

case study

Customer success story: Clal Group Ltd

Customer Profile



Industry:

Financial, Insurance, Pension

Company: CLAL

Employees: 3500

Revenues: 2.5 B\$

Clal Group streamlines information flow to improve corporate performance

Business Impact Summary:

Business

Established in 1987, Clal Insurance Enterprises Holdings Ltd ("Clal") is Israel's leading insurance, pension, and financial services group offering financial services which include long term Savings, Non-Life insurance, health insurance and credit financing. The company is rated A+ by Standard & Poor's Maalot. The group owns insurance companies, insurance agencies, pension funds, provident funds, advanced training funds, loan companies and financial asset management companies.

Challenge

Although CLAL already operated an advanced system for planning and monitoring operations, management recognized the need to gain a better real time understanding of the processes so as to align operations with corporate strategic goals.

Solution

The My Single Point (MSP) solutions were introduced gradually into the company focussing on establishing a demand management framework, while harmonizing business and IT interaction. The transformation strategy included handling critical issues such as budget planning, project and release management, capacity planning, risk management, quality assurance and application life cycle management.

Results

Clal-bit is now a more finely tuned operative body capable of reacting in real time to dynamic market forces. The company's increased 'agility' is a result of reduced managerial bandwidth, saving time and effort previously expended on managing and controlling operations. The success of this transformation has prompted senior management to consider applying it to the rest of the organization. Clal has thus ensured that it will maintain its position as Israel's leading insurance, pension, and financial services group.

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Detailed Use Case :

Business

Since 1987, CLAL has been growing, Merging & Acquiring and increasing its service offering. This growth poses various challenges, the most critical in this day and age, being investment in IT. Technology dominates the financial services industry and investment in IT has to be wisely assessed, monitored and controlled. For managers to maintain their goals and clear vision throughout such complex, long term projects, they require dynamic systems that collate and report essential data that will enable them to make enlightened successful decisions.

Large organisations like CLAL require the same type of management systems in order to align the company operations with the management goals. After many years of growth, CLAL has obviously undergone various corporate structural changes. As companies are combined and assets shared, the complexity and level of integration in the IT department grows. After many years of growth, it was high time to 'streamline' the systems.

Challenge

Prior to implementing the MSP solution, Clal had already developed a requirement management foundation based on "Microsoft Team Foundation Server" (TFS), Share Point's Portal, and HP's Quality Center to support the business requirements towards the IT department. Microsoft Project Server was used for project management purposes.

Clal implemented a SAP application for managing Clal's operation, and already formed a governing department accountable for quality, process and compliance within Clal's operations.

Despite all of the above, the complexity and variance of tools used to carry out existing procedure made it very difficult to gain a clear real time understanding of the pipeline, budget status, and capacity utilization once the planning processes ended.

The excessively detailed nature of the budget managed within SAP drove top management at Clal to a realization that the budget needed to be more effectively utilized and controlled in order to gain a clearer perspective.

Taking the above into consideration, Clal management concluded that the lack of consistency inherent in the IT systems that carried out the interactions between the various business units was preventing them from prioritizing business demand at the corporate level and balancing it within the corporate greater good (optimized not only at the portfolio level)

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Detailed Use Case - Continue:

Solution -

MSP was implemented gradually throughout the various departments, and addressed various critical issues.

Strategic Budget planning (Complementary to existing SAP systems) -

The first business processes to be handled were the financial planning processes. **A combined top down and bottom up approach was used with strategic goals being defined by top management.** While MSP gathered the demand of “Budget Request” and aligned each of them to the corporate goals, the gating process for this process was defined by the CFO and enforced that budget requests (both CAPEX & OPEX) were initiated by specified role members (directors). MSP’s work flow ensured that the appropriate business case was defined, key performance measurements were assigned, along with charge back and capacity planning. Even depreciation for CAPEX was challenged against the SAP imported figure.

Every budget line was assigned to the appropriate planned budget and scrutinized by the CIO and CEO to assess the effect it would have on the strategic goals, customers, as well as other risks.

Once the CEO approved the annual budget plan, SAP entries were automatically created in the SAP PS module, creating traceability for tracing the actuals managed in SAP.

Project and release management (Integrated to MS TFS, QC, Project Server and SAP)

MSP enabled Clal to establish a demand management framework, harmonizing business and IT interaction by aligning demand with the business goals to drive optimal business practices. The MSP solution provided a clear overview of the full demand life-cycle. It enabled the calculation of the total cost of ownership and supplied “what-if” scenarios to support prioritizing and timing of each initiative, taking into account constraints such as budget, skills, resources, strategies, etc. In addition, it provided capacity planning to assign resources across organizational units based on work flow ability. It set accountability, traceability and audit ability for every business requirement and also created automated and uniform Gantt/Releases to enable real time reporting across portfolios.

Around 50% of Clal’s capacity was being used on tasks that take between 1-100 hours of work. Prior to implementing MSP these so-called mini projects were managed outside the EPM systems in QC and TFS. MSP bundled these individual initiatives into a “Release” and managed the entire release life cycle, decreasing the amount of overheads (configuration management, QA) by more than 30%. The releases were defined as delivery units per “customer portfolio”, providing transparency and traceability to the end users.

MSP assured, that at a later stage of the demand life cycle, planning captured in the system would cascade down to the employee level, ensuring the synchronization of planning and subsequent results. An automated “gating” process manages any variance in the project scope while incoming “unplanned” business demands are controlled using online “what-if” scenarios.

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“By Utilizing MSP we now have a clear overview of the entire process and its procedures enabling us to prioritize work according to budget, business goals and operational obligations and capabilities.”

Sara Geffen quality and transformation director

Detailed Use Case - Continue:

Solution - Continue:

Project managers are provided with an online dashboard that presents all project aspects including progress, schedule, content, risks, budget and change requests, enabling them to confidently direct operational, tactical and strategic activities. Progress analysis reports, easy charge back functions and single click online reporting, are all standard functions of the MSP solution.

Once the project and release entities were clearly defined and implemented (which took only few weeks for an estimated 600 end users) the foundation was expanded to support:

Capacity planning

The correlation between the releases and projects are crucial since the resources and capacity managers are now able to see the entire demand pipeline, optimizing the portfolio in a business oriented fashion.

The task of balancing capacity is continued beyond the planning phase to include any variances caused by new change requests and to notify managers of “Releases” that exceed resource consumption, even taking into account maintenance costs that in many cases can require considerable resources.

MSP manages the full span of business demand resource control via an efficient and online governed process.

Risk Management

A uniform risk management process was embedded into the requirements gating process ensuring that managers are required to engage with a corporate unified risk management process.

Quality assurance and process compliance

Within every requirement gating process Clal embedded documentation, approvals and signoff processes to assure the enforcement of quality procedures.

Regardless of the obvious returns caused by improved documentation and quality enforcement, the time vested on complying to Solvency 2 and SOX (Cobit) regulative requirements was eliminated completely; the process is traceable, with clear accountabilities set and auditable from initiation right through to delivery.

Application life cycle management

The MSP solution integrated with the following systems:

- SAP – HR, PS, FM
- HP – Quality center
- Time Attendance Systems
- Microsoft – Team Foundation Server (TFS) and Project server

During the process of integrating the core operational IT systems with MSP, Clal was made aware of the high cost of maintaining the same process in multiple instances, different processes and even different brands of IT systems for performing similar functionalities.

One of the consultative achievements was to reduce the number of instances and set a uniform process to orchestrate them. The direct reduction of license and maintenance costs were proven to reduce configuration and maintenance overheads by approximately 15%.

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“By utilizing MSP, Clal has gained a real ability to react in real time to dynamic market forces. In this highly competitive market, our increased agility will enable us to surpass our competition and maintain our competitive leadership for years to come.”

**Chen Chalack, CFO
Clal-bit.**

Detailed Use Case - Continue:

Results

Within months, a cross organizational process was established, reducing managerial bandwidth and time expended on managing and controlling business requirements as well as constructing annual work plans. The process enabled the alignment of operations with corporate strategic goals and lowered the overall cost of ownership for the governance suite.

MSP created a governance overlay that connects the goals with the budget, the budget with the operational spending and status, the demand with the capacity, budget and risk constraints, providing both top management and employees with access to all information gathered by the MSP solution, enabling them to report on, as well as monitor their operational obligations. Furthermore, with all this information at their disposal, managers are better equipped to manage system versions and releases. It is important to note that MSP's implementation positioned the IT department as a business leader. Consequently Clal's management has decided to utilize the framework also for managing all its organizational investment projects. Initiations are managed by MSP from capture of the business plan, through to the costing throughout the operation (business, IT & engineering). “What-if” scenarios can be included providing the CEO with all the information needed to select the optimal investments according to their net present value.



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