Business Planning for Atrium Underwriters at Lloyd's of London

Business Planning is an important activity for Lloyds Insurers with a big focus on underwriting margin and its constituents on an underwriting year basis.

Business Planning is needed for both the Syndicate Business Forecast (SBF) and the insurer's own need to plan business activity, approach and set expectations. These will co-ordinate collective efforts and align activity towards the delivery of strategies through clear planned outcomes. The plans will also act as the benchmark for the ongoing appraisal of performance and revision of business activity.

Business Planning requires input from all staff involved in driving business performance. These are the underwriters, the actuaries and senior management supported and co-ordinated by business operations.

The Vision

Atrium wanted to execute their business planning process in an efficient and effective manner. This meant having a system which delivered the precise business logic needed as a matter of course but catered for preferences and subtle differences in requirements that you might expect from different classes. The system needed to facilitate the co-ordination, review and challenge required in the production of plans.

Legacy software had been previously supporting their planning process and was successful. However the software had been discontinued some years ago and was heading out of support.

Atrium's users have a preference for an Excel-based front end which also fitted well with the requirement to present the users with large multi-table reports into which they could insert and amend their plans.

Fulfilling the Vision

Thorogood developed the new solution's requirements in part from the existing legacy application. This meant it had class, currency, year of account and platform dimensions amongst others. Also we sought to understand current limitations and collected feedback from users on what new features would be helpful to them. This was made easier with a proof of concept (PoC) that replicated some of the current system's features but also demonstrated the inherent capabilities and possibilities afforded by the new software offerings.
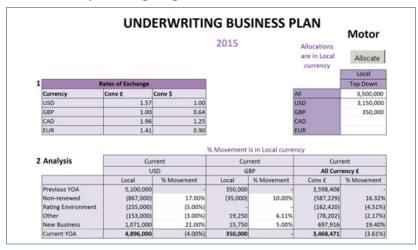
This elicited, for example, the benefit for a single user in being able to choose whether they plan first in local currency before reviewing in converted currency or vice versa. Also being able to plan first in aggregate terms (e.g. Reserving category) but then have the system disaggregate those values down (e.g. to sub-class) in a sensible fashion before refining further. This fed into both top down as well as bottom up planning within the major classes.

Atrium chose IBM Cognos TM1 after reviewing it alongside alternative options in a short PoC process. Thorogood developed an Excel based application with custom built work-flow and a number of pieces of advanced logic enabled by TM1's own data manipulation (ETL) tool. Such logic included: the ability for users to disaggregate data using buttons in Excel; and be presented with a tailored template depending on initial choices made such whether to plan in local or converted currency.

"The previous system we had was a good solution for us but TM1 has taken us to another level and the transition over has been surprisingly smooth and controlled"

Jason Townshend
Head of Operations at Atrium

A branded user interface delivered in Excel leveraging the robust TM1 planning engine.

The solution also had central reports to allow reviews across all classes and be able to cross compare different versions of the plan for example with the previous quarter's plan. In order to set the solution up, the new system had migrated data across from the old. In addition now, the system was also equipped with being able to pull actual data from the data warehouse and export finished plans for advanced reporting and to feed into financial forecasting and capital planning models.

Results

The system has now successfully completed real planning cycles with positive feedback from users.

If you would like to know more about what can be achieved with Business Intelligence & Analytics and would like to discuss your options with an independent specialist, please get in touch with Evelyn Heyes in the UK (evelyn.heyes@thorogood.com) or Trevor Jones in the US (trevor.jones@thorogood.com).

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