MINISTRY OF INFRASTRUCTURE AND THE ENVIRONMENT

SAVING TIME AND MONEY WITH EFFICIENT CLAIMS PROCESSING

"Office employees . . . can efficiently process the digital dossiers using an optimum workflow process. This provides immediate savings when compared to our previous methods."

Jop Vaes; Relations Manager; Ministry of Infrastructure and the Environment

QUICK FACTS

Company

- Name: Ministry of Infrastructure and the Environment
- Location: The Hague, Netherlands
- Industry: Public sector
- Products and services: Claims processing
- Revenue: €10.3 billion (2009)
- Employees: 11,000 (2009)
- Web site: http://english.verkeerenwaterstaat.nl
- Implementation partners: IBM Corporation, Logica plc, and Ordina N.V.

Challenges and Opportunities

Streamline and accelerate the processing of damage claims from the state highways and waterways in the Netherlands

Objectives

- Develop a solution for eliminating claims processing backlogs and inefficiencies
- Realize cost savings

SAP® Solutions and Services

- SAP for Public Sector solutions
- SAP® Records Management application (now SAP NetWeaver® Folders Management application)
- SAP Business Workflow tool
- Web Dynpro development environment
- SAP NetWeaver Business Warehouse (SAP NetWeaver BW) component

Implementation Highlights

Delivered solution within budget and on time – approximately 24 months for 5 products

Why SAP

- An integrated solution that can be further developed as required in the future
- Optimum price-quality ratio
- Streamlined integration with solutions from third parties and the existing financial system
- Scalable and flexible solution

Benefits

- Digitizes, centralizes, and consolidates business processes
- Standardizes, streamlines, and structures dossier processing
- Provides the flexibility to quickly implement current and future user requirements
- Eliminates backlogs
- Provides fast payback (in less than 3 years) and future savings (lower headcount)
- Increases flexibility through standardization

Existing Environment

- SAP ERP Financials and SAP ERP Human Capital Management solutions
- SAP NetWeaver Portal component
- SAP Customer Relationship Management application, SAP NetWeaver BW
- SAP Records Management

Third-Party Integration

- Database: Oracle
- Hardware: IBM
- Operating system: AIX

The Ministry of Infrastructure and the Environment is one of 11 ministries in the government of the Netherlands. The ministry is responsible for ensuring that the physical highways and waterways of the Netherlands are in proper condition so that citizens can live and work there safely. Thus, the ministry contributes to a dynamic and sustainable society.

The Ministry of Infrastructure and the Environment consists of the policy boards, staff services, and agencies of the Directorate General for Public Works and Water Management, the Public Works and Water Management Inspectorate, and the Royal Netherlands Meteorological Institute.

By implementing a new SAP® solution within its existing SAP software environment, the ministry has literally put into practice its motto of "Easy movement. Safe living." The SAP solution has completely eliminated the processing backlog of claims relating to accidents and damage on highways and waterways. In addition, the solution has enabled the ministry to realize major cost savings, with its investment in SAP software recouped in an estimated three years and the potential of additional benefits in the near future.

Expanding the SAP Software Environment

Jop Vaes, relations manager at the ministry, was involved as the project coordinator in the implementation of the new SAP solution, which was intended to help streamline the processing of approximately 15,000 damage claim reports annually from accidents on state highways and waterways. "Previously, this was a completely decentralized, manual process with paper files," says Vaes.

"The claims processing took place in district offices throughout the country. Road inspectors who found damages entered the information at their district office, and then a paper dossier was created," comments Vaes. "Each district had its own methods and systems. These were labor intensive and difficult to standardize so that we could not easily distribute the work among other offices." In addition, specialists were required for each part of the process, and employees and managers could not share the workload.

"This process was very expensive and inefficient. We had incurred a large backlog that we wanted to clear up as quickly as possible," says Vaes. "The ministry had already entered into an umbrella contract for the use of SAP software, so this additional solution made optimal use of existing investments. When looking for a process to streamline damage claims handling and eliminate backlogs, it became obvious that we should explore expanding the dossier-forming solutions already set up in the ministry's SAP software for permit processing."

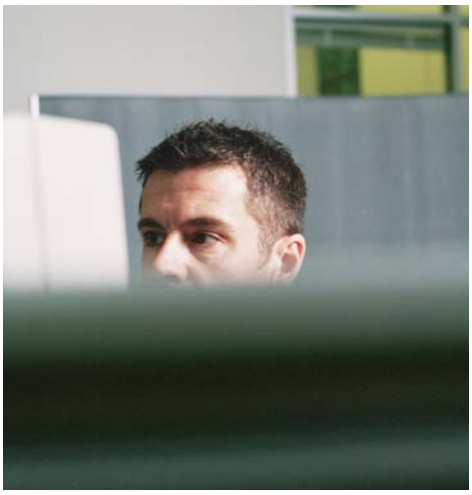
Digitalizing and Streamlining

By digitalizing and centralizing the processes for handling damage claims from companies and individuals, the ministry has streamlined the existing paper processes. Claims are now processed in fewer offices, with fewer employees and less archive space. As much information as possible is now processed digitally and sent to all the parties involved, including insurance companies, victims, and claim handlers.

Basis for a New Solution

The existing SAP ERP application turned out to be ideally suited as a basis for the new solution. The ministry added the SAP Records Management application (now known as the SAP NetWeaver® Folders Management application), the SAP NetWeaver Portal component, the SAP ERP Financials solution, and the SAP NetWeaver Business Warehouse component. This combination created a system that enabled inspectors to enter claims on a laptop via an online portal, at any location and at any time. The solution also supports telecommuting so the inspectors do not need to travel as much.

"After the first report is filed, the software automatically creates a digital dossier that is then integrated into the streamlined SAP solution," says Vaes. "Office employees, who now all work centrally in Utrecht, can efficiently process the digital dossiers using an



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Jop Vaes; Relations Manager; Ministry of Infrastructure and the Environment

optimum workflow process. This provides immediate savings when compared to our previous methods." The benefits range from needing less archive space to a reduction of 45 full-time positions within two years, plus the elimination of 13 temporary positions that were no longer needed.

Simple Software Integration

The installation and configuration of the new software went smoothly. According to Vaes, this was thanks to the flexible integration with the existing SAP software. "Because we were already working with SAP software that was standardized, scalable, and flexible, the installation of the new solution was not difficult."

Government and Citizens Benefit

In addition to the fast implementation, training and effective agreements with the IT services organization were major success factors. "Because we had documented the first phase in detail, we could roll out the following four phases and hand them over to the management team very quickly," says Vaes. "We also wrote our own documentation and provided short training courses for employees who would be working with the new software. In addition, we closely involved the inspectors in the design of the portal." The new working processes had wide support, partly because the portal is user-friendly and results in much faster completion of damage reports and claims.

"The time to complete claims has been reduced from months to weeks, and they can be paid out much sooner."

Jop Vaes; Relations Manager; Ministry of Infrastructure and the Environment

"Initially, when there was a network outage and the processes went down, SAP software was quickly blamed," Vaes comments. "However, we had underestimated how much the new centralized processes depended on the quality of our network connections and the hardware. This and other initial problems were under control after the delivery of the first product. The phased introductions of the following four products were actually problem free, very fast, and were completed by the end of 2008."

Vaes adds, "The time to complete claims has been reduced from months to weeks, and they can be paid out much sooner. The government, industry, commerce, and the citizens all profit from this."

Useful, Up-to-Date Information

Filing reports and compiling dossiers for damage claim processing at the ministry has been standardized, thanks to the new SAP software. This supports the general plans of the government to work objectively and transparently. "We have correct, complete, and reliable digital information available and can retrieve this easily and clearly from the basic software," Vaes explains. "This means we no longer need to archive 15,000 dossiers each year. Where possible, old dossiers and written correspondence are also digitized so that we can refer to everything centrally," he concludes.

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