IBM

ING Insurance Asia Pacific exploits new market opportunities with IBM Insurance Application Architecture

Overview

■ **The Challenge**
Develop and deploy new business processes and solutions cost-effectively to meet new market challenges faced by 12 companies that comprise a growing insurance corporation
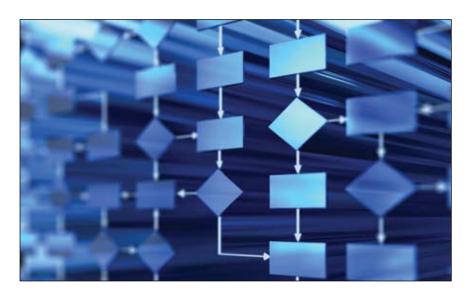
■ **Why IBM?**
IBM has experience in working with international insurance and financial institutions to bring best practices to the multiple companies that make up ING Insurance Asia Pacific (ING AP)

■ **The Solution**
Use IBM®Insurance Application Architecture (IAA) models to create reusable solutions that help companies meet new business opportunities

■ **Key Benefits**
• Reusable business processes and applications shorten development time and minimize error, which reduces administrative and development costs
• Business units now have the information needed to make faster decisions about underwriting and policies, which helps ING AP be more competitive in 12 countries in the region

Identifying new opportunities—and acting on them—is instrumental to the success of ING Insurance Asia Pacific. As part of global insurance and financial services leader ING Group, the company has well-established positions in Australia, Hong Kong, Japan, Korea, Malaysia and Taiwan, and it is seeing growth activities in China, India and Thailand. In order to run multiple life insurance operations—as well as wealth and asset management activities—ING AP acts as an umbrella organization for 12 regional companies.

"In a scant three months, ING Life Korea had the processes and applications it needed to launch its mortgage business. We built something small and were able to extend it quickly to satisfy other business needs."

–Shannon Murphy
Chief Technology Officer
ING Insurance Asia Pacific

Key Components

Solutions

- IBM Insurance Application Architecture (IAA)
- IBM Insurance Information Warehouse (IIW)

Over the last three years, ING Group has grown organically and through acquisitions. This growth allowed the company to reach out to millions of potential customers. But as ING AP Chief Technology Officer Shannon Murphy notes, getting the most out of these market opportunities presents numerous IT challenges. "When a company grows, it needs to acquire and integrate new systems consistently," he says.

"Our regional companies are more competitive when they can identify and pursue more cross-selling opportunities—while also reducing the amount of time spent making underwriting decisions and issuing policies," Murphy continues. "All of this requires the ability to see each customer across lines of business. But until recently, many of our companies did not have these capabilities in place because data about individual customers was strewn across separate information systems."

Unconnected silos of information can also interfere with offering new services to meet the challenges of constantly changing market conditions. "Being nimble in the vibrant economies where we do business requires models and processes to support new services and streamline operations," explains Murphy. "Yet getting these models and processes to work with our legacy systems can take a year or more for some projects. We had to find a way to integrate systems to make projects go faster."

Common architecture key to flexible data management

In 2004, the CIOs of the 12 ING AP companies decided to meet these challenges by adopting common IT architecture and a Service Oriented Architecture (SOA) strategy. This, the CIOs concluded, would allow all the ING AP companies to rapidly and cost-effectively pursue new opportunities by sharing and reusing business processes and applications.

"The local companies pursue opportunities differently because of diverse market conditions in each country, but each of these organizations relies on many similar processes and applications," Murphy explains. "The new architecture is based upon business processes and activities defined by each business unit because these organizations understand their own markets better than IT."

The new architecture, which ING AP simply calls the Information Hub, had several interrelated requirements. Providing the companies with flexible data management to see all customer activities across business processes and through legacy environments topped the list. This required the ability to supply best practices to the local business units, which, in turn, called for the ability to implement models that consistently define common business processes, activities and data.

"It's critically important that we architect solutions before implementing them," Murphy says. "This is a different approach than installing a system and then expecting business to follow. Instead, our architectural plans call for a match-making approach that speeds sales efforts and products to market."

ING also needed the ability to continue using IBM AS/400® systems, as well as existing business process management and data integration tools. "We needed a solution that would link everything together to provide real services," Murphy says.

IBM IAA modeling provides common foundation for SOA

"Linking each of these activities with best practices models for data and processes would have taken far too long to develop internally," says Murphy. "Instead, ING chose IBM Insurance Application Architecture (IAA) as the way to best provision services based on best practices for data and processes."

"It is extremely time-consuming and expensive to sufficiently describe all the data, processes and activities in an organization with home-grown IT processes," Murphy says. "With over 200 business processes and 700 individual business activities, IBM IAA provides the most complete set of insurance industry models available—which quickly convinced us that the IAA models were the only way to tie all the elements of our SOA program together."

IAA models include a business model, design models of components, interfaces and messages, as well as a design framework for product definition and agreement administration. Plus, the design modules and the IBM Insurance Information Warehouse (IIW) solution chosen by ING AP provided the tools to create data marts and data warehouses so that information could be shared inside business units.

"With IBM IAA, we can defer the decision to replace legacy systems because we are able to reuse the services those systems provide in a more cost-effective and flexible manner."

–Shannon Murphy
Chief Technology Officer
ING Insurance Asia Pacific

"Reuse is valuable because it mitigates risk. With IBM IAA, a proven solution can be used just as effectively and safely for another line of business."

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Rapid support for new business line benefits other areas of operations

In 2005, ING Life Korea decided to launch the new process-oriented architecture to coincide with the regional subsidiary's launch of a mortgage business. Rather than tie processes and applications to a system solely dedicated to this new field, ING Life Korea planned to have a single view of customer activities across all of its lines of business.

The ING Life Korea team used IBM IAA to map common activities, work patterns and application usage across lines of business. With this information compiled, the IT team then assembled information about the new line of business. After comparing all of these activities with IBM IAA best practices models, the IT team used the ING cookbook approach to tweak processes appropriate for other lines of business and for ING Life Korea as a whole. At the same time, the IT team used IBM IAA design modules and IBM IIW to create a data warehouse of information available across all lines of business.

Using IBM IAA and its IBM IIW model, ING Life Korea rapidly gained the ability to create common views of customers that were quickly customized for selling mutual funds and insurance policies—as well as for internal processes such as financial reporting and performance management. "With IBM IAA, ING Life Korea created a data warehouse in less than 2 months—a process that usually takes 18 months with in-house tools," Murphy adds.

IBM IAA also sped the delivery of the business process and application solutions required by the new line of business. "In a scant three months, ING Life Korea had the processes and applications it needed to launch its mortgage business. Then the company was able to provide similar solutions in other business units in other countries in the same amount of time—or less," says Murphy. "This simply cannot be accomplished with traditional in-house methods. IBM IAA helps you follow a roadmap that allows unmatched speed of execution."

Murphy adds that the IAA models allowed ING AP to leverage rather than replace its AS/400 systems and existing business process management and data management tools. "IBM IAA lets us entirely avoid replacing legacy systems by implementing processes based on what we already have," he says. "Plus, the coordination of data between departments in each of the business units will allow us to reduce the number of installed applications by nearly half."

IBM IAA success leads cost-effective SOA reuse across the region
The ING Korea Life example quickly snowballed into similarly cost-effective and rapid implementations across the region.

In China, the Information Hub integrates 39 call center screens into a single view of the customer to speed transactions, while in Taiwan, the IBM IAA models help ING AP combine information used for call center, marketing and customer relationship management functions—all of which helps to speed decision making.

"Reuse is valuable because it mitigates risk," says Murphy. "With IBM IAA, a proven solution can be used just as effectively and safely for another line of business."

Centralized provisioning of business solutions benefits far-flung organizations
Employees outside of IT now use IBM IAA to map business strategy and understand challenges—and then describe to IT which solutions are required to meet these challenges.

"IBM IAA makes business users—such as underwriters and analysts—more efficient," Murphy says. "It only takes a day to train the average business worker to navigate through IBM IAA to understand their own data and process requirements. This is a superb development, because it means that our lines of business can communicate more effectively with IT—which in turn can create and provision business solutions far faster than before."

IBM Insurance Application Architecture speeds product to market
IBM IAA transforms business processes by integrating applications and processes across lines of business, offerings, channels and systems to improve customer satisfaction and overall effectiveness. The solution helps companies realize:

- Faster time to market with more innovative products through increased collaboration across departmental boundaries
- Straight-through processing, reducing time spent making underwriting decisions and issuing policies
- Real-time, up-to-date information access for producers and call center staff
- Lower administrative costs by reducing redundant processes

Reporting is also improved, Murphy says. "If you describe data the same way across all product lines and across all policies, you can quickly understand where the business is going and how it is performing against expectations. With IBM IAA, our financial people can now have consistent views of financial data across lines of business," he explains.

Ultimately, standardizing process and data models helps ING AP cost-effectively expand its reach throughout the region. "IBM IAA allows us to improve efficiency without being disruptive—it's very important to implement best practices without replacing our existing systems," Murphy adds. "It's an important consideration, because we're an insurance company, not an IT provider—IBM IAA allows us to capitalize on what we already have."

For more information

For more information on IBM Insurance Application Architecture, please contact your IBM sales representative or IBM Business Partner, or visit **ibm.com**/solutions/ sg/insurance/enterprise_aa/biz_view.html

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