

Tableau Visual Analytics Helps SpareBank 1 Realize \$40M Insurance Revenue Opportunity Over 3 Years

SpareBank 1

WWW.SPAREBANK1.NO

FOUNDED: 1996

HEADQUARTERS: OSLO, NORWAY

CHALLENGES

Identify opportunities to grow insurance revenues

Reduce delay in getting reports to operational staff and executives

Make it easier to find, understand and use data

SOLUTION

TABLEAU DESKTOP
TABLEAU SERVER

TABLEAU PARTNER



WWW.RAV.NO

BUSINESS BENEFITS

INCREASED REVENUES:
POTENTIAL TO ADD \$40 MILLION
TO REVENUES IN THREE YEARS

UP AND RUNNING IN MINUTES;
NO INTERVENTION FROM IT STAFF

HELPED IDENTIFY NEW
CROSS-SELL OPPORTUNITIES

IMPROVED CUSTOMER SERVICE

LOWERED RISK AND HELPED MEET
INSURANCE COMPLIANCE GOALS

REDUCED TIME NEEDED
TO PREPARE PRICING REPORTS
FROM FIVE DAYS TO 30 MINUTES

Forty million dollars. That is the revenue opportunity SpareBank 1 Forsikring expects to realize over three years using Tableau Software. One of the largest providers in the Norwegian financial services market, SpareBank 1 Forsikring has deployed Tableau visual analytics in its insurance subsidiary to answer questions in minutes.

Talent wins games, but teamwork wins championships

The sporting motto fits neatly with the SpareBank 1 Forsikring strategy. The \$114 billion group is an alliance of independent Norwegian regional savings banks that have joined forces to exploit economies of scale and improve services to millions of customers across Norway.

To be competitive, the life and non-life insurance division of SpareBank 1 Forsikring needs to know as much as possible about its customers: how they relate to each other, what policies and products they own and their agents or brokers.

That's a tough call in this market. Norwegian insurance companies like SpareBank 1 Forsikring are up against formidable challenges, including wafer-thin operating margins, the commoditization of traditional insurance products and increasing competition from new players such as the online insurance "supermarkets." Changing consumer demographics and behaviour, together with dramatic regulatory changes, are adding pressure in an already challenging business climate.

Need an ad hoc report? How does two weeks sound?

Until recently, SpareBank 1 Forsikring relied on a static reporting environment to piece together knowledge about customers, products and the market situation. "If you wanted an ad hoc report into a particular insurance scenario, you would order it and then wait about two weeks for the spreadsheet to turn up," explains Dagfinn Roed, who is responsible for business intelligence at SpareBank 1 Forsikring. "All the reports were static, fixed and usually out of date by the time they reached the decision makers."

This approach to reporting was not only reactive, it also was costly. Vast amounts of time and resources were devoted to aggregating data from the SAS data warehouse, preparing reports in the required format and then submitting them. Each bank in the alliance also needed a different format for the report, so the same report was sometimes re-formatted as many as 20 times.

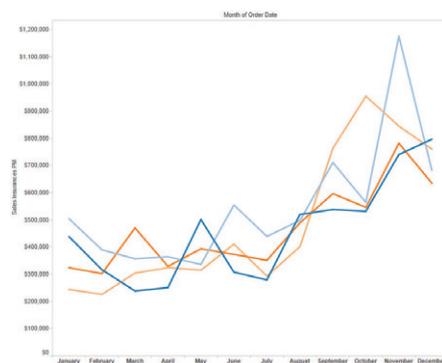
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— Eystein Kleivenes,
Business Intelligence Team Leader,
SpareBank 1 Forsikring

As part of a new enterprise data warehouse strategy, the Norwegian insurance giant began the search for a visual tool to perform both analytical insurance intelligence and market analysis. The Gartner Magic Quadrant was used to identify five alternative solutions, with the shortlist quickly coming down to just two: Tableau and QlikView from QlikTech. SpareBank 1 Forsikring decided to purchase Tableau Desktop licenses after seeing its agility and ease-of-use. “With Tableau, teams from the business could create their own reports in minutes; whereas QlikView required significant intervention from IT staff,” says Eystein Kleivenes, business intelligence team leader at SpareBank 1 Forsikring. “Compared with Tableau, QlikView was also tricky to learn.”

Unearthing hidden intelligence

More than 70 SpareBank 1 Forsikring staff now use Tableau to visualize their data. The company has transformed its approach to insurance data, from data creation to how it is viewed and used in cross-team collaboration.



To develop and deploy an effective solution, SpareBank 1 Forsikring turned to RAV, a Norwegian Tableau technology partner. RAV provided support, implementation services and expertise on everything from structuring data sources to best practices for effective visual communication.

This agile, visual analytics solution enables SpareBank 1 Forsikring to deliver the right data to identify new cross-sell opportunities, improve customer service, manage risk, ensure compliance, and lower the cost of doing business across the entire group. In one report, for example, the insurance company can compile a view of the number of insurance products each customer has, their demographics, geography, historical profile and win/loss rates. Reports like these are used both at an operational and at an executive level for strategic decision making.

With Tableau, SpareBank 1 Forsikring has rapid-fire answers to basic and complex questions like these—in minutes:

- How many and which of the insurers' products do the customers own?
- What products are a logical fit for them? What products can they afford?
- What products have been offered to them? Are they in the process of acquiring any of them?
- Which agents or brokers do customers do business with most?
- Which customers are likely to not renew their policies?

Potential to increase revenue by \$40m in 3 years

“This improved portfolio monitoring, coupled with improved knowledge of our customers and better pricing decisions has the potential to add more than \$40 million to SpareBank 1 Forsikring's revenues between 2015 and 2018,” says Roed.

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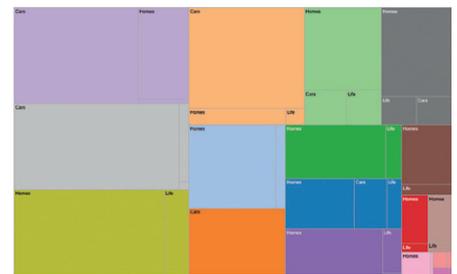
For many years, SpareBank 1 Forsikring assumed that young drivers were the least profitable customers to insure. After all, they are less experienced behind the wheel and therefore more likely to raise an insurance claim for damage to their own or a third-party vehicle. Using Tableau visual analytics, the insurance company identified that this young group of drivers is in fact among the most profitable of all its motoring customers. Armed with this information, SpareBank 1 Forsikring has been able to adjust its pricing strategy and introduce new tightly targeted marketing campaigns encouraging more policies to be taken out. “We always had that data, but once we visualized it, everything became clear,” says Roed.

To cut the cost of their motoring insurance premiums, many parents insure themselves as the main driver of their child’s car, with the child listed as a named driver. This practice, known as ‘fronting’ drives premiums down and costs the insurance industry a lot of money, despite the heightened risk from the young driver. A visualisation of which customers are doing this, enables SpareBank 1 Forsikring to monitor the situation and help drivers to insure appropriately.

“It used to take us up to one week to find out issues about insured drivers, but now we can reach the answer in minutes. Sales, marketing and customer support teams can all generate visualisations themselves, with very little training and without requiring technical support,” says Roed.

Pricing reports: From 5 days to 30 minutes

Consider decisions about insurance pricing policy. SpareBank 1 Forsikring managers meet regularly to review and re-assess the life and non-life price tariffs. Using the SAS reporting methodology, it took five days to prepare the reports; now they are ready in half an hour. As a result, the insurer is able to adjust its pricing structure immediately—and benefit from an instant uplift in revenue. “People use data more than they ever used to,” says Kleivenes.



Performance of the Tableau visual analytics environment is outstanding too. Roed and his team used to struggle with the slow SAS-ODBC connection to the data warehouse, which delayed analysis. A recent switch to an IBM Netezza database has transformed performance, with the analytics available in a fraction of the time it took using SAS.

Kleivenes concludes, “When I do Tableau training presentations and show people the power of the visual analytics solution, I get a round of applause. People are astounded by what Tableau can do. We’re making data accessible to everyone—and helping them get answers as fast as they can think of questions.”

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