

BUSINESS INTELLIGENCE: LAYING THE FOUNDATION FOR INNOVATION

Paul Mcleod, of Bespoke Software, outlines the benefits of implementing a successful BI foundation

As the captive industry continues to mature and evolve in response to market pressures, regulatory changes and increasing competition from emerging domiciles, many captive managers are feeling the pressure to keep up, remain relevant and maintain or create their service differentiator. And all this while keeping their costs down. The realisation that “you can’t expect a different result if you keep doing the same thing” is encouraging captive managers to re-evaluate their current computer systems, software and the business processes that they have in place for not only managing, but also truly leveraging their captive data.

Harnessing the power of Business Intelligence (BI) is an effective way for captive managers to propel their organisations to the next level in service offering while simultaneously continuing to attract and retain top talent in their organisations. As the talent demographic shifts generations, so too do the expectations around computer systems and technology used to support, operate and innovate within the captive management business. Gone are the days of managing an operation based on a quarterly accounting cycle, manually collating performance and risk analysis reports for the captives under management and looking at overall performance only annually. Clients and business users are increasingly expecting, and in some cases demanding, better access to their captive data, whether it be the data content such as risk assessments,



Paul Mcleod is the founder, president and lead system architect of Bespoke Software, a Bermuda-based provider of Business Intelligence solutions primarily to the re/insurance sector. Bespoke Software’s thought-leadership and innovative technology solutions enable organisations to leverage their data for competitive advantage and realise significant returns on investment.

performance analysis, benchmarking performance, or the ways in which the data can be accessed such as online, mobile, on a more regular basis, or even the presentation of the data such as management dashboards, comparative charts, trends and history. Additionally, the ever increasing and changing regulatory obligations that

captive managers are required to fulfil such as filing of financial returns, solvency and shareholder and director information are also potent drivers for change.

For many, addressing these challenges is a daunting task, especially when your expertise, experience and daily exposure to the latest in technology is not your strong suit. What does the practical application of BI look like, what benefits could you expect, and how do you go about actually laying a BI foundation that will support your organisation as it seeks to innovate and possibly even disrupt in the captive market?

What is business intelligence and what can it do for me?

Business Intelligence is “the process of delivering answers to business people” while unleashing data capabilities that will help your company not only remain relevant but to have the foundation on which to build and provide innovative services.

Captive data comes from and is used by multiple stakeholders such as brokers, insurance companies, claims processors, banks, regulators, risk managers, the captive, its parent and board, to name a few. The data originates from a plethora of sources, in a variety of formats and needs to be consumed in a multitude of ways. This creates a complex web of data flows between stakeholders that can be inefficient and error prone. This situation is amplified for captive managers that scale into multiple business lines as the number of stakeholders may increase per business line.

“A big part of laying a successful BI foundation is promoting the capabilities, educating and enabling the users to embrace and adopt the solution”

Business Intelligence removes the complexity and inefficiencies by bringing the data together in an organised, accessible, easy to use way ready to be leveraged by eager business users and stakeholders.

Imagine being able to automatically generate and file your regulatory reports. This option is becoming available in many domiciles as regulatory bodies are implementing regulatory management systems with these features. Being able to take advantage of electronic filing would translate into significant time and cost savings for captive managers.

What if your clients could check their captive portfolio on their phone? Offering improved services to your clients could facilitate retention or give a competitive advantage in attracting new clients.

What if you could easily and instantly analyse all your captive clients' activity? Benchmarking services and operational cost reductions become possible.

Capabilities such as client data portals, electronic regulatory filings, benchmarking, performance analysis, forecasting, what-if analysis or leveraging third party or 'big data' data sources all become attainable when you are able to leverage your data through BI. A solid, trustworthy data foundation together with modern, sophisticated BI tools creates a data ecosystem that can unleash capabilities previously out of reach because they were too data intensive and costly to contemplate.

Laying the BI foundation

The capabilities and benefits of employing a BI solution are certainly attractive and even game-changing for organisations who successfully implement them, but what are the practical realities of moving your organisation to the point where you can truly leverage a BI solution?

First off, recognise that leveraging BI is more of a journey than a destination, and

being well prepared for the journey will most certainly smooth the ride and make it more productive. Good preparation involves paying attention to the following critical success factors:

- Set a strategic goal to use a BI solution to deliver your core competencies and develop a strategy to realise that goal. Most successful journeys employ a road map to provide guidance, direction and a way to measure progress
- Have the business lead and drive the BI initiative rather than relegating the responsibility to an IT department or third-party adviser. The goal is to empower the business and they must be heavily engaged to make this happen. Assemble an oversight committee to ensure that all business areas impacted are represented in the project and buy-in to the initiative
- Be cognizant of the fact that BI initiatives take time and effort and do require the dedicated attention of those involved in making them happen. You will get better results, faster if you can avoid using part-time or seconded staff who have their own daily obligations and workloads to deal with that may conflict with the BI initiative. Assemble your team from dedicated staff, hire in skillsets that you don't have internally and/or partner with service providers to obtain the skillsets required
- Choose appropriate technology that will support your strategic BI goals rather than letting a specific tool selection drive your BI solution
- Aim to build out capabilities over time, focusing on incremental delivery of value. As you implement your BI solution plan for iterations. You wouldn't try to eat an elephant in one bite, and the same is true with implementing a BI solution. Start with areas that will bring high value to the business and allow you to start realising a

Business Intelligence Maturity Scale



return on your investment straight away. Expect that your BI requirements will change over time as users' understanding and capabilities grow and as your business changes and evolves in response to market changes

- Appreciate that building out and implementing a BI solution is only part of the story. As the solution gets implemented and new capabilities become available, the users will need time to understand and adopt them into their processes. A big part of laying a successful BI foundation is promoting the capabilities, educating and enabling the users to embrace and adopt the solution

In parallel to taking care of the critical success factors, it is crucial to recognise where your organisation sits right now on the BI Maturity Scale.

You may already have some elements of a BI solution in place in your organisation or you may have nothing at all. The key here is to work towards tackling some of the earlier items on the BI Maturity Scale first, before trying to realise benefits from capabilities further along. For example, producing dashboards over data that have little or no controls or governance are unlikely to produce information that users will feel comfortable relying upon.

Taking a strategic view of your BI solution, appreciating the critical success factors and technologies available, and mindfully moving along the BI Maturity Scale will get your organisation well on the way to being a formidable competitor in the captive insurance market. 

