



## Business intelligence case study



# *Life of the South: laying claim to profitability with AS/400e*



**Using an AS/400e business intelligence solution, Life of the South, one of the country's largest servicers of credit related insurance, has saved more than \$1 million (U.S.) annually.**

At Life of the South's operational center in Jacksonville, Florida, being profitable means paying attention... paying attention to performance, costs and business details. That's why, in 1998, the credit insurance products company began looking for a strong decision support tool to help leverage its business information. Its choice? IBM® AS/400e™ server running IBM Business Partner Coglin Mill's RODIN Data Warehouse.

The result? A business intelligence solution that saves money, enhances efficiency and helps improve the bottom line.

### **Business data determines business profits**

Life of the South, formed in 1982, is an industry leader in underwriting and administration of credit and specialty insurance products. With annual premiums and fees of \$260 million (U.S.) in 1998, it specializes in general agent selling in three areas:

- Banking
- Consumer finance
- Automotive

"With rates set by the State Commission of Insurance, we can only improve profitability in two ways," says Robert Fullington, senior vice president and chief information officer for Life of the South. "Enhance producer performance and contain costs. Both require detailed knowledge of our business information."

### **Technology challenge**

Life of the South needed to improve access to its total information resources in order to:

- Understand its business costs
- Improve decision making and enhance profitability
- Assess marketing programs and performance
- Automate and streamline business processes

### **Technology solution**

Life of the South chose RODIN running on AS/400e as its business intelligence solution. Benefits experienced include:

- Saving \$85,000 (U.S.) per month by better understanding and acting on profitability factors
- Better decision making based on comprehensive information
- A complete picture of agent performance
- Two hundred fewer paper reports per month

## Business intelligence dispels business myths

According to Fullington, Life of the South grew its business through expansion and acquisition from \$30 million in premium volumes in 1994, to \$260 million today—making it one of the country's largest servicers of credit-related insurance. But, this growth brought new business data in varied formats and on various platforms.

In fact, the company had millions of records available for study, scattered across hundreds of files at more than 200 U.S. locations. The complexity of trying to poll each file for collective analysis was almost insurmountable. The answer: an AS/400e business intelligence solution provided by IBM Business Partner Coglin Mill of Rochester, Minnesota.

"RODIN Data Warehouse, exploiting IBM DB2® Universal Database™ for AS/400® built into AS/400e, provided the perfect central repository for our data," says Fullington.

RODIN gave Life of the South a single, fully integrated solution, encompassing the following key building blocks of data warehouse technology:

- Data acquisition, including cleansing and transformation
- Data management, including construction, backup and archiving
- Data delivery, including data mart definition and report writing

AS/400e gave Life of the South a reliable, robust and flexible commercial server. And, its DB2 multi-relational database has proven it is easily capable of processing, storing and serving up the company's millions of records.

"We loaded and processed our data files to organize and enhance its value as an effective business tool," says Fullington. "And, as our analysis converted data into business intelligence, it began to dispel many of our business myths."

## Saving \$\$\$ through informed decisions

Using the new solution, Life of the South went to work on its profitability, service levels and workflow. The ability to drill down and slice the data many different ways provided executives with the information needed to make better informed, and therefore more strategic, decisions.

For example, they were able to see the type of products being sold in the various market segments, the costs, and associated profitability. "We saved \$85,000 a month by analyzing our data, studying trends and improving processes to leverage what we learned from our business intelligence," Fullington says. "That's more than \$1 million annually. And by implementing a customer-based marketing and support program, we'll increase profitability in our current customer base."

In addition, through giving its sales agents access to an interactive business intelligence system, they were able to improve service and efficiencies for their agents and their customers. Sales agents now have Internet access to the system. They can download preselected, authorized data for use in their own personal productivity programs as well as view their reports using an industry-standard browser.

"This saved us more money because we discontinued approximately 200 monthly paper reports and their associated costs," says Fullington.

Through its business intelligence solution, the company was able to learn the total cost of claims and entry processes, and focus on developing new, automated processes to reduce costs.

With its new knowledge, Life of the South further improved operating efficiencies while leveraging relationships, increasing market penetration and maintaining its traditional high level of customer service.

"AS/400e is an exceptional platform for business intelligence solutions," says Fullington. "Its total cost of ownership is extremely low, minimal operations staff is required, and it's fail-safe and reliable."

Indeed, in the final analysis, the combination of AS/400e and Coglin Mill's RODIN Data Warehouse was a very intelligent business decision.

## For more information

Visit the AS/400 Web site at: <http://www.as400.ibm.com>, or contact your IBM marketing representative or IBM Business Partner.



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