



Overview

The need

The key to Mediolanum's success lies in turning innovation into assets: developing investment and insurance products that evolve with clients' needs. It needed to gain clearer insight into how to identify and address those needs.

The solution

The introduction of data warehousing and analytics platforms supports the company's customer-centric strategy – enabling more active, agile product management and faster delivery of information to clients.

The benefit

Analytics enables Mediolanum to tailor its offerings to each client's needs, eliminate nearly 60 days of manual work per month and cut operational risk – delivering total savings of over EUR400,000 per year.

Mediolanum

Control, compliance, and client-centric decision support deliver EUR400,000 annual savings

In the financial services and insurance sectors, where new legislation and increasing regulatory pressures are constant enforcers of business change, companies tend to take one of two approaches.

Some have to be goaded into change, and do the bare minimum to meet the new requirements. Others – the leaders – view compliance challenges as a spur for new thinking, which often reveals opportunities to transform their business and gain competitive advantage.

Mediolanum's Irish subsidiaries are firmly in the second category. When their parent company needed to comply with Italy's "Law 262", which lays down stricter requirements for financial controls and reporting, these three companies decided to work together to transform their entire approach to controlling and analysing not just their finances, but every aspect of their business.

Analytics has quickly become a key pillar of Mediolanum's overall strategy. "You can't innovate with your products until you truly understand your business and your clients. Gaining easy access to timely, relevant information is a vital first step on the journey towards client-centric product development," says Furio Pietribiasi, Managing Director of Mediolanum International Funds.



Solution components

Software

- IBM® Cognos® Business Intelligence

IBM Business Partner

- BearingPoint
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The company's innovation centre, MedLab, has worked with BearingPoint to leverage business analytics solutions from the IBM® Watson Foundations portfolio. Together, they have created MedBI – a platform that puts Mediolanum on course to develop and deliver more innovative, client-centric products and services. At the same time, MedBI is helping to automate reporting processes, eliminate nearly 60 FTE-days of manual work per month, reduce operational risk, strengthen the control framework, and save an estimated EUR400,000 per year.

Finding a new way with analytics

In the past, Mediolanum's Irish businesses relied primarily on spreadsheet-based analysis processes, which created large amounts of repetitive, manual work and distracted highly skilled employees from more valuable, client-focused activities.

The level of manual effort required made it impractical to generate reports on more than a weekly or monthly basis, and with data scattered across many different silos, there was a significant risk of introducing errors and inconsistencies.

Paul O'Connor, CIO of Mediolanum International Funds Ltd, adds: "With more than 20 external data feeds coming into our life insurance business and more than 40 into our investment businesses, we were seeing 300 percent annual growth in the volume of data we needed to analyse. A manual approach just wasn't going to be a viable basis for supporting the business, so we needed to find a new way."

Moving towards a single source of truth

Michael Brady, Managing Director of Mediolanum International Life Ltd., comments: "As part of a wider investment in technology, our innovation centre, MedLab, decided to unite all of our data into a single source of truth, and develop advanced analytics tools to give us much faster access to information across all three lines of business.

"We needed a partner that could help us find the right solutions and implement them in a way that would not only serve our immediate needs, but would also provide a platform for more customer-centric services in the future. BearingPoint proved to be an ideal choice."

The MedLab and BearingPoint teams worked together to create a set of data marts for each line of business, and deployed IBM Cognos® Business Intelligence to provide a web-based analytics environment, known as "MedBI". Ultimately, the data marts will be consolidated into a single central data warehouse.

“The solution gives us a new way to structure, analyse and understand data in a way that doesn’t depend on individual people’s knowledge, but on systematic business rules.”

— Michael Brady, Managing Director of
Mediolanum International Life Ltd.

“Taking a phased, agile approach to the project was critical, because we wanted to deliver value to the business as quickly as possible,” says Paul O’Connor. “We have already developed more than 40 automated reports that save an enormous amount of time for our analysts, and user adoption has been excellent: 70 percent of our employees are already interacting with Cognos on a daily basis.”

BearingPoint is now delivering training and support to help Mediolanum’s analysts develop new reports for themselves, with the goal of enabling complete self-sufficiency in the day-to-day management of the analytics platform.

Automation delivers time and cost savings

Although the MedBI analytics journey is still at an early stage, the new reporting processes that Mediolanum and BearingPoint have built together are already delivering tangible value.

For example, each month, Mediolanum International Life prepares a set of board-level reports on policy and client performance metrics for the group’s Italian, German and Spanish operations. Creating these reports used to be a manual process that occupied one employee full-time. Now it is fully automated, and the employee has been moved to a more valuable role.

Mediolanum Asset Management has a similar story to tell with its new portfolio management reporting tool, which provides monthly analyses of mutual funds that are managed by third-party investment managers. Instead of manually collating data from 300 files of external data into 19 reports, the whole process is now automated, saving several days’ work per month. Moreover, the process reduces the company’s reliance on expensive external data sources, which cuts costs by an additional EUR10,000 per month.

Deeper regulatory and risk reporting

As well as reducing costs, more secure and reliable reporting processes enhance Mediolanum’s risk management and compliance efforts. For example, a monthly report for Mediolanum Asset Management and Mediolanum International Funds gives the companies’ boards a much more accurate picture of assets under management, reducing exposure to operational risk by eliminating error-prone manual data collection, collation and calculation processes. Again, there are cost savings too: approximately EUR120,000 per year on data acquisition costs, and nearly EUR130,000 on personnel costs.

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— Furio Pietribiasi, Managing Director,
Mediolanum Asset Management Ltd.

The MedBI solution also addresses financial and operational risks. For example, the calculation and allocation of fees payable and receivable across funds and fund classes affects the invoices and payments that the company makes to its counterparties. By automating these processes, Mediolanum not only realises FTE savings per month – it also significantly reduces the risk of errors in its financial transactions, as well as enabling quicker decisions for its investments, and protecting its professional reputation.

Real-time compliance monitoring

Finally, MedBI gives Mediolanum daily insight into the key metrics that govern business performance, risk management, and compliance with regulations and standards such as UCITS and the Collective Investment Scheme. A new set of dashboards highlights measures such as daily net asset value, and immediately alerts users if they move outside of expected or compliant tolerances. By automating this process, the solution saves further FTE days each month, for an expected saving of more than EUR14,000 per month.

Structured, automated, timely analytics

Looking at the project as a whole, Mediolanum is on course to save 58.8 FTE days per month across 42 business processes, saving nearly EUR170,000 per year in personnel costs. In addition, it expects to save more than EUR230,000 per year through better management of operational risk – adding up to total annual savings of more than EUR400,000.

Michael Brady comments: “The solution gives us a new way to structure, analyse and understand data in a way that doesn’t depend on individual people’s knowledge, but on systematic business rules. As we move forward, this will not only deliver substantial FTE savings; more importantly, it will also provide a foundation for both historical and predictive analysis of our clients’ needs.”

Furio Pietribiasi concludes: “MedBI helps us gain more insight into our own processes, the market situation and the opportunities available. Ultimately this will empower us to manage and develop our investment and insurance products in a much more active and agile manner, gaining speed to take or influence our decisions to deliver effective client-centric solutions, and to adopt and adjust to market changes that are constantly evolving faster and faster. Placing MedBI at the core of our business will help us gain deeper insight, make better decisions, and boost financial performance for both Mediolanum and its clients.”

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About Mediolanum

Gruppo Mediolanum is an Italian financial services company that owns three subsidiaries in Ireland: Mediolanum International Life Ltd, Mediolanum International Funds Ltd, and Mediolanum Asset Management Ltd. Together, these three companies employ approximately 70 people, and develop investment and insurance products and services that are distributed to clients throughout Europe.

For more information about Mediolanum’s operations in Ireland, please visit www.mill.ie, www.mifl.ie and www.maml.ie. To learn more about Gruppo Mediolanum, please visit www.mediolanum.com

About BearingPoint

BearingPoint consultants understand that the world of business changes constantly and that the resulting complexities demand intelligent and adaptive solutions. Our clients, whether in commercial or financial industries or in government, experience real results when they work with us. We combine industry, operational and technology skills with relevant proprietary and other assets in order to tailor solutions for each client’s individual challenges. This adaptive approach is at the heart of our culture and has led to long-standing relationships with many of the world’s leading companies and organisations. Our global consulting network of 9,200 people serves clients in more than 70 countries and engages with them for measurable results and long-lasting success.

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For more information, please visit: www.bearingpoint.com

About IBM Business Analytics

IBM Business Analytics software delivers data-driven insights that help organisations work smarter and outperform their peers. This comprehensive portfolio includes solutions for business intelligence, predictive analytics and decision management, performance management, and risk management.

Business Analytics solutions enable companies to identify and visualise trends and patterns in areas, such as customer analytics, that can have a profound effect on business performance. They can compare scenarios, anticipate potential threats and opportunities, better plan, budget and forecast resources, balance risks against expected returns and work to meet regulatory requirements. By making analytics widely available, organisations can align tactical and strategic decision-making to achieve business goals.

For more information

For further information please visit ibm.com/business-analytics



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