

RETURN ON IT INFORMATION

Hannover Rück increases IT goodwill

The Hannover Rück Group is one of the five largest reinsurance groups worldwide, with a volume of premiums totaling approx. 11 billion euros. Their group-wide infrastructure consists of over 100 subsidiaries and associated companies, branches and representatives in 18 countries. In order to manage this group-wide infrastructure, Hannover Rück has been using USU technology since the beginning of the 90's and migrated in 2003 to the new IT cost management platform, Valuation. Further topics followed, such as Planning & Budgeting.

› **Initial Situation and Aim**

Traditionally, the field of information technology is a critical factor for success for globally active financial service providers like Hannover Rück. At the beginning of the 90's, they began systematically employing IT cost and asset management tools. Before this time, inventory management for IT components was performed – in classical style – in Excel. Due to the increasing number of IT terminals and the growing complexity of the infrastructure, and in order to effectively support the User HelpDesk, Hannover Rück sought a high-performance asset management tool on the market in 1994. Based on the functionalities and the technological know-how, the USU product BM/2 was selected. Two years later, in 1996, the system was migrated to the advanced inventory management tool, USU ValueWise.

› **The Project and the Productive Phase**

Following design, the inventory management was implemented and integrated into the existing IT infrastructure. It was then no time at all before the USU application was in productive operation. At the heart of the system is an object management system which maps the individual IT components with their technical and commercial data. This also applies to the support of procurement processes and the management of purchase and maintenance contracts – the basis for meaningful financial and procurement management. Overall, Hannover Rück was able to manage and control the entire life cycles of the various IT assets – a total today of 3,500 systems (PCs, notebooks, printers, etc.). Via interfaces with the backend systems, a connection was also made to the commercial systems. This deve-

loped USU ValueWise into the primary asset inventory management system for the IT at Hannover Rück.

In the fall of 2002, Hannover Rück decided to migrate to the IT cost and asset management platform ValueWise, which is web-based and open for additional modules. The new system allows for standardized data management for mapping the wide variety of connected information that is gained during various processes. After estimating expenses, the project began in February of 2003, when the data was transferred. In particular, dialogs had to be redesigned and the role and the user concept had to be modified. With a narrow time frame, the project team, made up of USU experts and specialists from Hannover Rück, implemented the requirements cooperatively. As a result, the system went live in May of 2003, as planned. Afterwards, additional topics concerning IT asset management were integrated successively, for example the management of servers and active network components.

One milestone was the improved planning and budgeting of IT investments and costs.

In doing so, USU did away with the Excel spreadsheets previously used and now provides sophisticated information about which cost centers incur which types of costs (purchases, leasing, rentals, maintenance) for which IT investments. The most important basic functionalities available are the tamperproof documentation of plans, appropriate simulation mechanisms and target/actual comparisons that can be viewed at any time.

Here is one example by way of demonstration: A new standard workstation PC is required and the need is reported. As soon as this information is recorded in the system, the anticipated costs are listed as tied-up, even at this early stage. Before ordering, the budget is automatically checked for sufficient funds. During the entire process, the system always takes the current amount into account using the target/actual comparison. This is important: often, changes are made, for example due to special offers, discounts, and so on. This pushes ERP systems such as SAP to their limits. By actively checking and tracking the budget, Valuation guarantees a clear overview of the estimated and actual cash outflows with the 2005 Planning.



Hannover Rück company headquarters

> Conclusion

Today, two employees at Hannover Rück manage the IT inventory for the whole group. Valuation also supports the procurement of IT goods, including contract management, and serves as a configuration and change management tool. The increasing demands on transparency and control of the workstation and infrastructure components are thus taken care of with a high degree of efficiency. Technical and commercial data are consolidated into important key figures and are available at any time via reporting functions. This helps organizational data from the MMS (Microsoft Meta Directory Service) flow into Valuation, whose up-to-date figures are then provided to the company-wide ServiceDesks and HelpDesks, asset accounting in SAP R/3 and a software distribution system from On Technology. Connecting an inventory tool to Valuation to display actual data for hardware and software is also planned. License management and Web integration are other important topics of the near future. They reflect the strategy of comprehensive IT cost and asset management at Hannover Rück.