

# Capita Insurance Services

Success story



CAPITA  
INSURANCE SERVICES

## Capita Insurance Services adopts the Adaptive Enterprise strategy to capitalize on change, choosing Itanium® 2-based HP Integrity servers running HP-UX 11i and SAP

When Capita Insurance Services surveyed its existing information technology (IT) infrastructure for processing claims, the company saw legacy systems with a complexity that made it difficult to meet the ever-shifting demands of the business and customers. After a decade of growth, including acquiring several insurance companies, Capita Insurance Services needed to implement a strategy to update the legacy systems the company had inherited as well as to plan for the future.

Capita Insurance Services is part of The Capita Group Plc, the UK's number one business process outsourcer. Capita Insurance Services covers the lifecycle of claims management and policy administration from claims processing, fraud management, and technical loss adjusting to fully managed operational solutions, operating from a nationwide network of business locations. To succeed at this business model, Capita must operate even more efficiently than its clients and adapt to their changing requirements at a moment's notice. Capita must meet stringent service-level agreements (SLAs) for time to register, process, and pay claims, as well as to deliver comprehensive reports to customers with these service statistics.

"We had four or five different claims legacy environments," says Sal Laher, IT Director. "It came to a point where we could not sustain growth and change with these systems—it was inefficient and lacked flexibility for our business model as an outsourcer."

### Complex, manual processes

In addition to being prohibitively inefficient, the legacy systems were rigid and lacked the flexibility now needed to support the changing nature of claims handling. It was becoming increasingly time-consuming trying to integrate new business opportunities and facilitate profitable growth because the existing systems could not be easily merged to handle the increased volume of claims.

Each claim could be interfered with many times during processing. Claim information would need to be manually processed from call center to claims handlers, and on to investigators and adjusters as claims moved along the process. Capita Insurance Services felt that a single system with built-in workflow automation capabilities would increase efficiency by reducing data re-entry from system to system.

### The move toward simplification

Laher and his team set out to move claims processing—the core of the business—to a single new strategic system that would deliver greater simplicity, agility, and value across the organization. With fewer systems and applications supported by more consistent, streamlined business processes and unified management, the new system would result in increased efficiencies and an enhanced ability to handle change.



Capita Insurance Services investigated more than 50 claims systems looking for a single solution that would meet all of the company's requirements. After comprehensive consideration, Capita Insurance Services decided upon an SAP solution. SAP provided its SAP for Insurance, an industry-specify solution that covers the full end-to-end claims lifecycle, plus additional applications such as mySAP Supply Chain Management (mySAP SCM), SAP Business Information Warehouse (SAP BW), and mySAP Customer Relationship Management (mySAP CRM). SAP also met other vital criteria, including Web-based access and the ability to configure workflow processes.

### Seeking a collaborative partner

The timeframe for the project, which called for immediate implementation of the mySAP CRM and SAP for Insurance applications (SAP Claims) was a breakneck six months from start to finish. The mySAP SCM, SAP BW, and payments solutions would be added subsequently. Capita Insurance Services is the first company in Europe and the UK to implement SAP's new insurance claims processing solution.

"We needed to build a superior solution quickly so we invited HP to make a bid for the hardware platform. HP has a good reputation for the quality of its infrastructure solutions and responsive support," says Laher. "We hoped that HP would be able to respond quickly to our implementation requirements and aggressive timeline."

Capita Insurance Services soon learned why *InformationWeek* ranks HP #1 in customer satisfaction. Consultants from HP Services responded quickly, helping Capita design and implement an Adaptive Enterprise solution in which business and IT are synchronized to capitalize on change. "HP helped us implement a solution to our unique needs that would provide needed flexibility [and] growth, mitigate risk and add value across the company," says Laher.

### Moving to HP Integrity servers

HP recommended a configuration of HP Integrity rx2620-2 and rx4640-8 Servers with Intel® Itanium 2 microprocessors running HP-UX 11i version 2 and Oracle9i connected to a comprehensive HP storage area network (SAN) with HP Enterprise Virtual Array 5000 and HP Data Protector. HP offered a fixed price to make implementation costs more predictable and helped configure and optimize the new solution.

Capita Insurance Services was committed to going with an industry-standard architecture and proven off-the-shelf software to reduce costs and complexity, and found the Intel processor-based HP Integrity servers the perfect foundation for the SAP solution.

Featuring 64-bit Intel Itanium 2 microprocessors, the HP Integrity servers offer outstanding performance and a long-term, large-scale upgrade path. The power of 64-bit Itanium-based systems coupled with the benefits of unlimited RAM meant that Capita Insurance Services could effortlessly overcome the performance and memory limitations of its previous legacy systems.

HP offered fast, reliable delivery to accelerate the project implementation schedule. The entire project was completed within the committed six-month timeline.

"By going with HP, we were able to obtain servers and storage from a single vendor," says Laher. "As a business process outsourcer, we are not interested in doing our own system integration. The HP solution was to a large extent pre-integrated, so we were able to implement quickly."

### Productivity on the rise

In production, Itanium 2-based HP Integrity rx2620-2 and rx4640-8 Servers act as application and database servers for claims management and CRM. An HP Integrity rx4640-8 Server supports a data warehouse for data analysis and reporting, and it runs a portal for external connections to the SAP system. The systems provide excellent price/ performance, as well as stellar reliability—an important factor for an outsourcer that relies on a cost-effective, stable IT infrastructure.

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Sal Laher

IT Director

Capita Insurance Services

Itanium 2–based HP Integrity servers running SAP solutions are already delivering increased efficiencies. Thanks to SAP for Insurance applications, claims flow automatically through the process, and information flows from one SAP module to the next, eliminating the manual data entry that was previously involved with claims processing. Claims can now be handled in less time and with increased accuracy, providing new functions like online claims access for clients via a new SAP portal, and improved real-time management information via the SAP Business Data Warehouse.

Productivity is on the rise, and claims are being processed faster and more efficiently. Capita Insurance Services also can more easily meet customer service-level agreements and grow its business, due to the flexible IT infrastructure that scales easily and gives everyone along the line—from claims processors to managers—the capabilities they need and want. The result is that Capita Insurance Services can synchronize business and IT to capitalize on change and growth opportunities.

“Customers expect us to register and pay claims within strict service targets,” says Laher. “The key to our ability to win new business, grow our existing business, and service our existing customers to the highest level is our ability to meet SLAs and continuously change processes. At the same time, in order to be cost competitive to win new business, we have to reduce costs. By working with HP and SAP to transform Capita Insurance Services into an Adaptive Enterprise, we are delivering simplicity, agility and value across the company.”

## At a glance

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**Industry sector:** Business process outsourcing

**Name:** Capita Insurance Services

**Headquarters:** London, England, UK

**Founded:** 1999

**Telephone:** 0870 402 7742

**Number of employees:** 4300

**URL:** [www.capitainsuranceservices.co.uk](http://www.capitainsuranceservices.co.uk)

## Technology highlights

- HP Integrity servers based on Intel Itanium 2 microprocessors
- HP-UX 11i v2 operating system
- SAP for Insurance

## Why HP?

- Exceptional support and commitment
- Collaboration with customer
- Fast, predictable delivery
- Integrated servers and storage
- Excellent price/performance of HP Integrity servers
- Standards-based servers that enhance flexibility and reduce costs

## Challenges

- Increase claims processing efficiency through automation and reduction of manual processes
- Integrate systems and data to obtain a single view of customer information
- Improve business processes to meet stringent SLAs and enable business growth
- Reduce IT costs
- Simplify the IT infrastructure by moving to a single claims processing system

## Solutions

- Itanium 2-based HP Integrity rx2620-2 and rx4640-8 Servers
- HP-UX 11i v2 operating system
- HP Storage Area Network (SAN) with HP Enterprise Virtual Array 5000 and HP Data Protector
- Oracle9i
- SAP for Insurance
- mySAP Supply Chain Management (mySAP SCM)
- SAP Business Information Warehouse (SAP BW)
- mySAP Customer Relationship Management (mySAP CRM)

## Results

- Ability to capitalize on change and growth opportunities
- Faster claims processing allows Capita Insurance Services to meet SLAs with greater ease
- Consolidated view of all data makes reporting easier
- Simplified IT infrastructure reduces complexity and costs
- Improved system and business performance
- Reduced risk by working with a single, trusted vendor

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