



# Gjensidige



## Business Problem:

Increase competitive advantage for Norway's largest general insurer by creating a modern data warehouse using existing technology and skills.

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[Arne Peckel, Team Leader, Information Warehouse, Gjensidige]

## Improved Efficiency and Better Application Quality

### Product Solution

#### Micro Focus® Studio™

- Mainframe Express® Enterprise Edition

### Overview

As the leading supplier of risk insurance in Norway, Gjensidige considers its closeness to customers and leading edge products as its hallmarks and competitive advantage. Like other insurance companies, Gjensidige relies heavily on computers and the business processes built into large systems that predominantly run on mainframes to accurately measure the risks it takes when calculating the price of insurance policies.

Insurance companies focus on analyzing information to accurately assess risks and in order to do that they need up-to-date and relevant information regarding any influencing factors. In 2003, Gjensidige found itself under attack from new startups and increased competition. In order to compete in this new environment, the company looked internally at ways in which it could improve productivity and save costs, while maintaining the critical functions needed to accurately assess risks for customers.

### Challenge

#### Creating a Data Warehouse to Unlock Value

The company made the strategic decision to invest heavily in constructing a new powerful data warehouse, titled the "Information Warehouse", which would deliver functional and relevant information on time. However, the existing warehouse system consisted of a wide range of sources, with applications and data residing on various platforms and old, inherited systems. Gjensidige needed to find a way to integrate all the different sources into one seamless system.

"Before 2003 the data warehousing system was not seen as very valuable to the business because we could seldom deliver functionality and relevant information in a timely fashion. However, in order for Gjensidige to compete successfully, we recognized that we had to use all the different pieces of information already in the systems with

external sources in an intelligent way," said Arne Peckel, team leader for the development of the Information Warehouse.

Gjensidige's computing needs are supplied by an outsourcing partner - the two mainframes used are IBM z-900 series model 2064-107, with a total of 1312 MIPS in each machine. The company elected to extend the information off the mainframe and needed to find a solution to support a modern development environment. There were only two programmers working in the department, and the existing skill set was primarily mainframe COBOL oriented.

### Solution

After a short trial period in early 2003, Micro Focus Mainframe Express Enterprise Edition, one of the products comprising Micro Focus Studio, was selected as the basis for mainframe application development on the PC. Micro Focus provided the capability to maintain and update critical mainframe applications away from the mainframe, improving the turnaround of changes with greater quality and removing bottlenecks caused by the mainframe environment.

"In trials we found that a developer using Micro Focus was coding more quickly than a mainframe developer because we didn't have to wait for priority to compile and test. When we started to redefine this model, the Micro Focus development tools naturally fit into our concept and became a vital part of our productivity boost," said Peckel.

### Results

#### Twenty to Thirty Percent Improved Efficiency and Better Quality

In just 30 days the new Information Warehouse was up and running with great success. Micro Focus has improved Gjensidige's efficiency, development and testing capabilities; the company has gained 20-30 percent efficiency in testing and development, and has seen an improvement in the quality of its applications.

"We immediately started using the impact analysis support. Simply put, that means if you make a change in one program, the analysis reveals the effects such change has on

other programs and what you must do to ensure continuity. When we did this before, each analysis took a person at least two days. With the built-in analysis functionality we can reduce this to less than an hour," said Peckel.

Since Gjensidige runs many parallel projects maintaining the impact analysis on existing projects has become a critical part of the 24-7 cycle.

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Since the start of the project at Gjensidige, Micro Focus has delivered 1,050 programs into production, with 650,000 lines of code and 678 DB2 tables which hold 16,177 data elements. The production base is a total of 700 GB in DB2.

"We also have a large number of new programs in development and we will likely see more than 1,500 programs in production within the coming six months," commented Peckel.

### **Gjensidige Sees Significant Annual Savings**

Gjensidige estimates that through the use of the impact analysis feature included in the product they save 16 hours per week, thereby gaining two full days for other work. Translated into a yearly basis, this saves the organization approximately 1 million NKR (\$150,000 USD) per annum. This is in addition to the 20-30 percent productivity gains that Mainframe Express Enterprise Edition already is providing the organization.

According to Peckel, "this productivity boost and success of the Warehouse has also resulted in renewed self confidence and individual pride throughout the whole department. People are excited again about legacy programming."

The developers in the Information Warehouse are now able to keep up with the demands set by the company's strategic plans. In fact, not only do they deliver functionality according to plan but, due to the studio's efficiency, they can also meet new demands that arise along the way.

"The number of tasks falling on us will increase because of the growing demand for new services which, in turn, drives requests for new projects. We have the same number of developers today that we did two years ago, but we produce much more now than we did then. This shows how the solution offers even more efficiency when the programmers get more experienced," said Peckel.

### **Future Plans**

Additionally, the success from using Micro Focus to create the Information Warehouse has positively affected the rest of Gjensidige's organization. In April 2005, Gjensidige purchased licenses and services from Micro Focus to modernize the development and testing environment for their gigantic insurances system S2000. The prior experience with the modern development environment for legacy applications that Micro Focus provides is a strong motivational force for the 20 developers who maintain this critical application. Working together with Micro Focus, Gjensidige will now have a path forward for S2000 as a flexible, productive system that continues to create value for the business.

Micro Focus technology now plays a vital role in creating Gjensidige's business platform for the future. The data warehouse is already producing a variety of reports that opens up new business areas. Just recently Gjensidige founded a new branch of service: Gjensidige Pensjon og Sparing (Pension and Savings). This new pension savings plan will benefit tremendously from the information generated by the warehouse.

"The Information Warehouse has come a long way and we have constructed a platform that can support a lot of different business opportunities. We now believe that the next step to develop the Information Warehouse will be done on other platforms, and perhaps with specialized software. In any case we see that by taking the development of our solution off the costly mainframe we stand to save a lot of costs while we construct a new solution. Therefore it is comforting to know that Micro Focus will continue to support us independently of our choice of hardware platform," said Peckel.

## Micro Focus – Unlocking the Value of Legacy™

Micro Focus is a leading provider of legacy development and deployment software for enterprise platforms. Micro Focus enables organizations to reduce costs and increase agility with minimal risk by reusing their legacy applications with contemporary architectures and Web services. Founded in 1976, Micro Focus is a global company with principal offices in the United Kingdom, United States and Japan. For more information, visit [www.microfocus.com](http://www.microfocus.com).

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