

Insular Life Streamlines Operations and Reporting



The Insular Life Assurance Company Limited
Muntinlupa City, Philippines
www.insularlife.com.ph

Industry:

Financial Services

Annual Revenue:

101 million to 500 million

Employees:

501 to 1,999

Oracle Partner:



Fountainhead Technologies Inc.
Makati City, Philippines
www.fountainheadtechnologies.com

Oracle Products & Services:

Oracle Financials
Oracle Inventory
Oracle Purchasing
Oracle Fixed Assets
Oracle University

“Each version of Oracle E-Business Suite is a dramatic improvement over the last version. There are more time-saving features, more sophisticated functions, and the platform is also easier to implement and maintain. Insular Life intends to stay with Oracle for the long haul.” – Mylene C. Padilla, Vice President, Finance Division, Insular Life

As the first and largest Filipino life insurance company, Insular Life has been providing insurance protection for several generations of Filipinos for almost a century. Founded in 1910, the company has the longest unbroken service record among all life insurance firms in the Philippines.

Insular Life provides a range of insurance products, including life, endowment, educational, retirement, and pension plans. In early 2005, the company launched Wealth Builder, its first investment-linked product.

Insular Life is a long-time Oracle customer, adopting Oracle Database and Oracle E-Business Suite Release 10.5 as its business management platform in 1994. The company upgraded to the Y2K-compliant Oracle E-Business Suite Release 10.7 in 1999. In 2004, it began the process of migrating to Oracle E-Business Suite Release 11.5.9, going live with Oracle General Ledger, Oracle Payables, Oracle Inventory, Oracle Purchasing, and Oracle Fixed Assets in 2005.

Upgrading to the latest version of Oracle E-Business Suite reaped immediate benefits for Insular Life, including improved reporting times and streamlined operations. “Oracle has once again delivered positive outcomes for our business,” said Mylene C. Padilla, vice president of the Finance Division of Insular Life.

On-Time Reporting Speeds Informed Decision-Making

Insular Life manages PHP41.4 billion (US\$742 million) in assets and PHP6.0 billion (US\$108 million) in members’ equity, so keeping track of all financial transactions is paramount. With Oracle E-Business Suite, the company now enjoys accurate, timely reporting. End-of-month financial statements are completed immediately after the close of the month so they are

Key Benefits:

- Facilitated faster, more informed decision-making through a better understanding of business operations
- Enabled accurate, on-time reporting to top management, the company's board, external auditors, and regulatory bodies
- Increased efficiency and productivity by eliminating redundant processes and automating manual activities
- Saved 60% on implementation cost by managing process in-house with support from Oracle Certified Partner Fountainhead Technologies

always ready for reporting to senior management and board members.

Insular Life also has to submit reports to external auditors and regulatory bodies including the Bureau of Internal Revenue and the Insurance Commission. Timely reporting ensures that the required documents are delivered ahead of the submission deadline.

“Detailed, accurate, and timely reports about our financial activities is extremely useful in helping us understand our performance,” said Padilla. “Greater insight into our operations leads to smarter decisions.”

Increased Productivity through Streamlined Operations

The current release of Oracle E-Business Suite comes complete with a set of best-practice business guidelines to help organizations refine internal processes and realize efficiency improvements. This was a feature Insular Life was eager to leverage. As part of the migration to the new platform, the company streamlined some of its business processes according to the Oracle guidelines. This involved eliminating redundant activities and automating manual tasks wherever possible.

According to Padilla, streamlining operations resulted in significant increases in efficiency and productivity. “Despite the increase in the volume of transactions, there was no need to increase staff numbers,” she said. “The Oracle system minimized basic administrative tasks such as data entry, freeing our financial staff to concentrate on more detailed analysis work. In the future, we hope to further reduce the number of unnecessary processes and do away with manually prepared reports.”

Why Oracle?

In 1994, Insular Life chose Oracle as its preferred business platform because the company believed it offered the best functionality and support among all the vendors in the market. Eleven years later, its opinion has not changed.

“Each version of Oracle E-Business Suite is a dramatic improvement over the last version,” said Padilla. “There are more time-saving features, more sophisticated functions, and the platform is also easier to implement and maintain. If we need customization, it can be done without major problems. Insular Life intends to stay with Oracle for the long haul.”

Implementation Process

In January 2004, Insular Life began planning its migration to Oracle E-Business Suite Release 11.5.9. The Information Services Division (ISD), led by Vice President Maria Teresa L. Cruz and supported by Project Manager Rene P. Asuncion, spent the first quarter of 2004 evaluating operating system options to decide on the most appropriate configuration for the business. It selected Microsoft Windows 2000 as the new operating system.

A test environment for the new Oracle application was then developed with the help of Oracle Certified Partner Fountainhead Technologies. The last six months of 2004 was spent building interfaces with Insular Life's in-house applications and testing the Oracle system. The company went live with Oracle General Ledger in January 2005. After additional testing and training between January 2005 and May 2005, the company went live with Oracle Payables, Oracle Inventory, Oracle Purchasing, and Oracle Fixed Assets.

Earlier implementations of Oracle were overseen by Padilla and her finance team in collaboration with Oracle Philippines. Although this ensured the system precisely met their requirements, ISD couldn't give the optimum post-implementation support because they were not part of the project team. This time, management of the Oracle upgrade became the responsibility of ISD. Insular Life IT personnel were involved in all aspects of the project, supported by Fountainhead Technologies.

"The process may have taken longer, but doing it this way enabled our technical team to gain in-depth experience on the Oracle application," said Cruz. "This approach also allowed us to save about 60% on consultancy costs compared to outsourcing the entire project."

Fountainhead Technologies and another Oracle partner, Active Business Solutions, provided Insular Life staff with extensive training on the Oracle Financials modules. The company also made use of Oracle University to learn more about the applications. "We wanted to maximize the usage of Oracle Financials when it went live, so it was essential that our staff knew how to use the various features," said Padilla. "Investing in formal training is highly recommended."

Advice from Insular Life

- Involve business users and technical staff in all technology projects. This ensures that the resulting business systems are designed to deliver the functionality and results that end users need.
- Ensure your technical team works closely with any third-party systems integrator. This will help them gain a better understanding of any new technology or application so they can maintain the system after it goes live, cutting down on costs.

Established in 1910, Insular Life is the largest Filipino life insurance company and the third largest in the country in terms of total premiums. It offers a diverse range of products, including life, endowment, educational, retirement, and pension plans. Insular Life has more than 100 branches across the Philippines and 3,000 sales agents and managers. In 2004, it posted PHP1.06 billion (US\$20 million) in consolidated net income.