



HDI VERSICHERUNG

SAP® ERP HELPS HDI MANAGE INCREASING BUSINESS COMPLEXITY

QUICK FACTS

Company

- Name: HDI Versicherung AG
- Headquarters: Vienna, Austria
- Industry: Insurance
- Products and services: Automobile and industrial insurance
- Revenue: €148 million (2008)
- Employees: 236 (2008)
- Web site: www.hdi-gerling.de/en
- Implementation partner: ConVista Consulting AG

Challenges and Opportunities

- Improve ability to manage increasingly complex business processes for finance and accounting
- Foster international expansion

Objectives

- Implement parallel reporting
- Reduce time and effort needed to create reports
- Increase efficiency of finance and accounting operations

SAP® Solutions and Services

General ledger (GL) and HR functionality of the SAP® ERP application

Implementation Highlights

- Implemented GL functionality in SAP ERP within 5 months
- Enhanced SAP software almost completely in-house
- Set up a cost-effective infrastructure

Why SAP

- Broadest functional scope
- Best fit to requirements
- Affordable and most cost-effective solution in marketplace

Benefits

- Improved data quality and established single data source
- Accelerated monthly closings and reduced the amount of time required to support the closing processes
- Increased confidence in reporting
- Reduced number of GL accounts from 7,000 to about 550
- Increased capacity to manage greater workload without adding staff
- Streamlined finance and accounting processes
- Enabled multicurrency accounting and integration of international business activities
- Provided tools for central, integrated management of HR planning and tracking

Third-Party Integration

- Database: Microsoft SQL Server
- Hardware: HP ProLiant servers
- Operating system: Microsoft Windows

“The new general ledger software from SAP enabled us to cope with the ever more challenging requirements in finance and accounting, such as adapting to much shorter external reporting periods.”

Dieter Bankosegger, Head of Finance,
HDI Versicherung AG

HDI

HANNOVER VERSICHERUNG

SAP Customer Success Story
Insurance

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Since Vienna-headquartered HDI Versicherung AG entered the automobile insurance industry, its performance has been impressive. The company more than doubled its revenue in the first five years of operation, and in 2008 it generated €148 million in net profits. However, managing rapid growth within Austria was not the only challenge HDI Versicherung had to meet. As a member of the third-largest insurance group in Germany – the Talanx Group – HDI Versicherung was entrusted with managing not only the group’s acquisitions of industrial insurance companies in Eastern Europe but the Germany-based Gerling Group, making HDI Versicherung one of Austria’s major industrial insurers.

Along with its greatly expanded responsibilities, HDI Versicherung was challenged by increasingly complex finance and accounting processes and the task of managing these processes in multiple currencies and languages. The company quickly realized it needed to find a single software solution that was powerful and flexible enough to meet all these

accounting standards (IAS) – further intensifying the need to simplify internal processes. “The demands on our accounting department had been continually growing, especially due to more stringent legal requirements. For example, our reporting period changed from annual to quarterly,” says Dieter Bankosegger, head of finance for HDI

“With the SAP ERP application, HDI Versicherung will be able to cope with the kinds of challenges it faced when integrating the Eastern European insurance companies.”

Dieter Bankosegger, Head of Finance, HDI Versicherung AG

requirements while providing support for future growth. It found the solution in the SAP® ERP application.

Growing Legal Requirements

Like all insurance companies, HDI Versicherung must accommodate the increasing complexity of international

Versicherung. In addition, the company had to comply with both International Financing and Reporting Standards (IFRS) and the Austrian national accounting principles, requiring tools to support parallel reporting.

Challenged by its growing responsibilities, HDI Versicherung could no longer

afford to store finance and accounting data in separate, nonintegrated systems. It could no longer allow its workforce to spend valuable time manually gathering the data and then correcting the subsequent errors. The company’s old methods for preparing reports and balance sheets had become too costly. “The whole process was cumbersome, slow, and lacked transparency,” remarks Bankosegger.

The Most Comprehensive Functionality at the Best Price

It did not take long for the company to learn that the general ledger (GL) functionality of SAP ERP was best suited to meet its requirements for integrated data and streamlined business processes. “SAP ERP offered the broadest functional scope at the most affordable cost,” says Bankosegger.

Five months after HDI Versicherung chose SAP ERP, the general ledger software was in operation. The implementation went smoothly, and because most of the enhancements were done in-house, the cost for external support was minimal. “We were also very focused on creating a cost-effective IT infrastructure,” explains Bankosegger. “That’s why we decided to run SAP ERP in a Microsoft Windows environment using HP ProLiant servers.”

A Tool Powerful Enough to Cope with Challenging Requirements

Within the first few months of working with the new GL functionality, Bankosegger noticed a marked difference. “The new general ledger software



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HDI Versicherung AG

from SAP enabled us to cope with the ever more challenging requirements in finance and accounting, such as adapting to much shorter external reporting periods,” he says. Closings are now much faster too. Also of key importance: the company was able to integrate the new acquisitions without having to add staff – due to more effective and flexible processes.

Another benefit included the centralization of HDI Versicherung’s finance and accounting information. “With SAP ERP, we now have one single source of truth throughout the whole company,” says Bankosegger. Not only has data quality improved considerably, according to managers, but so has user confidence

Streamlined Processes

By introducing automated processes with SAP ERP, the company was able to significantly reduce its reliance on manual data, boosting efficiency company-wide. Now, with the integrated GL software, employees need to input data only once and it is immediately available to all business processes. In addition, HDI Versicherung can define, customize, set up, and reuse any process as needed.

Integrated Accounting for International Business Units

As the Talanx Group continues to expand internationally, the GL functionality will remain key to helping HDI Versicherung

Previously, the data had been scattered across diverse, nonintegrated systems, resulting in costly, time-consuming administration processes. Now, with the software for human capital management in place, managers can easily access the information they need and view the organization’s employee base from one screen – enabling them to manage and develop personnel more effectively.

“With SAP ERP, we have a supermarket full of functionalities. Now we have to decide which of them to use next,” says Bankosegger.

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in financial reporting. In addition, Versicherung can easily and quickly produce reports, satisfying both IFRS and German Commercial Code standards, from one ledger.

Management is also very impressed with the superior support the GL software provides for account administration, in particular because business units can now be assigned to dedicated segments within the general ledger. This consolidation of disparate data into one ledger has enabled the company to reduce its GL accounts by 90% – from more than 7,000 to about 550.

successfully face the future. “With the SAP ERP application, HDI Versicherung will be able to cope with the kinds of challenges it faced when integrating the Eastern European insurance companies,” says Bankosegger. These include accommodating multiple currencies and multiple languages.

Central Management of Human Capital

In addition, SAP ERP enabled HDI Versicherung to manage its human capital more effectively by providing a single, central source of HR data.



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