

SAP Customer Success Story Insurance



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Simon Furnell, Customer Services Director, Lloyds TSB Insurance plc

AT A GLANCE

Summary

Lloyds TSB Insurance plc, based in London, is one of the most successful insurance companies in the United Kingdom, in spite of intense competition. Part of its strategy for success: the SAP® Claims Management application.

Web Site

www.lloydstsb.com

Key Challenges

- Improve the entire claims management process and customer experience
- Reduce the time and cost of processing claims
- Improve management's visibility of business performance

Project Objective

Replace legacy software with state-of-the-art IT for claims management as part of a strategic initiative to improve company's profitability

Solution and Services

SAP Claims Management

Why SAP Solution

- The software's ability to meet company requirements right out of the box
- SAP's superior reputation and stability over the long term

Implementation Highlight

Complete user acceptance (450 users and 2 lines of business)

Key Benefits

- Streamlined claims management, resulting in cost savings
- Better and faster view of key performance management information
- Low total cost of ownership and high return on investment
- Ability to settle claims far more quickly and effectively, benefiting both the company and customers

Implementation Partners

- SAP Consulting organization
- Accenture

Existing Environment

- Legacy mainframe system for claims management
- mySAP™ Customer Relationship Management application
- SAP software for collections and disbursement
- SAP NetWeaver® Business Intelligence component

Database

Oracle

Hardware

IBM

Operating System

IBM AIX

LLOYDS TSB INSURANCE

SAP® Claims Management Application Helps Insurance Company Reduce Costs and Improve Customer Satisfaction

The UK insurance market is extremely volatile and competitive. Insurers face immense pressure from rising costs, falling premium rates, and a plethora of new low-cost Web operators aggressively competing for space. Adding to the challenge, the industry faces ever-growing regulatory mandates and legislation from organizations such as the Financial Services Authority and the EU.

Yet, in spite of these difficulties, the London-based Lloyds TSB Insurance plc has continued on a path of success. Formed from the merger of Lloyds Bank and TSB, the company is now the second-largest bank insurer in the United Kingdom and the tenth-largest underwriter.

Simon Furnell, customer services director at Lloyds TSB Insurance, adds, “We’re also the number one distributor in the United Kingdom for both home and creditor insurance.”

Keeping on Top of Customer Satisfaction

Despite its market-leading position, Lloyds TSB Insurance constantly looks for ways to improve business performance, profitability, and ultimately customer experience.

And that's why it recently sought out a more effective IT solution: one that would deliver financial benefits – with a low total cost of ownership and high ROI – and meet the deeper needs of the company's staff members, customers, and shareholders.

For Lloyds TSB Insurance, the implementation of such a system was more than just a technical solution. Furnell notes, "We wanted to enable business change, and we wanted to ensure a seamless implementation. So we looked for a company that had a proven track record and the necessary expertise." SAP was that company.

A Perfect Fit

SAP offered the insurance company everything it was looking for in a business solution: efficiency, customer value, and a high return on investment.

Furnell explains how the company was led to SAP. "We started by looking at the entire market and ended up with a hundred potential claims systems to evaluate," he says. "We then narrowed that down to around 20 software solutions. We received six bids for tender, including a 'build-your-own' option, and finally short-listed three." At this point, Lloyds TSB Insurance began a more detailed examination of the suppliers, including site visits. The company then conducted a feasibility study; it finally realized that the SAP® Claims Management application was the best fit.

SAP Claims Management is a comprehensive solution enabling companies to manage the entire claims process, including payments, and all relevant information. Using the SAP software, Lloyds TSB Insurance managers can quickly and easily review business performance and implement any necessary changes. Key information is delivered through the SAP NetWeaver® Business Intelligence component – which managers use for multidimensional analysis and reporting to ensure that the business is operating efficiently and meeting strategic goals.

Furnell notes, "There are a number of reasons we selected SAP Claims Management; primarily, it satisfied almost all of our requirements right out of the box. Secondly, we believed that

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SAP has a long-term future as a software provider." Lloyds TSB Insurance wanted a product from a vendor that was a clear market leader, and SAP's position gave the company the reassurance it needed. As Furnell says, "No other vendors were on the same level as SAP."

Another plus: the SAP software would easily integrate with the company's existing environment, which meant minimum disruption to the end user.

Benefits All Around

So has the SAP application delivered all the expected benefits? Furnell believes so. “Our employees now have comprehensive support for decision making at a much greater level than before,” he says. “Customers have also benefited from streamlined claims management. We can settle claims much more quickly, which is a key driver of customer satisfaction.”

From Lloyds TSB Insurance’s perspective, resolving claims quickly is just as important for its own business – the longer claims take to process, the greater the drain on resources and the greater the cost. With SAP Claims Management, the company can ensure that the process takes place quickly and effectively – which in turn slashes operational costs.

Furnell says that because the company can now process claims far more effectively, shareholders are realizing gains as well – financial gains.

On the Right Track

The customer services director feels that the SAP application will continue to have a positive effect on the entire company. “Wherever I turn, I hear people say that we’ve chosen the right software,” he comments.

Furnell then says, reiterating, “What I am clear on is that of all the potential software solutions we looked at, SAP Claims Management was the closest match to what we needed, and I have no doubt whatsoever that we selected the right software provider.”

With the goal of becoming the most successful bank insurer in Europe, Lloyds TSB Insurance is on the right track with SAP Claims Management. “With the technology in place to effectively manage processes, information, and resources, Lloyds TSB Insurance will surely fulfill that vision,” says Furnell.

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