

Multiple Business Systems, One Data Warehouse

Managing legacy data after an upgrade and merging data from multiple business systems are two common stumbling blocks for insurance companies' IT projects. A database-agnostic business intelligence system overcomes both difficulties while providing an integrated, business-wide view of historical and current information

Information technology (IT) projects at property & casualty companies all too often founder in the murky waters between islands of data. Certainly, one of the first questions that arises with any new systems upgrade is “what do we do with our legacy data?” And many companies, especially those with multiple business lines or acquired companies, grapple with merging and managing data from multiple, often incompatible business systems. Both closely related problems come to the forefront as insurance companies push for more sophisticated business intelligence – and therefore must bring together data from across the business to analyze historical trends, assess their current risk exposure, and anticipate emerging risks and opportunities.

Fortunately, one of the great virtues of a database-agnostic business intelligence system is its ability to bridge islands of data produced by diverse business systems and data sources while creating one central data warehouse. Using this data warehouse, the BI system is able to glean standardized, comprehensive information from all of the company's internal data sources – including legacy business systems slated for retirement. (The warehouse also can load any external industry data the company wants to incorporate.)

To build such an information bridge across an archipelago of data sources – past, present, and future – a business intelligence system's data models must use a format that complies with standards set by the American National Standards Institute (ANSI). This allows the BI system to both run on and interact with any ANSI-compliant database used by policy and other insurance business systems – whether DB/2 on an IBM mainframe or I-series (AS/400) platform or other database types operating in a server-based computing environment.

Note that while underlying database platforms are typically invisible to business users of the data warehouse – users simply access the BI system via a Web browser – IT departments care a great deal about database requirements. Ideally, they want a BI system and data warehouse that operate on their preferred database platform. And if the insurance company uses multiple database systems – a commonplace scenario in companies of all sizes – the IT departments wants to be able to extract that data (using an ANSI format) without retooling multiple data sources to feed into the data warehouse.

Incorporating multiple data sources into one business intelligence and data warehouse system doesn't just make life easier for the IT department. It means the chief information officer and his or her staff can offer more timely and comprehensive information and analysis to business end users – not just standard monthly and quarterly reports, but highly flexible, user-driven ad hoc reporting and analysis. And it reduces the cost and complexity to do so.

Using business intelligence as a bridge across multiple systems means insurance companies can continue to use existing business systems in their various operations without the need for complex data exchange or report integration. For instance, if the company's policy administration and claims systems are separate, the BI system provides the ability to perform comprehensive analysis without merging reports from the two different systems. And many insurance companies – especially larger companies that have grown through acquisition – run multiple operational systems for different lines of business and different geographies. The BI system's data warehouse can provide one central source for all of the company's reporting – rather than requiring the laborious, often inaccurate merging of reports from multiple systems to get overall numbers. And this "virtual integration" capability reduces the pressure to replace existing business systems that continue to perform adequately.

Similarly, data conversion becomes unnecessary when upgrading business systems – as long as the data warehouse provides a seamless information linkage between legacy and new platforms. For example, when a company upgrades its existing policy and claims administration system (or systems), there's no need to convert legacy data into a format usable by the new system. Instead, the insurer simply writes new policies and renewals on the new system while winding down existing policies in the legacy system. Both systems, in turn, feed standardized data into the data warehouse – and this combined data becomes the basis for analysis and reporting. This way, management reporting never needs to change during and after the transition to a new business system – from a reporting and analytics perspective, business users can view the business as one continuous line rather than seeing any delineation between the old and new system.

In any of these scenarios, by using the BI system's data warehouse in conjunction with flexible query and reporting tools, authorized users can access and analyze any business data they require, all the way down to individual policies, regardless of the system from which the data originated. Even long after a legacy system has been retired, its historical data is retained in accurate, accessible storage within the data warehouse.