

# Business Valuation

Accelerating Performance by Calculating Results™

## Financial Services Provider: Increasing Customer Satisfaction While Reducing Total Cost of Ownership

### Financial Services Provider

Financial services provider with \$8.8b in assets specializing in property, casualty, life, and health.

### Pervasive Software

[www.pervasive.com](http://www.pervasive.com)

provided B2B data integration services to improve customer service and retention rates.

### Challenge & Goals

Migrate from a labor-intensive manual process for sending and receiving data from more than 25 different agency systems, to an efficient, fully automated process.

### Strategy & Scope

Leverage technology to fully automate and standardize the process and transfer of data to align with customers' agency management systems.

### Valuation

- ✓ Reduced annual maintenance fees by \$250K
- ✓ Increased business partner satisfaction
- ✓ Reduced labor costs and processing time by 42:1

## Customer Intelligence Business Valuation

### Business Challenge:

Six million policy holders—comprised of individuals, families, and small businesses—are served by this \$8.8b financial services provider that specializes in property and casualty insurance, life and health insurance, and consumer finance. With up to 3,000 daily transactions, the company exchanges policy information and data with 25 different agency management systems, such as AMS, Delphi, and Applied.

Insurance agency carriers have standardized on AL3 language for sending and receiving policy information into their systems. However, the provider's database uses a different format, which necessitates translating all incoming and outgoing data for 25 separate agencies on a daily basis.

Its current data process and transfer approach consisted of three options:

- ✓ Manual mapping and recoding
- ✓ Persistent outsourcing to consulting firm or agency
- ✓ Require insurance agencies to manually translate the data themselves

Like many companies in a high-volume, transaction-based environment, concerns focused on customer satisfaction, streamlining operations and improving the accuracy of their data processes. None of these three options were customer-centric, efficient, or reliably accurate.

### Strategy

The company's goal was to leverage a technology solution or services provider to fully automate and standardize the process and transfer of B2B policy data among its insurance carriers, 25 agency management systems, and itself. These improvements were intended to enhance customer service levels and directly influence customer retention rates.

### Selection Process:

**Selecting a provider:** Internal IT staff developed criteria based on the need to process 3,000 transactions comprised of 12 megabytes of data daily and must provide:

## Financial Services: Insurance

---

- ✓ Efficient B2B transfer of policy data to agencies
- ✓ Standardization of data received in diverse formats: ACORD, AL3 etc.
- ✓ Automation of data mapping and record changes to insurance policies
- ✓ Reduction in errors and operational costs

**Technology deployment:** Pervasive's Business Integrator and Data Integrator were implemented across the enterprise in seven months using part-time internal developers. After deployment, training on the product and fine-tuning to improve performance were provided by one internal developer and members of the professional services team from Pervasive.

### Transformation

This financial services provider is now able to easily and cost-effectively access, integrate, and consolidate data without needing to manually "translate" files from one format to another. Business Integrator has the capacity to read any customer's incoming formats and automatically populates the database resulting in valuable time and resource costs associated with outsourcing.

"What used to take a couple people several days, now only takes one person less than an hour because Business Integrator is laid out so much better...it's a more technical and robust analyst tool that is easier to use...and helps us achieve the end result much faster."

*~IT Project Leader,  
Financial Services Provider*

### Lessons Learned

Information-intensive organizations will need to be able to address the complex challenges associated with consolidation of both unstructured text [contextual content] and structured data into a single database. Moreover, eliminating the need for custom-coding or manual manipulation of diverse file formats as well as supporting the retention of historical data enables organizations to perform data audits—as required by various regulatory commissions. Automation provides the means to minimize inaccuracies due to human error while lowering the total cost of ownership for all parties.

---

Hypatia delivers high impact market intelligence, industry benchmarking, best practices, technology vendor selection, ROI assessment, and consulting services that reduce cycle-time and influence customer management, product strategy and channel development goals. Since 2001, clients have relied on our industry insight, expertise and independent research for guidance in assessing various technology, solution and service options. Like our namesake, Hypatia, we are committed to *Calculating Results™* for our clients.

**Hypatia of Alexandria** (c.370-415 AD), invented several scientific devices--the astrolabe, planesphere, and hydroscope (hydrometer). These instruments were used to calculate the distance between planets, the position of visible stars at any time of the year, and the gravity of liquids respectively. Hypatia was the first woman to make substantial contributions to the development of mathematics, astronomy & philosophy.

©2008 Hypatia Research & Consulting, LLC. All Rights Reserved.

[www.hypatiaresearch.com](http://www.hypatiaresearch.com)  
617-230-0067

**NOTICE:** Information contained in this publication has been sourced in good faith from primary, secondary and end-user research and is believed to be reliable based upon our research methodology and analyst's judgment. Ultimate responsibility for all decisions, use and interpretation of Hypatia research, reports or publications remains with the reader, subscriber or user thereof.

## Financial Services: Insurance

### Results

The company achieved significant benefits related to cost and resource savings in addition to enhancing customer satisfaction among its numerous insurance carriers and the carriers' agency partners.

- ✓ Reduced annual maintenance fees by \$250K
- ✓ Increased business partner satisfaction
- ✓ Reduced labor costs and processing time by 42:1
- ✓ Increased data accuracy and reliability

“We pay less than a tenth of what we were spending in licensing fees...that means a more profitable bottom line and ultimately—satisfied customers.”

~ *IT Project Leader,  
Financial Services Provider*

*Author: Leslie Ament, Managing Partner, Customer Intelligence Research: LAR@HypatiaResearch.com*

Hypatia delivers high impact market intelligence, industry benchmarking, best practices, technology vendor selection, ROI assessment, and consulting services that reduce cycle-time and influence customer management, product strategy and channel development goals. Since 2001, clients have relied on our industry insight, expertise and independent research for guidance in assessing various technology, solution and service options. Like our namesake, Hypatia, we are committed to *Calculating Results*<sup>™</sup> for our clients.

**Hypatia of Alexandria** (c.370-415 AD), invented several scientific devices--the astrolabe, planesphere, and hydroscope (hydrometer). These instruments were used to calculate the distance between planets, the position of visible stars at any time of the year, and the gravity of liquids respectively. Hypatia was the first woman to make substantial contributions to the development of mathematics, astronomy & philosophy.

©2008 Hypatia Research & Consulting, LLC. All Rights Reserved.

[www.hypatiaresearch.com](http://www.hypatiaresearch.com)  
617-230-0067

**NOTICE:** Information contained in this publication has been sourced in good faith from primary, secondary and end-user research and is believed to be reliable based upon our research methodology and analyst's judgment. Ultimate responsibility for all decisions, use and interpretation of Hypatia research, reports or publications remains with the reader, subscriber or user thereof.