

Business Intelligence



Med udgangspunkt i Solvency II

8. April 2011

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Affecto Denmark

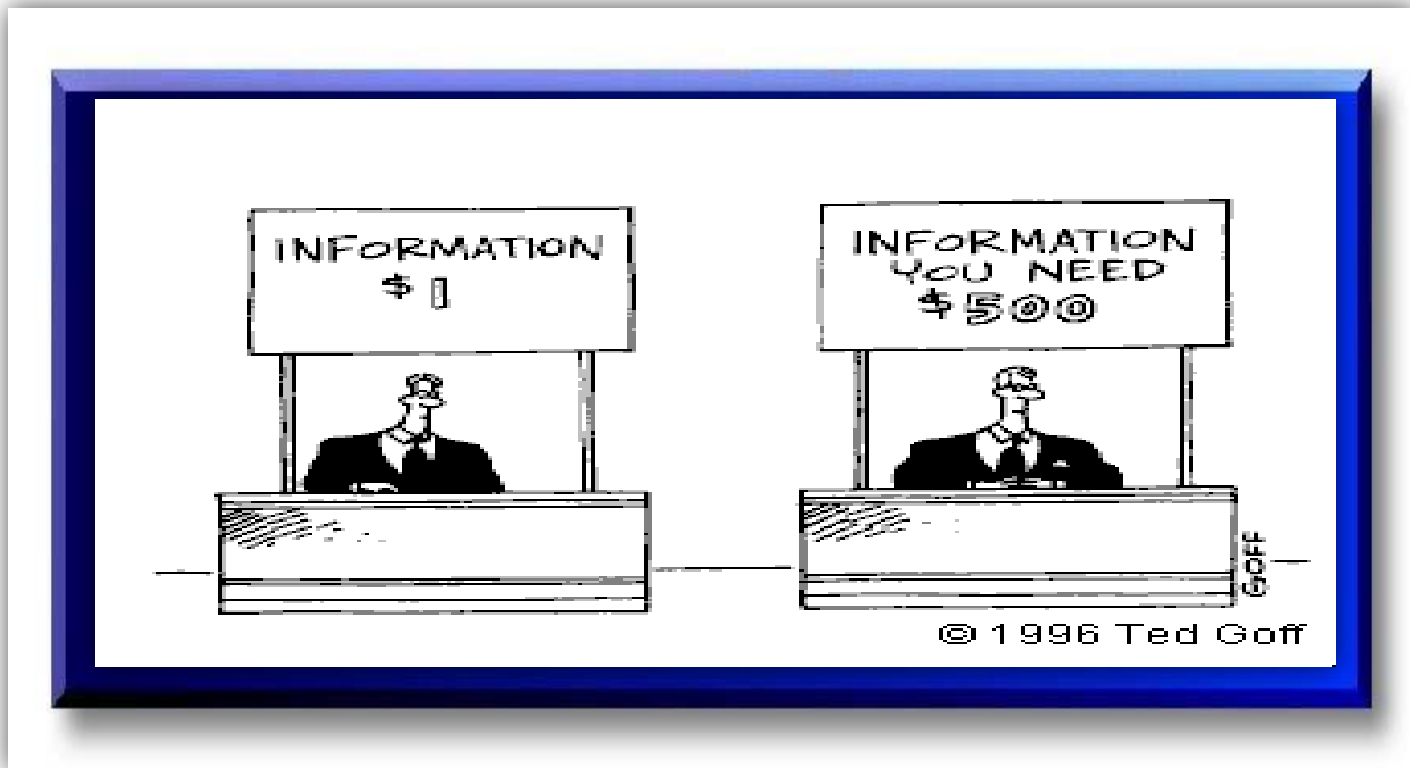


Affecto

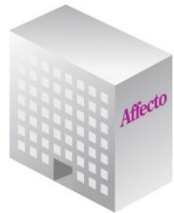
BI Mission



- Affecto delivers solutions that help our customers turning scattered data into **valuable business information**



Affecto at a Glance



Company

- Listed on the Nordic Exchange
- The largest Best of Breed vendor in the Nordic and Baltic regions
- Regional offices in the Nordic and Baltic regions
- 910 employees, +500 of them specialized in Information Management (IM)/ Business Intelligence (BI)



Customers

- Approx. 500 IM customers in the Nordic and Baltic regions
- Renowned companies in their industry
- Across regions, industries, and solutions



Solutions

- Information Management: Business Intelligence, CPM, Risk Management, Data Warehouse, Integration, Data Quality, and MDM
- Market leading software, technologies, and competences



Vision 2011

- In 2011, Affecto is the leading provider of Business Intelligence solutions in the Nordic and Baltic regions. Affecto is the best investment for its stakeholders.

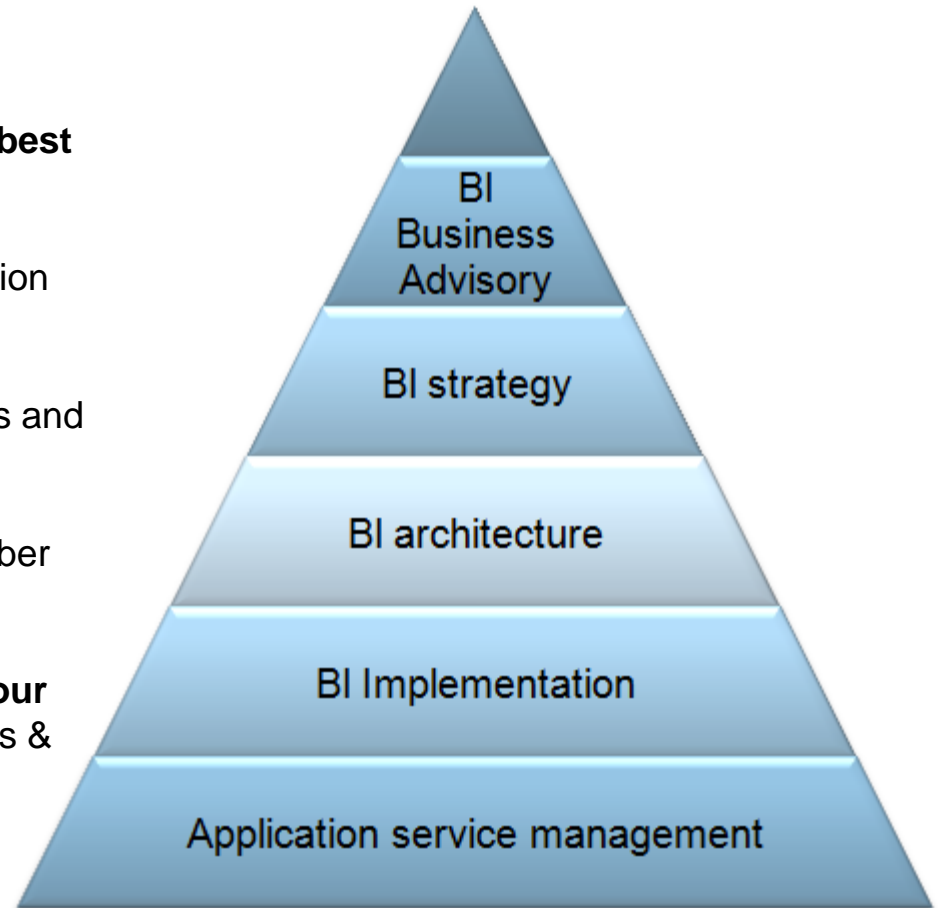
Strategic Partners:



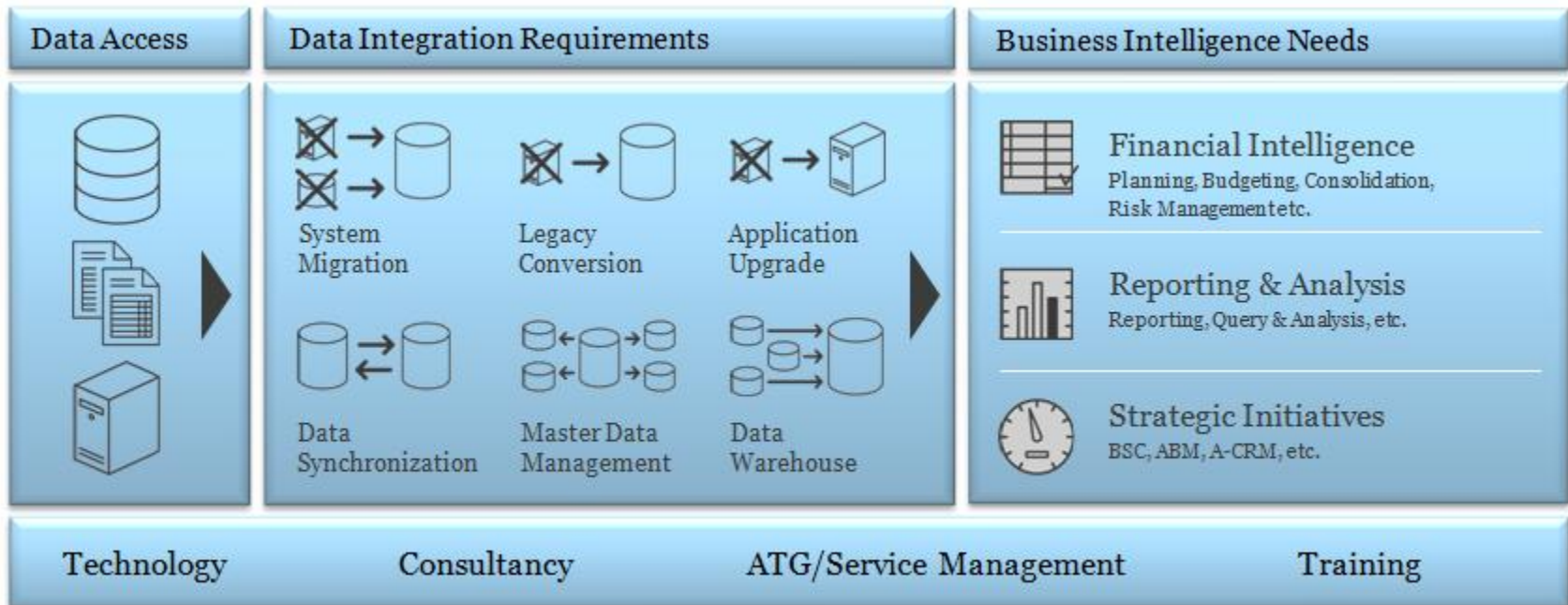
Strategic Business Intelligence (BI) Offerings



- Our service offerings cover the **full value chain** within Business Intelligence
- We always deliver **top quality solutions** by the **best resources/people** in our industry
- Affecto Solution Framework (ASF) is the foundation for our deliveries
- Our organization is focused on solution deliveries and resource deliveries
- We are **experts** – we only support a limited number of software partners
- We always want to be the **best investment for our stakeholders** – Customers, Partners, Employees & Investors.
- We cover Business Intelligence from an IT and Business perspective



What is Business Intelligence (BI) ?



“When you are talking about a project as ambitious as a shared data warehouse for all of Denmark’s municipalities, finding the right partner is critical – a job well done doesn’t suffice, we have to strive for the best of the best – and so far Affecto is the right choice.”
Peter Egelund, CIO, KOMBIT

“Rather than simply meeting our immediate needs, Affecto’s consultants were visionary and designed our Microsoft BI solution to last at least five years. In this way, we avoid expensive system re-thinks for the foreseeable future, which means that we can concentrate on driving the business forward.”
John-Erik Hørdum, CIO, Forca

C-LEVEL EXECUTIVES:

A man with grey hair and a beard, wearing a dark suit, white shirt, and red tie, is seated at a long white conference table. He is looking directly at the camera. The background shows a modern office with large windows and several empty beige chairs along the table.

The EU directive tightens the requirements to senior management and board members in relation to solvency

Gartner's Insurance Outlook for 2011



Gartner IT Priorities Among Gartner's Life and P&C

Strategic Planning Assumption #2

Market Implications

- Business IT

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Policy Administr. Management

Claims Management

Source: Gartner


Functional High-level Solvency II

IT Architecture

Recommendations

- Add Solvency II as an integral component to your five-year IT strategy.
- Intensify the dialogue with your business peers to be actively involved in a Solvency II project.
- Focus on the most important source systems required to deliver data to your risk management data warehouse.
- Involve local regulators as early as possible.

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A young woman with long, straight blonde hair and blue eyes is smiling warmly at the camera. She is wearing a black blazer over a white top. The background is a blurred office environment with white shelves holding various items, including a black box and some papers. A computer monitor is visible on the right side of the frame.

Do not use the regulatory requirements of Solvency II only to satisfy the FSA. Use the investment primarily to get a better understanding of the key risk elements in your business.

BUSINESS LEVEL:

View Solvency II as a business advantage to get better business insights and improve the decision support

Solvency II – what is different from before?



- Solvency II brings in fundamental change to solvency and management requirements for insurers:
 - Principles based approach to supervision
 - Capital linked to risks on a market consistent approach
 - Convergence of economic capital and regulatory capital
 - Recognizes diversification benefits – important for groups
 - Lead supervisor for groups
 - Major focus on **risk management**
 - Significant disclosure requirements (**governance + reporting**)
 - Capital add-ons for deficiencies
 - Links to other reporting measures
- Contribution to the emergence of a world-wide standard?

Solvency II – the essence



- Defines a market consistent valuation framework and eligible forms of capital → Solvency II balance sheet
- Requires capital (the SCR) as a buffer for possible changes in own funds over a one year time horizon
- SCR is set such that a company can survive a 1 in 200 year event, i.e. 99.5th percentile
- Subject to approval from the supervisory authority, an internal model can be used to calculate SCR (*data is needed*)
- Insurance groups have to pass a group-level solvency requirement
- Embedded *risk management (GRC)* processes are required
- Insurance companies and insurance groups have to publish a financial condition report

IT Readiness
Solvency II:
DATA

Governance
Compliance
IT implementation

Credit Risk
Market Risk
Operational Risk

Reporting
incl
SFCR

**Strengthening the
foundation
for insurers**

**Positioning
IT improvements
optimally**

**Catalyst for
internal
co-ordination**

**Optimise IT
preparedness
for reporting**

**What's the best
choice?**

**Initiate the
realisable priorities**

**Program, calibrate and
run the IT projects**

**Realise value of
investment**

Purpose:

Establish the key areas of prioritised IT Solvency II needs.

Purpose:

To enable client to decide on the preferred extent of the scope for enhancing the Sol II IT - projects.

Purpose:

To ensure all risk areas are catered for from an IT perspective.

Purpose:

To enable client to decide on business benefits and on whether to optimise investment.

Process: Use client preferences obtained in workshop and gap analyses to identify key IT functionality, software and process requirements related to Solvency II. Prioritise.

Process: Select from prioritised list, define, price and agree the scope, terms and price of chosen IT items and projects.

Process: Identify, define and document other risk and business requirements. Calibrate internal collaboration – review and implement. Review and create preliminary reporting formats and sample reports.

Process: Review progress of projects and initiatives, data quality and reports. Determine and evaluate their value to client. Summarise conclusions.

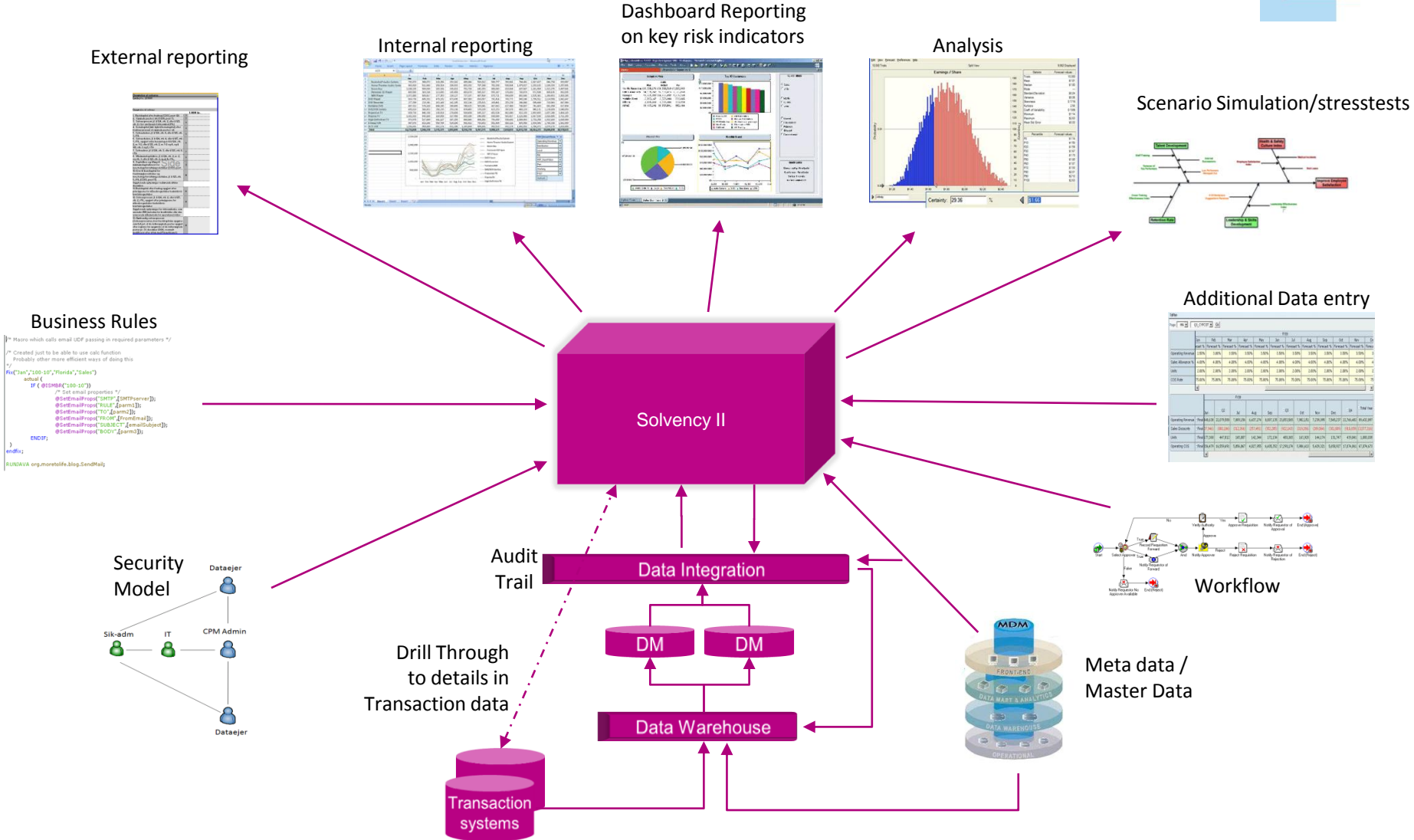
Outcome: Prioritised list of key areas of IT needs for Solvency II in relevant sequence and how they can best be fitted into existing projects.

Outcome: A finalised and agreed list of chosen projects, advisory, software – descriptions, costs and timelines.

Outcome: Progress report including data quality improvements and sample governance and other reports to be used by relevant colleagues and senior management.

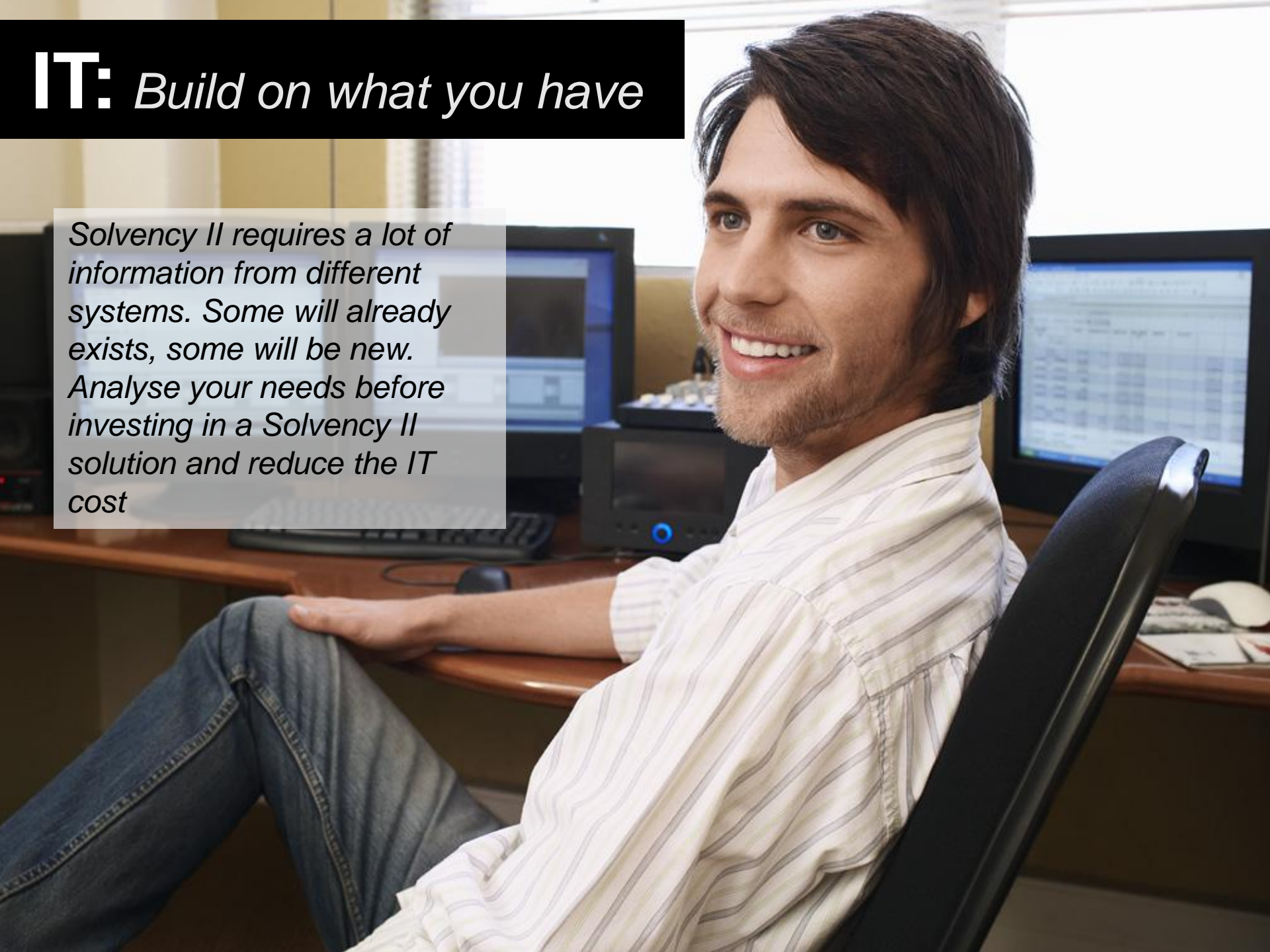
Outcome: Solvency II IT readiness progress and evaluation report based upon which client can determine value, lessons learned and potential next steps.

Solvency II reference architecture



IT: *Build on what you have*

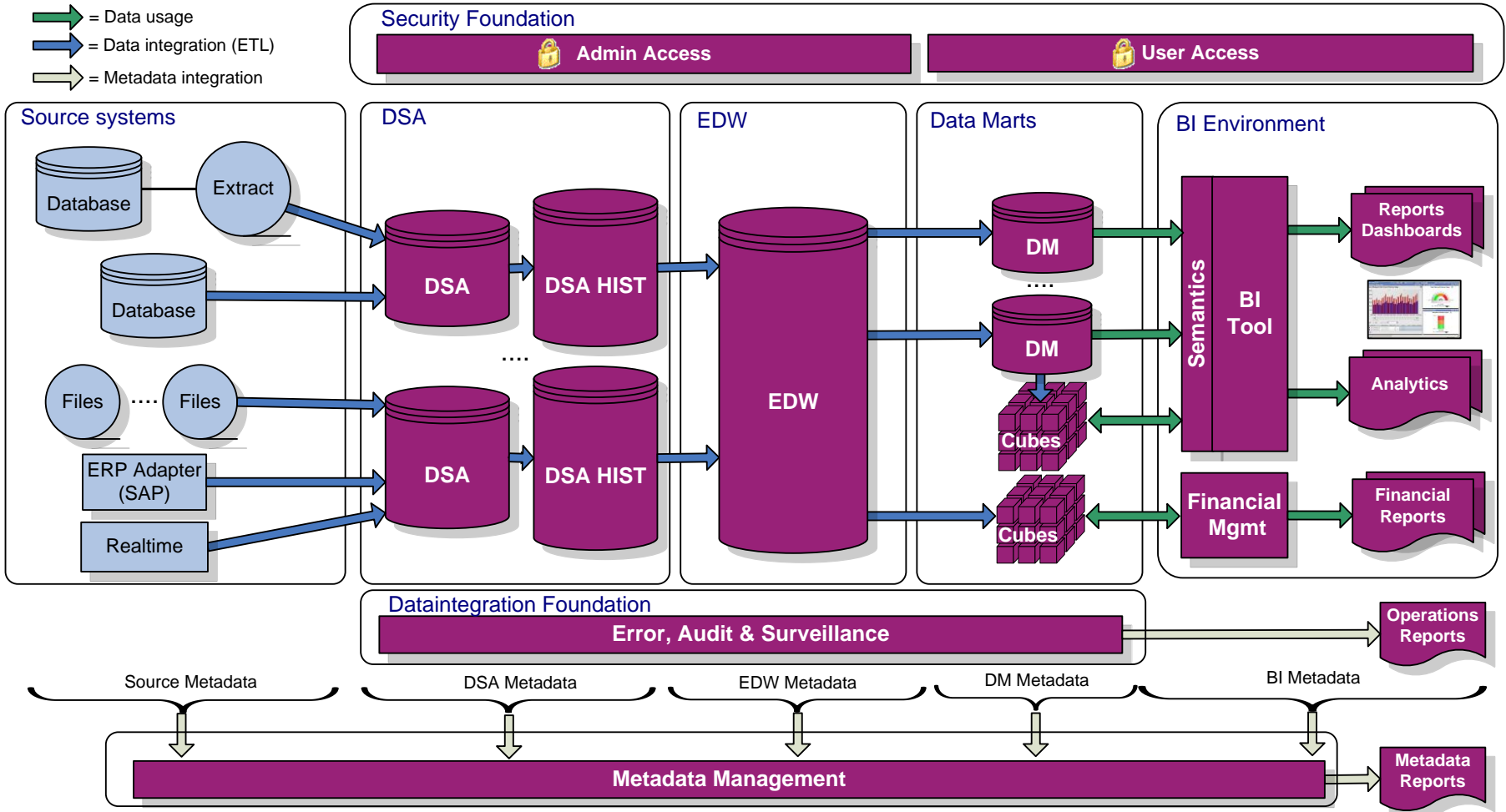
Solvency II requires a lot of information from different systems. Some will already exist, some will be new. Analyse your needs before investing in a Solvency II solution and reduce the IT cost



BI Reference Architecture



- = Data usage
- = Data integration (ETL)
- = Metadata integration





Thank You