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Nationwide[®]
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I. Executive Summary

Table of Contents

<i>I. Executive Summary</i>	2
<i>II. Background</i>	4
<i>III. The Catalysts for Change</i>	5
<i>IV. Implementation and Results</i>	6
<i>a. Customer Knowledge Store</i>	6
<i>b. Financial Performance Management</i>	10
<i>c. Goal State Rate Management</i>	12
<i>d. Revenue Connection</i>	14
<i>V. Results and Conclusion</i>	16

Nationwide® Mutual Insurance Company works hard to provide its customers with the information and services they need to protect themselves, their families and their personal possessions. For this 85-year-old organization, *On Your Side*® is more than just a catchy advertising slogan. It sums up Nationwide's dedication to helping its customers safeguard their future.

Headquartered in Columbus, Ohio, Nationwide is one of the largest and most progressive insurance and financial services companies in the industry, with \$23 billion in revenues and \$160-billion-plus in statutory assets. The company is represented by more than 3,500 agents, and employs more than 36,000 associates. It is rated A+ by A.M. Best and is ranked No. 108 on the Fortune 500 list.

Nationwide offers a full range of insurance products through its family of 100-plus companies, with policies for auto, motorcycle, boat, life, homeowners, farm and commercial interests, among others. The company also offers financial products and services, including annuities, mortgages, mutual funds, pensions, investments and asset management.

While Nationwide pursues greater efficiency in all of its operations, the company knows that future success will not be determined solely on how well it manages its expenses, but on its ability to grow revenue. The company operates in a very competitive industry, so it must constantly prepare to meet new challenges as well as build on past successes, maximizing every asset including its information. In fact, Nationwide's vision – the recognition of its information as a strategic asset – has proved to be a key factor in the company's success. Nationwide's use of information and analytics has given the company the enterprise agility needed to outpace competitors in strategic and operational decision making, to overcome obstacles and maximize opportunities, and to generate results even in complex and unpredictable environments.

With clear, consolidated data about its business units, products and customers, Nationwide can better deliver an *On Your Side*® experience.

Today, its technology foundation is an enterprise data warehouse (EDW) from Teradata and a robust roadmap, developed using several vendors' best-in-class models customized to fit Nationwide's requirements. Nationwide used the EDW to transform the organization from a traditional "stovepiped" data environment to one that enables true enterprise analysis and management.

The earliest roots of Nationwide's efforts can be traced to 1997 for claims analysis, beginning with a Teradata® data warehouse supporting 400 gigabytes of data – roughly the equivalent of 40 yards of books on shelves. The system has since grown to more than 100 terabytes of user data, which is about 10 times the size of the entire printed U.S. Library of Congress. It currently supports 85 percent of Nationwide's business, more than 2,500 users and a wide range of programs, including:

- > Portfolio Management Underwriting
- > Motor Vehicle Registration Tracking
- > Claims (Analytics and Workload Management)
- > Fraud Detection
- > Suit-file Reporting System
- > Risk and Catastrophe Modeling and Management
- > Web Analytics and Reporting
- > Incentive Compensation Management

While the company has seen impressive results in every area supported by the EDW and has won numerous awards for its progress, there are four that have been particularly successful and are considered cutting-edge within the insurance industry. These programs and their results are the focus of this case study:

- > **Customer Knowledge Store** integrates customer, product and externally acquired data to give Nationwide a clear view of its customers.
- > **Financial Performance Management** provides a single, integrated data management and reporting environment.
- > **Goal State Rate Management** allows product, pricing and underwriting functions to access and analyze the same data to make informed decisions.
- > **Revenue Connection** delivers easy-to-read dashboards and on-demand reports to Nationwide agents and field management.



II. Background

From the time the Ohio Farm Bureau Federation sold its first automobile insurance policy in 1926 until today, the company has continually expanded its operations, first by working its way into other states and then by acquiring a range of companies that opened up new markets and new opportunities. By 1955, with the addition of property insurance and a countrywide expansion, the company had so outgrown its original goals that it changed its name to Nationwide Insurance.

For most of Nationwide's years in business, its expanding family of companies enjoyed considerable independence. Over the years, the family grew to include not only property and casualty insurance providers but also life insurance, investment and financial services providers.

"Historically we've been a collection of business units with a lot of autonomy," admits David Vasquez, vice president of data warehousing for Nationwide. "Management at our subsidiaries had wide discretion with regard to how they deployed resources, what markets to enter and what risks they took on."

Over time, this high level of business-unit independence and a lack of data management principles led to duplication of

efforts, widely dissimilar data processing environments and extreme data redundancy as well as resulting higher expenses. The situation became critical in 2005 when Nationwide sought to merge Allied Insurance's automobile policy system into its existing data environment in order to reduce costs.

Driven by its vision of business information as a strategic asset, Nationwide's management soon recognized the severe limitations of existing systems and set out to create, from the ground up, a single, authoritative environment for clean, consistent and complete data that can be effectively used with best-practice analytics to make strategic and tactical business decisions. Because data issues like duplica-

tion, redundancy and inaccuracy are endemic to large, traditional insurance carriers with long histories, multiple business units, data-intensive products and disparate IT systems, Nationwide has taken a creative, forward-looking approach to managing these complex data issues utilizing a Teradata infrastructure.

The effort began with the creation of a mission statement and formal vision for the project.

With those clear goals in mind, Nationwide turned to Teradata to develop an enterprise data warehouse (EDW) that would address a wide range of data needs and concerns throughout the organization.

Data Warehouse Mission Statement

The data warehouse will support business strategy by enabling faster and more informed analytical and tactical decision making in the areas of customer growth, retention, product profitability, cost containment and productivity improvements. As the data warehouse and business demands evolve, our environment will mature to address the needs. The next evolution will address the more operational and tactical requirements.

Nationwide's Data Warehouse Vision

The data warehouse will become the company's "authority source" for information and reporting within the organization. Nationwide will utilize this customer-centric foundation of data as a competitive advantage by leveraging the cross-functional relationships and opportunities inherent within the data.

III. The Catalysts for Change

Nationwide's existing stovepiped data environment prevented the company from having a complete view of any of its customers or business units. Source databases within various legacy systems didn't share common data values or process data in the same ways. Most of the systems were product-focused rather than customer centric, and there was a multitude of reporting styles and templates that did not share a common, centralized view.

As a result, Nationwide was missing the agility, speed and flexibility needed to succeed in its marketplace. Data was fragmented across the organization. Reports often took weeks to prepare. Information gathering was slow and labor intensive, and the results were too often inaccurate or incomplete.

The situation was clearly compromising Nationwide's ability to meet its goals of acquiring, growing and retaining customers. Every area of the company's data environment needed to be revamped, standardized and consolidated into a central repository where departments

across the organization could access and analyze mission-critical information.

With Teradata's help, Nationwide began working to overhaul its data environment and create an EDW that would support all of its requirements. "Teradata came in and was able to contribute immediately due to their ability to understand our business and issues in order to provide solutions," says Vasquez. "Time and again, we threw work at them with little information, and they came through for us."

While many areas of the company have benefited from the creation of the EDW, four programs have shown the greatest impact and results: Customer Knowledge Store (CKS), Financial Performance Management, Goal State Rate Management (GSRM) and Revenue Connection.

Customer Knowledge Store (CKS) is a customer-centric database that integrates customer, product and externally acquired data. This data is used for analysis, house-holding, contact history, campaign development, response tracking and customer communications.

Financial Performance Management transformed Nationwide's "stovepiped" data infrastructure into a single integrated data management and reporting environment. It combines more than 200 source systems into one system that provides a unified view of performance and risk as well as a single repository for financial statements, budgeting, strategic planning and consolidation.

Goal State Rate Management (GSRM) brings together auto policy, premium and loss information from various source systems into a single view that allows the product, pricing and underwriting functions to access and analyze the same data to make informed pricing decisions and recommendations.

Revenue Connection grants users better access to customer and policy information in order to more effectively reach their sales targets. The solution offers easy-to-read dashboards and reports on demand to agents and field management.

IV. Implementation and Results

Customer Knowledge Store (CKS)

Situation

In 2001, once Nationwide's enterprise data warehouse was up and running, the company began its customer management initiative with the addition of product and pricing data to drive marketing campaigns. Previously, customer data was managed in a customer information file (CIF), which resided on a mainframe computer and, like many mainframe applications, could not be modified easily. Moreover, the CIF application was product focused and presented challenges for Nationwide as it began to move to a customer-centric paradigm.

Nationwide recognized that the competitive landscape was changing. New methods and channels for reaching customers were being introduced, making traditional marketing methods less effective. For instance, some people prefer

Customer Knowledge Store At a Glance

Situation

Nationwide's existing customer information application was product focused rather than customer focused, and it could not be easily modified to keep pace with the company's changing customer data requirements.

Solution

Customer Knowledge Store (CKS), a customer data mart that is hosted on the enterprise data warehouse, integrates customer, product, agent and externally acquired data to create a holistic view of customers.

Results

- > Improved customer retention rates and customer enthusiasm scores, which has led to more than 3% growth in annual sales.
- > Improved customer service resulting in a higher customer enthusiasm score (the unifying metric).

to utilize the Web for insurance purchases while others prefer a toll-free call approach. Still others would rather go the traditional route of meeting face-to-face with an agent.

The cost effectiveness of each of these channels and the cross-selling opportuni-

ties they present are widely known by Nationwide. But in order to maximize each channel, the company recognized that it needed more insight into its customers and the products they currently own *as well as* the products they could own in the future.

Closed Loop Marketing



Figure 1.

CKS System Context Diagram – Inputs

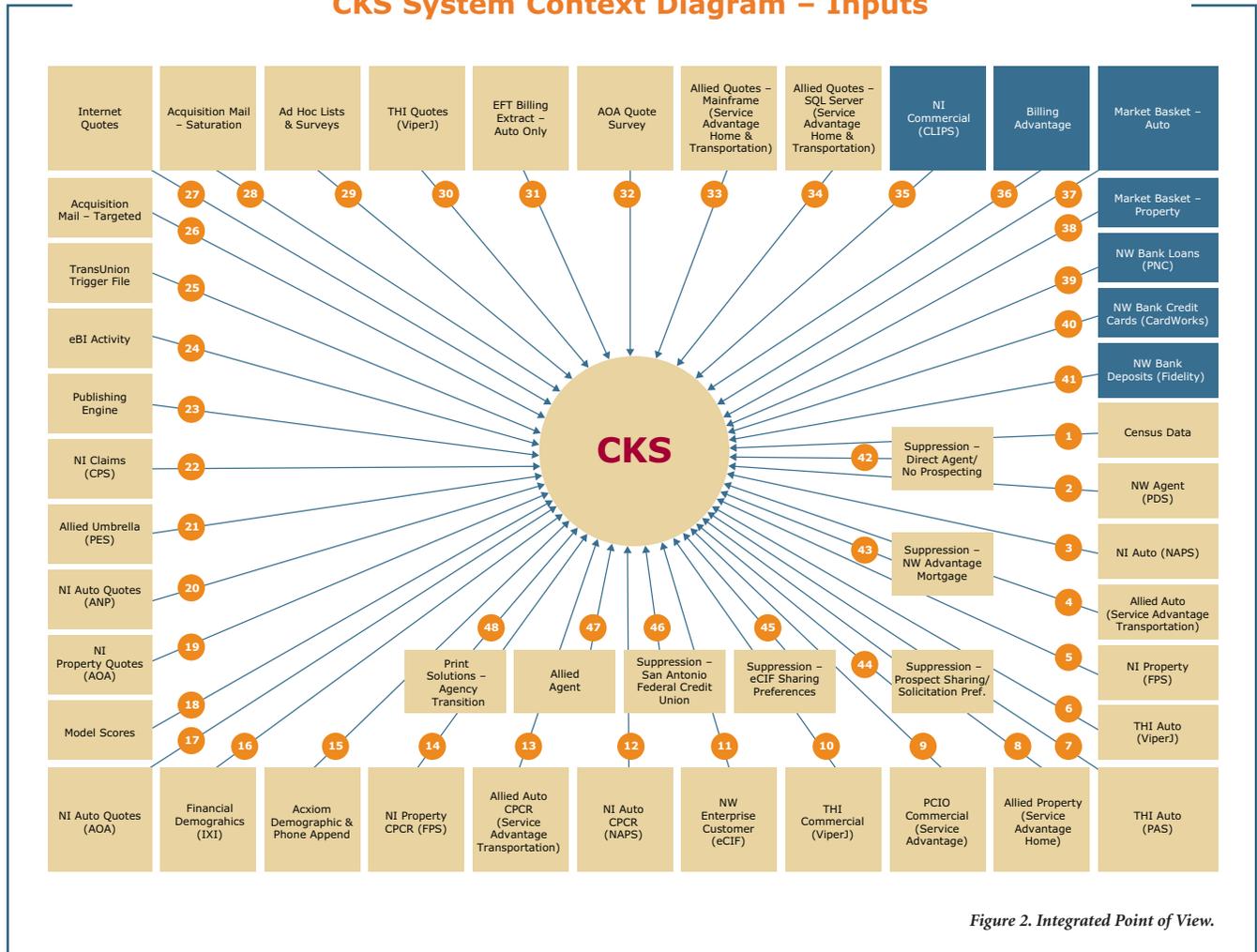


Figure 2. Integrated Point of View.

Solution

The initial solution for customer-targeted marketing was based on a closed loop approach (See Figure 1). To support this approach, Nationwide developed a customer data mart called Customer Knowledge Store (CKS) that delivers a holistic view of its customers.

CKS, which resides in the Teradata environment, stores customer, product and agent data as well as external data, interacting with 48 source systems at varying frequencies. It leverages Teradata’s CRM application to create and manage customer marketing campaigns. (See Figure 2).

CKS draws data from the source systems at regular intervals. The system then performs behavioral analysis to develop appropriate customer management actions (CMAs) for the target segments. These CMAs specify the right actions to deliver to the right customer at the right time through the right channel. When the

customer interaction takes place, the activity is recorded and fed back into the system for further analysis and action (See Figure 3).

The company believes CKS provides a competitive advantage through information-based decision making. The system is used for analysis, campaign development, customer communications and response tracking. There is also a module designed to keep conventional agents informed about the potential product needs of their customers.

With CKS in place and successful, it was a logical decision to extend that environment to handle additional capabilities. In 2007, Nationwide added more sophisticated customer analytics and began looking at customers on a portfolio basis. CKS users also began to do more analysis on the effectiveness of various marketing campaigns. For example, data about customer participation in Nationwide-sponsored sports activities, including a stock car racing series and a professional golf series, can now be captured and analyzed. This

helps to improve marketing investments and the ability to move sports activity participants through the sales process.

In 2008 and continuing into 2009, the company implemented behavioral analysis capabilities that help prioritize and focus front-line activities based on historical and projected effectiveness. Thanks to actionable information, the result is an improved customer experience, delivered by front-line employees through various customer touchpoints that are related to relevant sales and service opportunities.

Insight Creation, Distribution and Measurement Framework

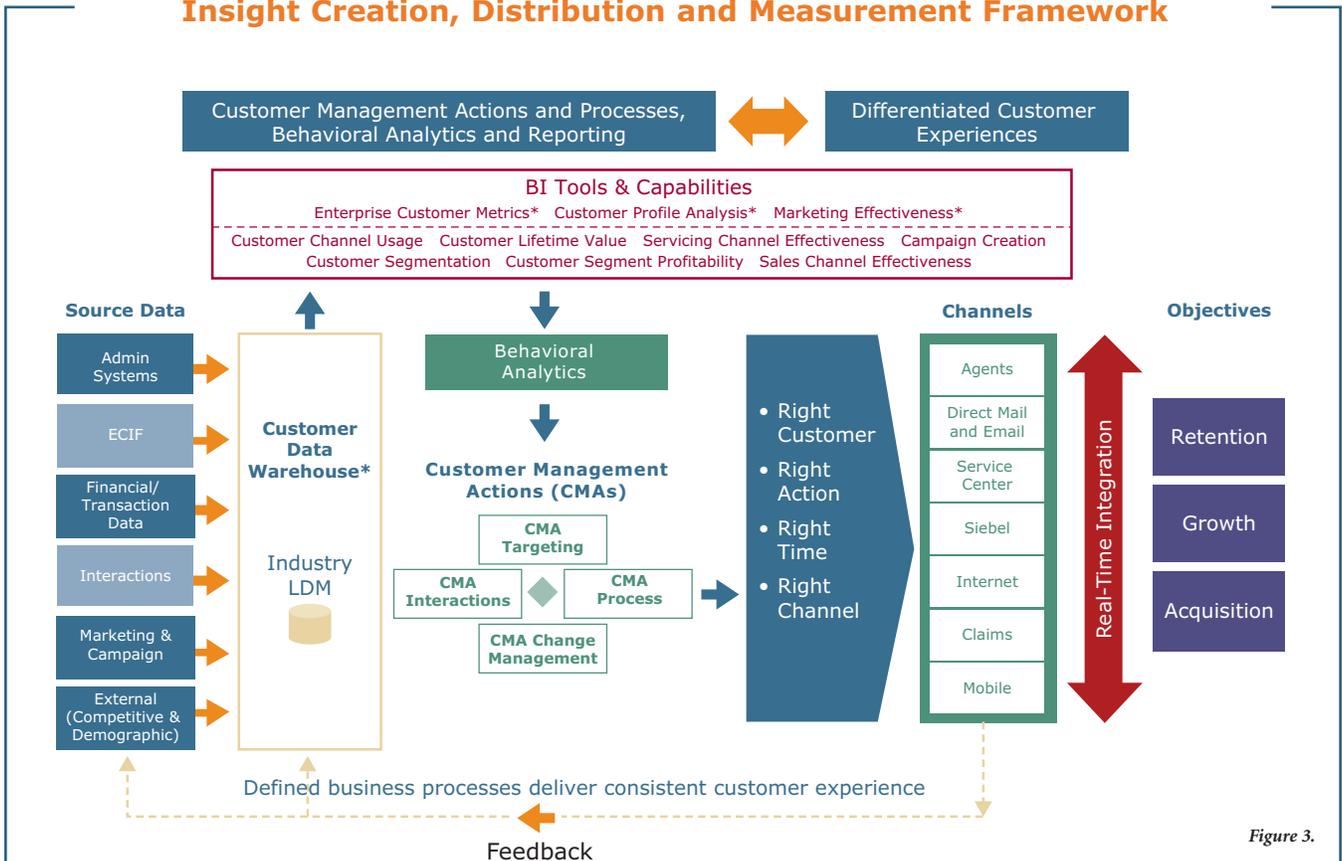


Figure 3.

Results

Research indicates that proactive customer communications around certain customer lifetime events (e.g., marriage, birth of a child or home purchase) has significant impact on improving customer satisfaction scores. Unfortunately, with millions of policies in force, the task of being proactive in communicating with every customer experiencing key events has traditionally been cost prohibitive.

By integrating customer contact history, product ownership and payment information into CKS, Nationwide's behavioral analytics teams can now create prioritized models that identify which interaction is most important for a customer at any given time. The result is a one-point improvement in the retention rate among the highest priority contacts. There has also been a significant improvement in customer enthusiasm scores. More than 3% annual growth in incremental sales can be attributed to the usage of CKS.

A second example of the CKS power deals with another kind of proactive customer service. Nationwide tries to contact customers in advance of a possible weather catastrophe, such as a hurricane or flood, to provide policyholder information and explain claims processes.

To improve its ability to deliver this service, Nationwide integrated customer telephone data from multiple systems into CKS and supplemented that data with an external telephone match. Through Aprimo® Relationship Manager, the lists can be developed quickly and distributed, allowing Nationwide to deliver an *On Your Side*® experience during stressful times. Although the results cannot be measured in terms of dollars, feedback from customers and agents has been overwhelmingly positive.

Next Steps

Because of the success of the CKS initiative, Nationwide has decided to transform what once was a property and casualty asset into an enterprise asset. The goal is to make customer information available to agents within all areas of the company, including life insurance and financial services.

The underlying environment will allow Nationwide to create specific and timely CMAs that give agents the ability to interact with customers with an extremely high level of knowledge. Because the CMAs are

driven by analytic insights created within CKS, customers will experience extremely personal customer service, as if each customer were the company's only customer.

CKS is the foundation for all future capabilities utilizing customer information management and analytics. Nationwide's goal is to expand the CKS environment and provide the ability to:

- > Identify an appropriate CMA from a coordinated central point and make that information available to the operational front-end systems (right customer, right action, right time, right touchpoint).
- > Facilitate meaningful interactions with customers via robust scripts and training for those delivering the CMA.
- > Support optimal process definition and robust change management for CMA delivery.
- > Customize delivery and presentation by touchpoint as needed.
- > Capture all lifecycle actions taken on CMA for future analysis within CKS.

“Without Teradata, we would not be where we are at with CKS. We are moving a database designed only for marketing purposes into an enterprise asset. Teradata can apply capabilities and skills in a wide variety of situations, and that has provided us with a database that is very functional, flexible and scalable.”

– Wes Hunt, Vice President of Analytics

Financial Performance Management

Situation

Nationwide, like many insurance organizations, operates many companies, each of which has traditionally enjoyed a high level of autonomy. Over time, this decentralized management style produced a widely diverse financial reporting environment that included more than 14 general ledgers, 20 charts of accounts, 17 separate data repositories, 12 different reporting tools and hundreds of thousands of spreadsheets.

This environment provided no common, central view of the business, and as a result, corporate reporting was fragmented, labor-intensive, slow and often inaccurate. It has been estimated that 75% of the reporting effort was spent acquiring, cleaning, consolidating and validating the data, leaving little time for meaningful analysis and insight.

Over the years, this situation became untenable, especially in light of the changing competitive landscape and globalization. Making decisions based on facts became next to impossible. A new senior management team wanted to view the organization as a single entity, but that was not possible with the existing data environment and reporting processes. It became clear that the company needed more transparency, with defined procedures for resource deployment, risk management and regulatory compliance that would work across business unit boundaries.

Realizing that change was necessary to overcome the limitations of the environment of that time, Nationwide's Chief Financial Officer Bob Rosholt launched a major

Financial Performance Management At a Glance

Situation

Financial reporting procedures from various business units were highly fragmented, making it nearly impossible to produce timely, accurate reports to support enterprise-wide decision making.

Solution

A financial performance management solution gathers data from more than 200 operational systems and sends it to the EDW from Teradata, where it is processed and redistributed to various reporting and analytic applications.

Results

- > Workflow optimization reduced errors and eliminated redundancy, resulting in higher productivity.
- > Business unit employees are freed to work on more strategic, high-value business contributions.
- > The department saw a 50% reduction in monthly closing intervals, from 14 days to seven days, with a future goal of just five days.

needs assessment and planning initiative in 2004, bringing together finance managers from across the organization.

Together, they performed a gap analysis that compared the present state of the system to the desired state and concluded that a total transformation was required.

The financial performance management team also defined a shared vision for the future with goals to:

- > Be a valued partner and strategic advisor to business-side management, making significant contributions to new value creation.
- > Operate analytical "Centers of Excellence" with world-class planning, capital management, risk assessment and decision-support capabilities.
- > Provide an ongoing source of new management talent for both finance and operations.

- > Deliver accounting, reporting and analytical services that are timely, accurate and efficient.

Solution

In order to achieve this vision, the team defined a new operating model. The model required a single data and technology architecture with a common set of systems, applications and tools that could satisfy the goal of a common set of financial information. The team also defined a set of standardized processes for reporting and measurement. Further, the team designed a shared financial architecture as an overlay to existing business systems.

Within the financial performance management solution, data is sent to the EDW from more than 200 operational systems and then distributed to the various applications and analytics (See Figure 4).

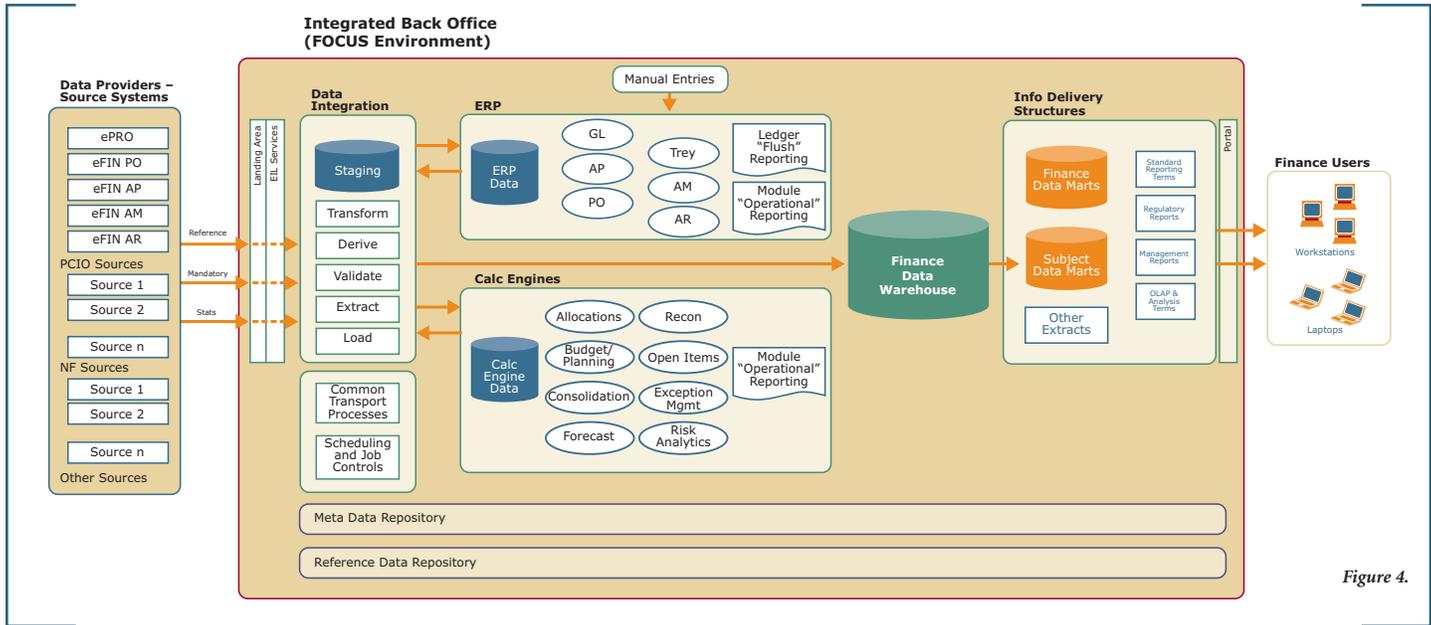


Figure 4.

Implementing the solution, which supports 1,200 users and handles more than 150 million transactions per month, was a monumental undertaking, even for an organization like Nationwide. The system had to integrate information from 10 different operating environments. The team had to develop more than 200 operational source system interfaces and create a 1,000-plus element data model.

At its peak, the development team consisted of 280 internal and external members (42% business, 58% IT). The process required 24 months and 600,000 program hours. Deliverables were divided into four major releases rolled out between August 2004 and October 2005.

Results

Nationwide's financial performance management system is recognized for enabling best-in-class financial reporting and analytics.

A major outcome of the project was the automation of manual data manipulation and the elimination of redundant efforts. Interface files from source systems across the enterprise are now automatically transferred to the landing area, validated, transformed and loaded into the Teradata staging area, where they are summarized. Automatic workflows transfer the summary data to the enterprise resource planning (ERP) system for posting; adjusted general ledger data is then swept back into the data warehouse. This automation has greatly reduced errors and resulted in higher productivity levels.

A closely-related benefit is the increased value of the employees to the organization. Rather than spending 75% of their time on data preparation, they can work on more strategic, high-value contributions to the business.

The solution also has implemented accepted enterprise financial close

processes, which helps promote uniformity and consistency. The end result was a 50% improvement in the monthly closing process. Monthly closing intervals have been reduced from 14 days to seven days, with a future goal of just five days.

Nationwide gained easy access to relevant, timely and accurate information, the foundation for effective decision making. This holistic view gives the company the ability to more accurately identify, assess, report and manage issues such as risk. The organization also benefits from a common set of terms that makes communication more effective.

Finally, the company continues to experience the benefits of a paradigm shift from siloed thinking to enterprise thinking utilizing common information, technology and processes.

Goal State Rate Management

Situation

Nationwide acquired Allied Insurance, an Iowa-based provider of personal and commercial property and casualty insurance, in 1998, but it wasn't until 2005 that the company started to merge Allied's automobile policy system into its existing system as a way to reduce costs.

The company quickly realized the challenge it would face in this process, not only with the auto policy data, but also with all other data from Allied Insurance. It turns out that both Allied and Nationwide source systems were custom-built applications that didn't share common values or process data in the same manner.

To address these challenges, Nationwide created the Goal State Rate Management (GSRM) Auto Team, a multi-discipline team involving 65-plus members from executive leadership, IT and business partners around the world. The team faced the data challenge head on, and the way it handled the project could be a lesson for all organizations seeking to connect different business teams for the same goal.

Solution

Nationwide's IT department proposed that data from all source systems be brought into a centralized data warehouse and organized in an integrated fashion. The GSRM Auto Team took a unique approach to integrating data attributes at a domain level, where the systems store the data differently; this allows Nationwide to retain all of a customer's history in one

Goal State Rate Management At a Glance

Situation

An attempt to integrate source data into Nationwide's existing system – a result of the merger with Allied – uncovered underlying technical challenges, including a data model that could not support legacy data and its related storage and processing procedures.

Solution

An integrated data warehouse that combines eight years of auto-related customer and policy history, enabling Nationwide to rate and re-rate its auto products in response to customer need and a fluctuating market.

Results

- > More accurate automobile insurance pricing.
- > Ability to fine-tune rates to minimize adverse effects on customers, leading to increased customer satisfaction.
- > Progress toward a goal to increase operating cash flow (pre-tax basis) by 5% by the end of 2010.
- > A substantial ongoing reduction in IT support costs.

Next Steps

Replicate the GSRM solution in order to manage all Nationwide policies (not just automobile) in a central repository for integrated data.

integrated view, no matter its original source system. That way, Nationwide could maintain data continuity and develop a complete picture of every policy; it could also feed that data back to the pricing tools and rating engine for analysis, improving both customer service and the company's bottom line.

The GSRM project kicked off in 2005. However, it hit a roadblock when it became obvious that the current data model could not support the data contained within Nationwide's administration systems or the organization's data storage and processing procedures. In May 2007, the project restarted with a Teradata data

modeling solution more suited to the organization's needs, and Nationwide realized full deployment of the auto product line in November 2008.

The restarted project enabled integration of auto data from several, disparate data sources into a hybrid model that supports dimensional and relational reporting across various systems. This is achieved by storing keys on each of the dimension tables that relate to various other tables.

As a result of this model, Nationwide is not only able to perform standard, dimensional reporting, but can also perform what-if analyses utilizing the same data structures.

The ETL process was designed with a focus on ease of reuse. Future data integration efforts will utilize the existing data model and ETL processes; therefore, adhering to a standard methodology is a major factor in the project's long-term success.

Today, Nationwide has eight years of customer and policy history and loads nearly 42 million policy transactions every month. The data warehouse currently integrates data from six auto product line source systems and three property and casualty claim systems.

Given the GSRM Auto Team's large size and the project's massive scope, the group was structured into smaller teams, each with its own objective, work structure and project manager. The overall initiative was monitored and managed by a program manager as well as the executive leadership team and steering committee.

Nationwide's executive leadership team held weekly status meetings, in which the individual project managers took a deep dive into their projects to show the progress they made over the previous week. The accountability and rigor applied to these meetings was groundbreaking for Nationwide.

The initiative was broken up into four waves of deliverables, each three to four months in duration. The teams learned from each wave and implemented process improvements and efficiencies before moving into the next wave. In the end, the GSRM Auto Team met all deadlines and finished the project within budget.

Results

Nationwide's policy holders benefit from the system, thanks to the fact that the company can now pinpoint and adjust rates based on the potential impact on the policy holder, fine-tuning them to minimize some of the adverse effects rate changes can have on customers who would typically see wide rate swings.

A major benefit of the GSRM initiative is that Nationwide's automobile insurance pricing is more accurate than ever before, which obviously contributes to the financial strength of the organization. Nationwide also can better track customer retention, resulting in improved customer service and more accurate pricing packages. This benefit is especially important in today's economy.

There are clear benefits to the company's bottom line, as well. Nationwide used a three-year horizon after implementation to quantify the results of the initiative. Today, with the final – and most difficult – stages of the project complete, it has been determined that the GSRM initiative will increase operating cash flow (pre-tax

basis) by 5% by the end of 2010. In addition, it has substantially reduced IT and business costs.

One of the greatest successes of this project was that the team uncovered a great deal of previously unknown differences in data across the environment. For example, the team realized the company was calculating earned premium differently across the Nationwide and Allied sides of the business. Through data analysis, the implementation team also uncovered errors in production systems. Further analysis showed that there were fundamental differences among systems in performing even simple calculations.

By identifying and then correcting these differences, the implementation team helped drive similarities across the two companies, resulting in more efficiency and benefit than was ever intended.

Next Steps

The GSRM data warehouse now serves as an integrated vision of Nationwide's auto policies. In the future, the team hopes it will manage all Nationwide policies in a central repository for integrated data.

“With this system in place, we can now re-rate our products and determine our sales and customer growth without having to wait several months after a full rating cycle has been completed.”

– Laurel Elmore, Vice President, Product and Pricing for Nationwide

Revenue Connection

Situation

The property and casualty side of Nationwide's insurance business, which brings in close to 80% of its overall revenue, was experiencing an increase in issues related to a legacy reporting system. Many of the reports were developed in the '70s and were produced on numerous legacy systems. In many instances, it took weeks to compile and deliver the needed reports to the agents.

It became clear that the company needed better access to sales and policy information in order to reach its sales targets. In 2006, Nationwide chose a data warehousing approach to create a single data source that would consolidate relevant information. In addition, Nationwide selected a business intelligence platform that would integrate dynamic enterprise dashboards into its reporting system, making it easy for agents and associates to view policy information at a glance.

To begin developing this new application, dubbed Revenue Connection, Nationwide interviewed sales management and individual agents to better understand their goals and requirements. Interviewees expressed the need for an intuitive online reporting environment that would allow users to access information in different ways. In particular, end users wanted to see "their" information in a way that could easily be analyzed, with a lot of interactive and drill-down-to-detail capabilities.

Revenue Connection At a Glance

Situation

Nationwide's management realized that in an ever more complex and changing environment, the company needed to improve its agility and increase its speed in addressing both opportunities and challenges. However, a major component for achieving agility and speed – data as a strategic asset – suffered from outdated legacy reporting systems developed in the '70s. They were slow and unable to deliver the level of sales and policy detail that property and casualty agents needed to reach their sales goals.

Solution

Revenue Connection, a business intelligence dashboard that draws data from the EDW to deliver, within seconds, reports and graphical displays of policy and sales data at any level of granularity the user desires.

Results

- > Virtually eliminated requests for manual policy audits, a huge time- and money-savings for the business and technology teams.
- > Reports return in 4 to 45 seconds, rather than days or weeks.
- > Productivity in some units improved by 20%-30%.

For example, while some users only wanted to see columns of information, others wanted the information presented graphically as dashboards. Some only wanted brief summaries, while others requested drill-down capabilities into policy-level details. Nationwide made sure Revenue Connection would grant all the different types of users access to the information they needed in whatever level of granularity and expression they required.

At the start, Nationwide's business team had to tackle several challenges, not the least of which was to agree on standardized data definitions and reporting frequency. The business team defined a reporting week as Saturday through Friday. It then agreed on frequency,

deciding on which metrics needed to be compiled weekly, monthly, year-to-date or in a 12-month format.

While addressing the business challenges, the IT team unearthed several technical challenges. The first was linking all required data from all sources for the final metrics. To search by date, various product and policy data needed to be queried in different ways. The other technical challenge was acquiring complete data, as product source systems maintained different levels of data.

To add to the project's complexity, the business team challenged the IT team to deliver extremely aggressive performance times.

Solution

In 2007, Nationwide launched Revenue Connection, which was one of the organization's most mission-critical implementation projects that year. This business intelligence application monitors the degree to which Nationwide's Property and Casualty team is achieving its key strategic objectives and goals. Specifically, Nationwide agents and field management now have access to all the policy information they need to achieve their performance goals and sales initiatives.

Revenue Connection delivers easy-to-use dashboards and reports to Nationwide's agents and field management. The dashboards deliver full interactivity, visualization functionality and data content to the end-user community. Users can access visually engaging dashboards that incorporate Adobe Flash and advanced visualization widgets using Adobe Flex Builder.

End users can see graphical displays of data with prior-year comparison, in year-to-date format or in 12-month moving formats to determine trends. They can query product or policy information at any level of granularity and view information in tables, graphs, summaries and/or individual policy details. Reports take seconds or minutes to return, instead of days or weeks.

Currently, dashboard response time is 20-30 seconds, and reports run within four seconds to 45 seconds, depending upon the report size and data volume.

Revenue Connection enables users to flip through the many different perspectives of corporate performance without ever leaving the dashboard, giving the large user community the flexibility to quickly switch from dashboards to reports and back again. Currently, the system offers 33 dashboards and 100 reports.

The project was a phased implementation, with sales management access granted in July 2007 and agent access granted in

October 2007. The current user base consists of approximately 4,000 users belonging to eight distinct user groups.

To ensure a smooth transition from the old legacy system to Revenue Connection and to encourage agents to use it frequently and properly, Nationwide developed a unique interactive training program for all agents and field management. It created an internal Web site as the "go to" source for training and updates related to deployment of the new tool. The site included a brief video explanation, a countdown clock to the deployment date, training materials, a training schedule and a Web-based training link (See Figure 5).

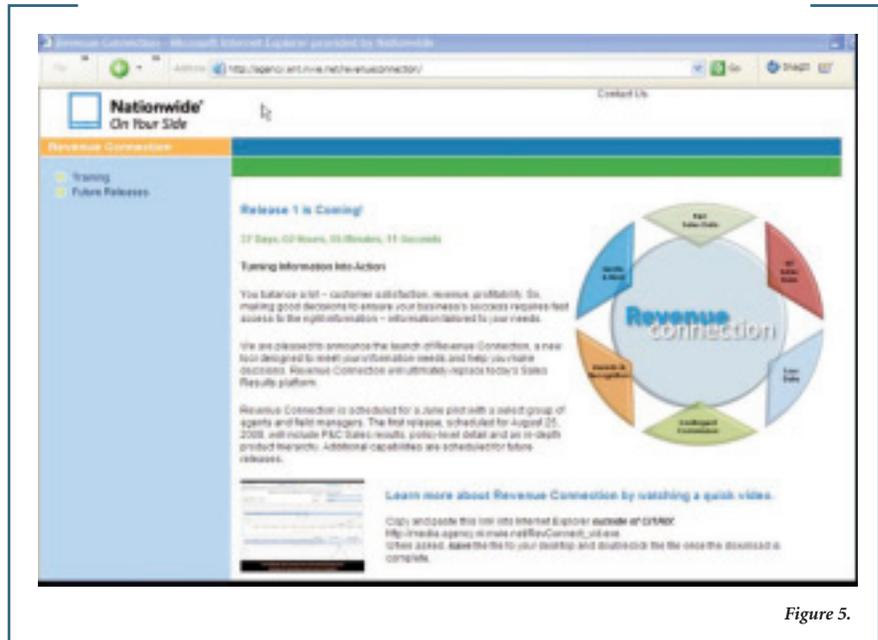


Figure 5.

V. Results and Conclusion

Results

Revenue Connection has completely changed the way Nationwide utilizes data. With this solution, all end users – including corporate executives, associates and agencies – can see visualizations of data in the same layout. In addition, they can drill down into the specifics of individual policies and products when needed. Previously, users could only see reports with summary data. There were no options to represent data visually, display trends or get to policy details.

Leveraging state-of-the-art dashboard technology, the application has proved to be a powerful and beneficial tool for Nationwide, its agents and field management. Revenue Connection has been fully implemented for property and casualty sales data; new data sources are in the process of being added.

Nationwide's agents can now receive reports more quickly than ever. Prior to

2008, agents had to request policy audits from the business team, a process could take up to three weeks.

In addition, during the audit period at the end of each year, business and technology teams would spend weeks compiling between 400 and 500 policy reports. At the end of 2008, there were fewer than 50 requests for policy audits.

Now, with the Revenue Connection dashboards, agents can see an overview of their production in an easy-to-read, concise format or they can drill down to the actual policy-level details. End users select the products or policies on which they want more detail. They can view this information as tables or graphs, and they can view as much detail as they desire. All of this information is available within seconds or minutes; in fact, many dashboards and reports run between 4 and 45 seconds.

Additionally, agents and field management trust that the information they're seeing is correct; as proof, consider that in 2009, there were no policy audit requests – a huge time- and money-savings for the business and technology teams. With its deep level of detail, fast results and high accuracy rate, Revenue Connection has improved productivity in some units by 20%-30%.

Conclusion

Several years ago, Nationwide had the vision to leverage its data as a strategic asset. To achieve that vision, the company created an enterprise data warehouse that could support business strategy by enabling faster and more informed analytical and tactical decision making. Nationwide has executed that vision and, in the process, migrated from a product-centric company to a customer-centric company.

Nationwide realized that it could not truly be "on your side" if it continued to view customers, products and services in a siloed environment. Today, with an EDW from Teradata that supports a number of business intelligence and reporting applications, Nationwide can view its customers, its agents and its financial performance from every angle while ensuring that the underlying data is consistent, connected and controlled.

By viewing information as a strategic asset, Nationwide can proactively act and react to the ever changing needs of the business and its customers. This enhanced agility has resulted in numerous enterprise benefits.



In addition to the four solutions profiled in this case study, Nationwide has deployed numerous other business intelligence and data warehousing initiatives across a range of business units since it began its data management overhaul in 1999.

The results have been significant, particularly in the areas of revenue enhancement, cost reduction and productivity gains.

Revenue Enhancement

- > Through a customer relationship management initiative, Nationwide experienced a multi-million dollar increase in new business premiums.
- > A premium underwriting realignment and review process, which realigns historical data with updated rating and territory structure, is projected to deliver a multi-million dollar increase in revenue over a twelve-month period.
- > Through Loss Record Review, Nationwide can make policy premium adjustments without increased coverage or risk exposure.
- > With increased business intelligence across multiple business units, including auto, life, property and identity theft protection, agents have seen a lift in cross-sell and up-sell opportunities.

Cost Reduction

- > By retiring outdated auto and property system in favor of a seven-year integrated history, Nationwide saw significant reductions in system footprint, maintenance and support costs.
- > Other system enhancements, including green initiatives, reduced power and cooling requirements.
- > The integration of claims and policy data to increase control of the underwriting process resulted in an estimated reduction in overall loss ratio of 1 point.
- > Achieving better control of the motor vehicle record order process resulted in multi-million dollar savings each year.
- > Better identification of over-coverage-limits payments has led to improved recovery of such payments.
- > Other cost reductions have resulted from improved claim fraud detection, improved subrogation and salvage recoveries, the introduction of volume purchase agreements and enhanced reporting processes.

Productivity Gains

- > Financial analysts are able to run reports and analyze data 75% more efficiently.
- > Through workload reporting, claims adjusters have reduced the time spent on each of the two million reported claims every year.

- > The Claims Business Solution Group experienced a three-fold increase in report generation vs. the legacy system.
- > The Claims Special Investigation Unit achieved a productivity gain so great it was like having three additional full-time employees on staff.

Although substantial progress has been made with the strong analytical foundation for its property and casualty business, Nationwide has plans for the future to expand the EDW to all business areas. For example, delivering additional customer management capabilities will result in more targeted marketing campaigns. The company also wants to find new ways to leverage a variety of sales channels and customer touchpoints. With the addition of enhanced analytics applications, the company hopes to gain even greater insight about its customers and products across all business units.

These goals, along with the natural evolution of a data management platform that has truly delivered enterprise agility, will help Nationwide deliver on its *On Your Side*® promise – today, tomorrow and in the years to come.

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