LaunchPad program led to a 100% increase in life insurance policies issued and more than a 150% increase in first year commission credits
Software	Lotus® Domino® Lotus Notes® IBM® CICS® IBM DB2®
Hardware	IBM ThinkPad®
Services	IBM Global Services IBM Transformation Consulting Services

e™

e-business

Prudential Insurance Co. of America, Inc. has earned its trademark name "The Rock" by providing a wide range of services covering life and health insurance, financial advice and real estate. To better serve the company's 50 million worldwide customers, Prudential's six business units deployed an IBM and Lotus-based corporate intranet dubbed "Inside The Rock." The result is greater efficiencies — and better service to millions of customers — while giving its 78,000 employees an enterprise-wide collaborative computing environment.

Inside The Rock has dramatically improved worldwide communications and productivity by giving employees a single source for company information, which they can access

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—Mike Mandelbaum, Vice President of Information Systems, Prudential Insurance Company of America, Inc.

Prudential is using IBM and Lotus technology to improve messaging.

through a Lotus Notes interface or Web browser. With a company of Prudential's size and scope, managing and distributing complex information in the highly competitive fields where it does business can be a real challenge.

The ease of use of Prudential's intranet solution has led to Internet and extranet solutions using Lotus Notes and Domino technology. For instance, a new customer service initiative available through the company's Internet Web site, named "Rock Solid Advice," allows customers to receive advice from Prudential representatives. The Prudential Real Estate Unit serves a widely dispersed group of agents and field staff with its new "people and office locator" extranet application, a discussion forum and a catalog of products and services.

"We set out with a vision of what we wanted this platform to provide," says Mike Mandelbaum, the company's vice president of information systems. "We are giving employees the tools they need for adding content-developing applications rapidly and creating Web pages for their respective divisions."

Prudential ensures its ROI

Prudential is realizing solid returns on its investment in IBM and Lotus technology and services. Prudential estimates the intranet is saving it at least $170,000 annually in paper-related expenses. Some business units are saving large sums by reducing or eliminating traditional paper-based policy manuals, employee newsletters and human resources materials; Prudential HealthCare is saving $100,000 a year in printing and mailing expenses just by putting one employee newsletter online.

"The result is that we are improving efficiency and saving money — in some business units hundreds of thousands of dollars annually. But we're also breaking down organizational boundaries, enabling our employees to leverage best practices in ways they never could before," Mandelbaum says. "This platform is providing much greater convenience and access to information, which in turn lets our employees provide better service to Prudential customers."

Upgrading for the next century

Prudential moved its main frame-based messaging system to a more distributed, decentralized architecture to accommodate a dispersed and growing workforce, integrating a Web-based system with its existing IT architecture to help take it into the 21st century.

At the time, Mandelbaum says, Prudential was focusing mainly on improving its infrastructure for messaging. However, during this period IBM and Lotus were articulating strategies for building corporate intranets using Lotus Notes, Lotus Domino and products such as IBM DB2 databases and IBM CICS messaging middleware. The 100-person task force at Prudential overseeing development of the new system soon realized it could reap enormous benefits from building an intranet on top of the Notes platform.

"When we started our considerations, IBM and Lotus products were always at the front of our list," Mandelbaum says. "Notes and Domino provide an extremely robust platform for the rich collaboration and communications we are trying to encourage among our employees. Notes also gives us a powerful development platform for building custom applications."

With the IBM/Lotus platform in place, Prudential could unify the communications links among its six business units, which include Prudential Individual Insurance and Investments, Institutional, Securities, Global Asset Management, International and HealthCare. If the business units could, for example, quickly and easily exchange profiles of customers, they could more easily launch marketing efforts that could cross business-unit boundaries to build a bigger bottom line for the entire company.

Rapid application development

Part of the backbone of the Prudential information system is composed of custom applications built for specific business-unit purposes. To further enhance information relevance on the intranet, Prudential enables a level of employee contributions to the system.
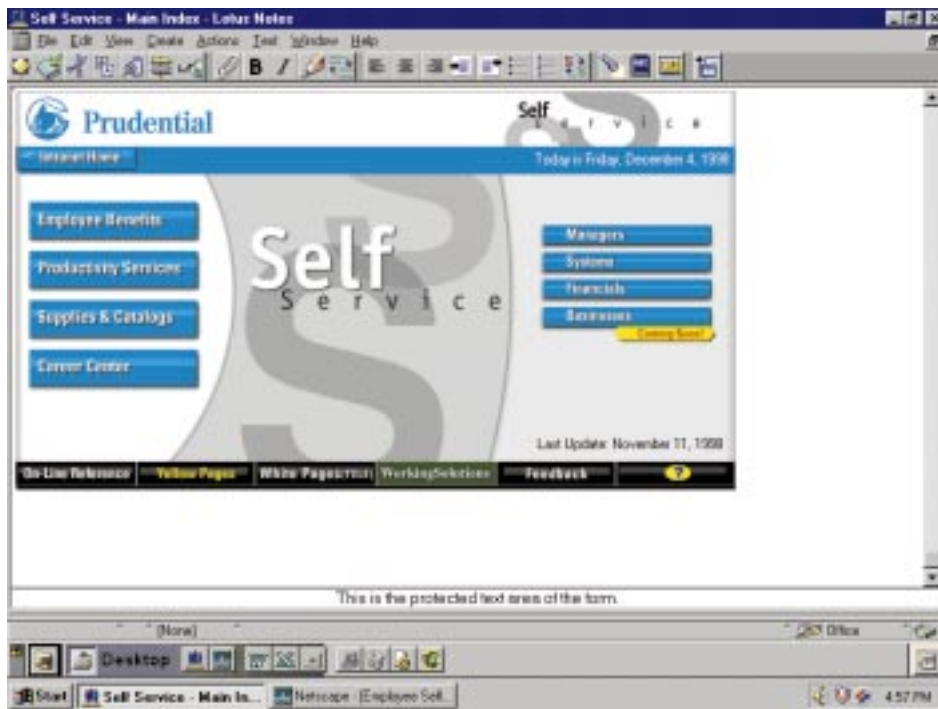
"We've found that Notes provides an excellent platform for rapid application development," says Mandelbaum. "This is critical to our operations. We currently have more than 2,000 custom applications, covering everything from simple discussion databases and policy manuals to complex policy calculation software. We've also built a self-service suite of applications that employees can use for looking up human resources information, checking on productivity services such as ride-sharing, ordering supplies and accessing our career center."

Tackling the databases

Other major components of the rollout included upgrading the availability of Notes applications and ensuring accessibility to Prudential's mission-critical databases.

"One of our major activities for the upgrade was ensuring the availability of applications on Notes and replacing and enhancing those that were supported by our previous system," Mandelbaum says. "There are about a hundred of them — everything from education registration to expense report filing."

To ensure that employees continue to have access to important information, Prudential uses several database management systems, along with CICS messaging software and DB2 databases on the back-end server, to store critical data. When information is entered, it is stored in the closest Notes database, then replicated to servers at six company data centers in the United States, Europe and Asia. A frame relay network connects the data centers and other Prudential facilities, including branch offices.

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Going mobile with ThinkPad computers

Ensuring that its field sales agents have the same quality access to information as office staff was a critical factor for Prudential. Therefore, it launched a large initiative to put note-book computers into the hands of more than 12,000 agents and associates. The "Prudential LaunchPad" program, which underscores the company's commitment to in-person sales efforts, includes IBM ThinkPad computers loaded with Lotus Notes, contact management software and applications for needs analysis and sales illustrations.

The LaunchPad program, developed with the assistance of IBM Transformation Consulting Services for the insurance industry and IBM Global Services, gives agents a wide range of tools for selling Prudential products and services to customers. They can conduct on-the-spot needs analyses, access marketing brochures and other collateral material, and even dial into Prudential databases to complete policy applications as well as access e-mail through Notes.

"With everyone using a standard operating system and consistent applications software, they can operate their businesses more effectively, and we can support them more efficiently," says Barbara Koster, chief information officer of Prudential Insurance.

Prudential tracked the effects of the LaunchPad program, noting that the LaunchPad technology helped agents more than double the number of net paid-for life insurance policies, resulting in an increase of first-year commission credits of more than 150 percent. A study conducted after the LaunchPad pilot showed dramatic increases in agent efficiency and productivity, along with lower turnaround time for new business applications — taking days instead of weeks. Agents said they could offer customers access to information more quickly and easily, enabling clients to make more informed decisions about their insurance needs right on the spot.

A pervasive technology transition

The rollout of IBM and Lotus technology and services at Prudential is so pervasive that man-agement is just beginning to understand the benefits. For example, a Prudential HealthCare online survey asked users what they thought about their intranet. Most said they found the information available on the intranet, such as organizational charts and contact information, very helpful in their jobs.

Prudential customers are also benefiting from the new system. "With the abilities of Notes and Domino now in place, we're able to launch a new customer service initiative, which is directed at providing customers with personal service and access to their account information anytime, anywhere," Mandelbaum says. "This is a natural extension of our intranet."

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The bottom line: Prudential can deliver rock-solid services well into the next century.

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