

“Cognos makes reporting both open and transparent, which makes decision-making knowledge-based, facilitates data management, and transforms the ‘I think’ into ‘I know’ statements.”

*Jouni Hahto, Business Controller, Etera Mutual Pension Insurance Company*



Etera is a Finnish mutual employment pension insurance company for both employees and the self-employed. In 2007, Etera insured 325,000 persons and paid EUR 863 million in pensions and rehabilitation costs to 154,500 recipients. Premium income was EUR 628 million, with a 4.1 percent ROI on EUR 6.1 billion in investments.

Etera has been using Cognos business intelligence (BI) solutions built on a data warehousing solution since 2001.

### Challenges faced

Etera began its business intelligence (BI) odyssey with the realization that they needed a data warehouse. “Our business activities flow through over 60 operational systems, creating a multitude of data each and every day,” explains Etera Business Controller Jouni Hahto. “Over 20 of these systems are integral in data warehousing and reporting, and we realized that data warehousing is vital for analyzing data and reducing the load on the operational systems.” Hahto continues, “We wanted transparent and effective data management, and Cognos had a tailored solution for our needs.”

The data management project was first started in the actuary department, from which the responsibility for further development was then transferred to the finance department four years ago. Today, the process is controller-based, with the ICT department lending a hand in technical issues such as installations and capacity- and hardware-related issues.

Etera’s data systems are widely distributed and based on multiple technologies. As an example, Project Manager Minna Mikkela mentions that the insurance and pension payment databases are built on a IBM DB2 solution. Cognos mediates between the different systems and data formats, resulting in a clear, ready-for-analysis view of operative data. The three business areas of Etera—insurance, pension solutions, and investment activities—all combine in the data warehouse.

The Cognos portal allows everyone from higher and middle management to expert users and customer care access to

#### *Industry:*

- Financial services

#### *Geography:*

- Europe

#### *Information needs:*

- Control of huge data flow through different operational systems
- Benefit from data produced by operational systems
- Increased support for decision-making

#### *Platforms:*

- IBM DB2

#### *Functional areas of deployment:*

- Actuary
- Finance

#### *Solutions:*

- IBM Cognos 8 Business Intelligence
- IBM Cognos Planning
- Cognos Professional Services

#### *Benefits:*

- Improved decision-making through business performance data
- Single reporting environment and reliable numerical data
- Better customer management

reporting and detailed analysis. Etera sees the continuous development of its Cognos system as integral in delivering fast and flexible data to support decision makers.

“We migrated to IBM Cognos 8 BI in 2007, and the new features marked an increase in efficiency,” says Jouni Hahto. “Reporting is more extensive, large-scale lists are easier to access, and the Web-based solution allows telecommuting. At the same time, maintenance is easy when reporting and analysis are combined in the same solution.”

## Strategy followed

In Etera, the migration to IBM Cognos 8 BI was a carefully planned and executed process. Minna Mikkela vividly recalls the details. "IBM Cognos 8 BI introduces new logic and terminology that takes a while to learn: what, for instance, is a metadata model and how do we build one? More than technology needs to be learned," she explains. "The models have to be correctly conceptualized. Planning each step of a model carefully is important for achieving the desired functionality."

These challenges have mostly been met with in-house assistance, but Cognos Professional Services have helped with data warehouse creation processes when needed. In addition to Cognos aid, Affecto Finland, a Cognos Partner, has assisted with investment reporting.

## Benefits realized

Minna Mikkela is enthusiastic about the possibilities of multi-dimensional analysis in Cognos data models. "The functionality of the models is unique, and they are integral to our analysis needs. The benefits of the approach are evident with widely scattered data such as ours: a large number of insurance clients and pension solutions. Fulfilling legislated reporting needs also adds challenges, as the same data needs to be reported in many different formats. Our largest model has more than 20 dimensions, and it is incredible to be able to view the same object from 20 different perspectives."

IBM Cognos 8 BI also added cost management to Etera's reporting palette, which previously consisted of customer, pension, insurance, and investment reports.

Etera wants a single solution for all of its performance management, including planning. A dashboard for executive management is currently under consideration, and Etera's IBM Cognos Planning solution saw its first budget round in 2007.

"All our planning used to be carried out in Excel, and this is an area that we are currently improving upon. The project takes some effort, as all departments have to join forces and co-operate," says Jouni Hahto.

Legislation is also a factor to be considered. The Finnish single employment pensions act, TyEL which covers the entire private sector came to force in 2007. For Etera, this meant a radical rework of both internet-based services and data systems. "For example, the new pensions act means customer flow both in and out increases," says Minna Mikkela. "With IBM Cognos Planning, we are able to simulate various scenarios and see how customer increase or decrease affects other variables."

The data warehousing and reporting project has improved many facets of Etera's business.

"IBM Cognos 8 BI ensures accurate reporting and handling of numeric data. The numbers have to add up in the day-to-day processes in a scope that Excel cannot cover. Everyone in our organization knows now that reporting is a successful result of a team effort and that our numbers are reliable," says Minna Mikkela.

"Reporting has and will continue to be a collaborative business effort within Etera," explains Jouni Hahto. "Decision-making is no longer dependent on standard reporting that burdens the IT department, since now everyone gets the data they need when they need it. Reporting is both open and transparent, which makes decision-making knowledge-based, facilitates data management, and transforms the 'I think' into 'I know' statements."

## About Cognos, an IBM company

Cognos, an IBM company, is the world leader in business intelligence and performance management solutions. It provides world-class enterprise planning and BI software and services to help companies plan, understand and manage financial and operational performance. Cognos was acquired by IBM in January 2008\*. For more information, visit <http://www.ibm.com/software/data/> and <http://www.cognos.com>.

*\*As a result of the acquisition, product names have now changed to reference IBM at the beginning of the software or service.*