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expert consulting

Professional management information system helps OVB

Because of dynamic growth, OVB outstripped the capabilities of its old reporting system. The need to manually collect and evaluate information obtained from various sources often generated insufficient information that was unreliable for effective management.

OVB Holding AG

Customer
OVB Holding AG

Industry
Financial services

Company profile
OVB Holding AG is one of Europe's leading providers of financial services with subsidiaries in 14 countries. Its staff of over 9,600 advisors and financial consultants offer sound financial advice to over 2.5 million customers, through a portfolio of about 100 well-known product partners. OVB's services cover asset management (including diversification and accumulation), pension schemes, and home financing.

Role of ec4u
ec4u first defined performance indicators and their application. It followed up by developing the necessary processes & implementing relevant technologies for a consolidated data pool to serve as a central source. In the last phase, ec4u defined a department-specific professional reporting system for office workers and field personnel. The project also covered a general security and access control system for all phases.

Based in Cologne, OVB is one of Europe's leading providers of financial services. Its staff of over 8,300 serves more than 2.2 million customers through 13 country divisions. OVB's services cover the whole gamut – ranging from insurance, asset accumulation, pension schemes, to home financing. With over 35 years of experience and over 100 well-known partners, OVB is ready to offer sound advice to individuals and companies alike.

STATUS QUO OF REPORTING: MANUAL DATA PROCESSING, HETEROGENEOUS DATA AND TECHNOLOGIES

At project start, OVB's reporting system comprised a host of Excel evaluations compiled by various individuals. Information stemmed either from different sources tapped by various means from the central system, or from projections based on historical data. Hence, most of the information was unclear and ended up with different annotations in each presentation.

OVB's dynamic growth necessitated a review of this conventional practice, especially since such a group with over 8,300 self-employed financial consultants requires reliable and integrated information. This review recommended implementing a business intelligence (BI) strategy in the following phases:

1. Initialize project, define reporting requirements,
2. Establish technical requirements / capabilities,
3. And set up a department-specific management information system.

START UP: INITIALIZE PROJECT, DEFINE REPORTING REQUIREMENTS

The purpose of this phase of the project was to first clarify the definition of various publicized parameters and to document the content of these performance indicators precisely. As is common in every enterprise, different users interpret the same parameter differently – hence such clarification is imperative to avoid misunderstandings.

DOWN-TO-EARTH APPROACH TO ESTABLISH THE STATUS QUO, HOMOGENIZE THE INFORMATION

The first step involved fully documenting the meaning and content of elementary parameters for OVB. This included applications of these parameters in different parts of the company, in order to define the user groups. Finally, an information matrix was prepared to define access rights to these parameters together with OVB.

RESULTS OF PHASE ONE

At the end of this phase, OVB possessed definitive and complete definitions of the parameters used in the past to manage operations. ec4u also taught OVB the methods and techniques to be able to self-define other performance indicators for use within the group. These results formed the basis for subsequent phases.

> *"Complete revamping and adaptation of our reporting system will not only help us in managing our company better all across Europe, it was and is a key factor for the success of our parent's IPO. We were very impressed with the conceptual, technical, and implementation expertise of ec4u."*
> Oskar Heitz, Chairman
> OVB Vermögensberatung AG

PHASE TWO: ESTABLISH TECHNICAL REQUIREMENTS/CAPABILITIES

Until now, OVB used only manual methods to retrieve information from various unsynchronized sources – and the process tended to be fraught increasingly with problems. Moreover, inadequate tools handled large sets of data, and since the information came from live systems, the parameters were constantly changing. Hence, it was impossible to obtain a consistent picture – a phenomenon referred to as a twinkling database.

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Client
OVB Holding AG

Sector:
Financial services

Benefits:
The results provide precise performance indicators and high quality data that assure efficient management of the company. OVB also achieves comprehensive financial control of office and field sales personnel, since the evaluations are adaptable and the information obtained is timely and up-to-date.

CLOSELY INTERTWINED: PROCESS DEFINITION AND TECHNOLOGY INTEGRATION

One aim here was to ensure availability of consistent and current sources of data for evaluation purposes, with little dependence on the operating system. Secondly, the process for extracting information had to be transparent and automated. The main challenge faced was to minimize data redundancy, create a consolidated data pool for all problems of relevance for decision-making (single version of the truth), and to use event-driven extraction steps and procedures to couple the data retrieval process with the operating system's timeline.

Following the concept and design of a high-availability system, the hardware and software technologies were evaluated, selected, and integrated. An ODS (operational data store) was set up for the first time, designed to retrieve decision-relevant information from the preceding systems.

After this, complex sets of instructions helped map relevant information to be retrieved, while structures were designed to store this base information (data marts). This in turn was applied to design the aggregation of target group specific information. Numerous steps were also instituted to validate and check the consistency of data transferred from the operating systems.

Automated data scrubbing improved the quality of the information during retrieval.

RESULTS OF PHASE TWO

At the end of this phase, OVB could count on having a validated and consistent set of data for reporting and analysis. The entire system was also scalable, since the architecture permits adding new parameters or attributes to the information in the data warehouse.
This new information platform replaced all former secondary data storage systems and is now the sole corporate-wide source that delivers one version of information. Use of the right tools and storage devices facilitates easy evaluations in a fraction of the time formerly required – and that too independent of the operating system's availability.
Since the retrieval process is coupled closely to different routines across the company, the degree of automation is extremely highmaking the previously manual procedures redundant. The retrieval procedures need to be modified only if the functions or content are changed. Another benefit is that imprecise, incomplete, or illogically entered information is handled separately from the common data pool, to avoid hindering the evaluations or analyses. Recording errors in this separate information are cleansed to lower the error rate over the medium-term.

PHASE THREE: SET UP A DEPARTMENT-SPECIFIC MANAGEMENT INFORMATION SYSTEM

Having accomplished the organizational, procedural, and technical requirements in the first two phases, the third phase focused on fulfilling department-specific requirements.

DESIGN AND IMPLEMENTATION OF AN MANAGEMENT INFORMATION SYSTEM FOR OFFICE STAFF AT OVB

Effective and efficient financial control of office-based sales is of decisive importance for a provider of financial services like OVB. The latter can define and instigate appropriate measures only if it has knowledge of sales distribution, growth, development by division, organizational information, etc.

ASSESSMENT OF EXISTING REPORTS AS THE BASIS FOR NEW REPORTING SYSTEM

Until now, many in-house employees at OVB were occupied with delivering assessments. These reports were reviewed in order to consolidate them into manageable information. In future, a team of specialists will draft, prepare, and maintain the new set of reports – to minimize creating redundancies. This team will use consistent data from the data warehouse only, while all head office employees will have access to these reports, assessments, and analysis options, without having to undergo extensive training.

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Simultaneously, a secure system will document the use of reports and assessments, and regulate access to avoid unauthorized disclosure.

PRELIMINARY RESULTS OF PHASE THREE: ONLINE ACCESS TO REPORTS LOWERS REQUIRED EFFORT

At the end of this phase, three employees became fully responsible to produce all internal reports. Contact by these employees with various departments is on a functional and not technical level. Moreover, to keep costs under control, a prioritization procedure was set up to help manage the generation of factual reports and analyses.

All previous users of information now have access to look up reports via a special online portal at any time.

The common database assures that all reports have consistent information, which boosts the ability to make better decisions. The newly set up mechanism for access and auditing guarantees better control and security of the information. In addition, many possible security gaps in the system closed automatically, since direct access to operating data is no longer imperative.

OTHER PHASE THREE TASKS: DESIGN AND IMPLEMENT A MANAGEMENT INFORMATION SYSTEM FOR FIELD PERSONNEL

In such decentralized organizations, it is critical for managers to have access to current information on performance indicators of a particular sales unit.
Every manager on the road needs constant access to information on performance changes involving her/his staff, in order to be able to respond on time to market moves or capitalize on the unused potential of individual employees or sales channels.
The outcome of this phase should give each staff member in the field access to this personalized information, while complying with stringent requirements on the privacy of information.

SAVINGS THROUGH ELIMINATION OF PAST INFORMATION CHANNELS AND COST CUTTING

Field services personnel and the OVB head office had been communicating primarily via fax, phone, or mail.

Two electronic communication channels had also been set up at this time: an intranet run by the editorial department with public information on OVB products, plus remote access to the central production system at OVB (AS/400 5250 terminal emulation) that offered limited analysis of performance indicators for a sales department.

Moreover, these two systems are not linked, a host of user IDs and passwords were needed to log in, and the two user interfaces were very different. The annual operating costs for the intranet and the license fees for remote access to the AS/400 system were quite high.

Field personnel constantly criticized this set up because of the limited availability, deficiency in currentness of the information, and inconsistency of information between the two systems.

GOAL: A SINGLE POINT OF INFORMATION FOR FIELD PERSONNEL

The aim was to eliminate implausible and outdated information stemming from heterogeneous sources by consolidating it all within one portal for the field personnel.

A secondary goal was to give these individuals access to reports and analyses, and the option for self-analysis within defined limits.

A key aspect of the required system's architecture was the ability to strictly demarcate the information, such that managers could view the information on their direct and indirect subordinates, but not that of parallel organizations or of higher levels.

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PARTIAL RESULTS OF PHASE THREE

In the last phase, an analysis was run on all information sources and their embedded parameters, in order to benefit from experiences. Consequently, these parameters were reorganized for compiling new reports and analyses – which delivered the same or more content.

The next step in consolidating the information was to select appropriate software, install a main portal for field personnel, and establish the technical requirements for consolidating the former islands of information. Information and knowledge transfer to OVB facilitated the integration of this Web-based infrastructure within the established data warehouse.

Security played a decisive role as well. Hence, designing and providing technical support to enable installation of a security system to hinder unauthorized access helped protect the information.

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