

WebSphere Business Connection delivers competitive edge to Nekema

Overview

■ **The Challenge**

Nekema wanted to develop a more efficient, faster and scalable communications system between insurance carriers, agents and customers

■ **The Solution**

IBM WebSphere® Business Connection offering, IBM DB2® Universal Database, IBM MQ Series®, IBM Enterprise Storage Server,™ IBM @server xSeries™ and pSeries™ servers, and hosting services through IBM Global Services (IGS)

■ **The Benefits**

Greatly improves efficiency of bringing custom insurance products to market, reduces time and cost of data entry, gains advantage over competitors

Improving how insurers communicate

Today's insurance industry is facing a major shift in how carriers communicate, collaborate and conduct business with agents and customers. A pioneer in that shift is Nekema, a Jersey City, NJ-based company that has found a way to simplify how the enormously complex, rules-based insurance origination and distribution process works.

At the core of the solution is IBM WebSphere Business Connection.

Hosted by IGS, this software allows major insurance carriers and Nekema's 11,000 registered users in independent agencies to communicate efficiently and inexpensively — no matter what technology platform any of them are working from.

"With so many proprietary hardware and software platforms out there, the platform-agnostic WebSphere Business Connection opens up a huge opportunity that wasn't available before," says Nekema's CEO John Rhodes. "By eliminating compatibility and data standards issues, IBM has given us a powerful competitive edge."

Overcoming industry inefficiency

Founded in 1999, Nekema (www.nekema.com) is jointly owned by carriers, agencies and technology companies, including Kemper and Atlantic Mutual. The idea was to arrange a successful marriage of electronic commerce technology with the business requirements of insurance and financial companies and their intermediaries. "Our mission is to help carriers and agents marshal the power of the Internet to provide better, more comprehensive products and services to their customers," Rhodes explains.

"With IBM WebSphere Business Connection, we don't have the compatibility and data standards issues that plague our competitors."

John Rhodes
CEO
Nekema

In the past, communication between carriers and agents had been paper-bound, slow to respond to customers needs and grossly inaccurate. Rhodes cites estimates that the inefficiency in the current channels cost the industry tens of billions of dollars, and can result in error rates up to 50%. In launching Nekema, we saw an opportunity to help everyone communicate more easily, efficiently, accurately and less expensively, he says.

To achieve its goal, Nekema needed a standards-based, scalable, secure technology that could handle highly complicated transactions and, above all, fit seamlessly with other computing systems and carriers. After searching the market, they turned to IBM for help and the industry-leading WebSphere family of products. "It was a key strategic decision," Rhodes recalls. "IBM had all the components we needed for success and could integrate them into one seamless package."

IBM turnkey solution

In developing Nekema's Business-to-Business (B2B) solution, IBM provided a turnkey plan, complete with software, hardware, storage, hosting services and support. IGS hosts WebSphere Business Connection on IBM **@server** xSeries and pSeries servers, which run IBM DB2 Universal Database, IBM Enterprise Storage Server and IBM WebSphere MQ.

Having built the platform in 2001, Nekema is rolling it out in stages to a growing population of users. Rhodes says the solution has already dramatically impacted Nekema's business. In just 12 months, Nekema has built a "fairly high volume business," with its registered agents and carriers offering in excess of 1,500 business locations. Using WebSphere Business Connection, the company is efficiently handling more than 1,000 transactions a day—triple year-ago volumes—and Rhodes expects volumes to double again by year-end.

"Everyone is reaping the benefits of Nekema's hosted service," Rhodes adds. Independent agents are able to reduce the time and cost of data entry and quotations, not only improving margins but also offering better service to end-customers. Businesses enjoy faster service and a greater selection of offerings from multiple carriers. Carriers are able to deploy customized offerings at a much faster rate than traditionally possible.

Meanwhile, Nekema doesn't have to worry about connections, compatibility issues or how to move data around. "We concentrate on our core business requirements," Rhodes says. "IBM does the rest."

For more information

To learn more about IBM software solutions for Internet-based companies, visit our Web site at **ibm.com/websphere/integration/busconn** or call your local IBM representative.



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