

sas

Talk

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THE POWER TO KNOW.

Keeping you up to date on what's happening at SAS

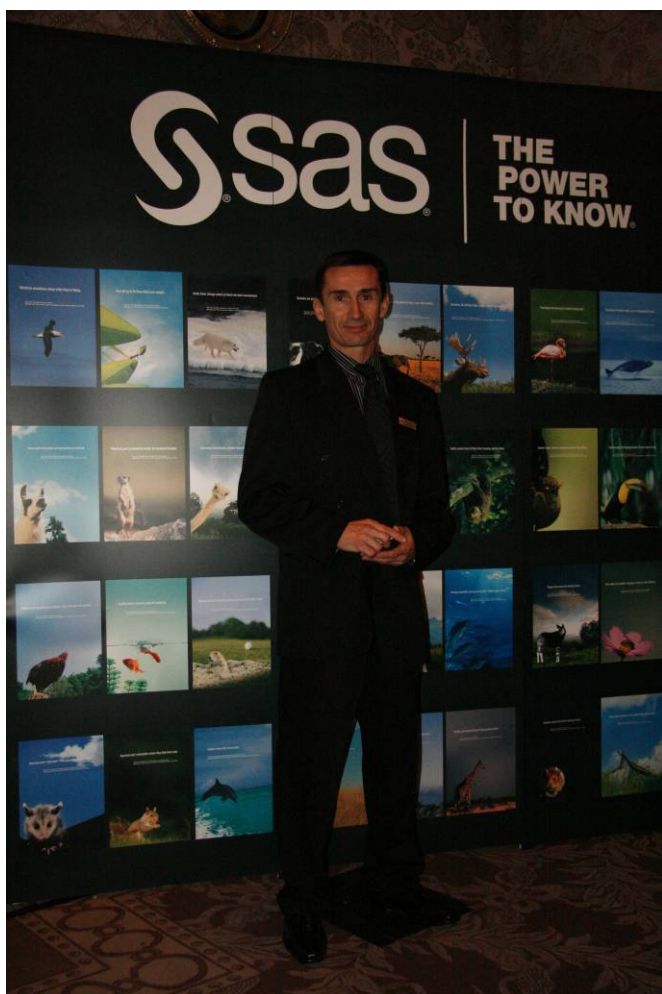
What's up at SAS

This year has been a busy one for SAS staff and it is around about this time of year where we start looking back at achievements over the year as well as begin planning for the next year. With many companies struggling through a recessive year, SAS thanks you for keeping up the dedicated hard work throughout the year, and October was no exception to this trend.

October saw SAS informally launch the Business Analytics Framework (BAF) to delegates at the BAF breakfast events held in Johannesburg and Cape Town, the events introduced the evolution of the EIP and opened eyes towards the new capabilities and flexibility of the BAF.

November sees a wind down in solution focused events but still promises lots of internal fun events to drive motivation and sales towards the end of the year.

SAS wishes you all the best in these last few busy months of 2009, until next month...



The Evolution of Enterprise Intelligence Platform into Business Analytics Framework

In order to keep up with current demand and help organisations deal with the explosion of data across industries, SAS Institute has revolutionised its Enterprise Intelligence Platform, transforming the platform into a Business Analytics Framework (BAF) that provides a modular approach to analytics.

Effectively BAF divides up solutions such as data integration, analytics, reporting and business solutions that can be implemented on their own or together to provide a solution that will individually target business problems, without the need to implement a monolithic intelligence platform. This was the key message delivered at two recent breakfasts hosted by SAS Institute in Johannesburg and Cape Town.

"Business Analytics Framework is the evolution of the Enterprise Intelligence Platform. Now more than ever it is necessary to change the way we look at data and find out how, with such a vast increase in the amount of data, we can manage it better to enable faster and more intelligent decisions," says Goran Dragosavac, National Product Manager Analytical Intelligence at SAS Institute South Africa.

SAS Institute is constantly looking forward and trying to predict market needs. For this reason SAS invests 22 percent of its profit into research and development each year, and has been able to produce products that cater for market needs as and when they occur.

"Our speakers at this event really succeeded in delivering value from all angles on BAF, from implementation through to case studies and proof of SAS' value within a business environment. BAF is a dynamic solution that has the capability to solve modern business problems and take businesses to the next level in dealing with vast amounts of information," ends Dragosavac.

Drive better risk management and business practices with Solvency II

By Andre Zitzke, Head of Risk Practice at SAS Institute South Africa

Solvency II is the latest iteration of regulatory compliance legislation for insurance firms in the European Union, and is due to go live at the end of October in 2012. But while this legislation will not be enforceable outside the EU, it provides some best practice guidelines that can be put into place to not only more effectively manage the risk of South African insurers, but help to improve business practices as well.

The regulation is being put into place for a number of reasons, including the volatility of investment markets, the convergence of financial services, increasing complexity of financial instruments, products, options and guarantees and a general shift across financial services towards risk based capital requirements. These issues are not exclusive to the European market, and as a result, measures being taken to address them are applicable the world over.

The Solvency II approach

The Solvency II approach uses a three pillar model, with each pillar reinforcing the other in a risk based economic framework to provide better risk governance. The first pillar addresses quantitative requirements such as the amount of capital needed by an insurer. Pillar two focuses on qualitative measures including requirements for governance and risk management, as well as for the effective supervision of insurers. The final pillar centres on disclosures, transparency and reporting.

These three aspects work together to promote better regulation through a principle-based and risk sensitive solvency regime. They also aim to align capital requirements to an insurer's risk profile, install risk awareness into governance, operations and decision making, and protect policy holders and beneficiaries.

This means that if insurers can lower risk profiles, capital requirements will also be significantly lowered. Other implications include unbundling and greater transparency of product offerings, which can be priced according to capital, leading to aggressive pricing and tougher competition, as well as increased mitigation of risk in terms of assets and liabilities.

Gaining business advantage

Translated into business, this means that insurers which adopt the principles of Solvency II will be able to optimise product design and pricing calculation to align with the customer base and risk-capital constraints, as well as take advantage of other benefits of improved risk management.

Risk management will also help to protect insurers against future losses and realise expected returns by optimising investment strategies and taking risk-capital constraints into account. Optimising capital allocation to profitable lines of business, sales channels, customers and regions will lead to increased profitability, as will improving ratings and reducing the costs of capital.

Solvency II guidelines also help to reduce earning volatility and improve the insurer's financial position by anticipating and mitigating future risk, as well as by tailoring risk transfer arrangements to take into account risk-capital constraints.

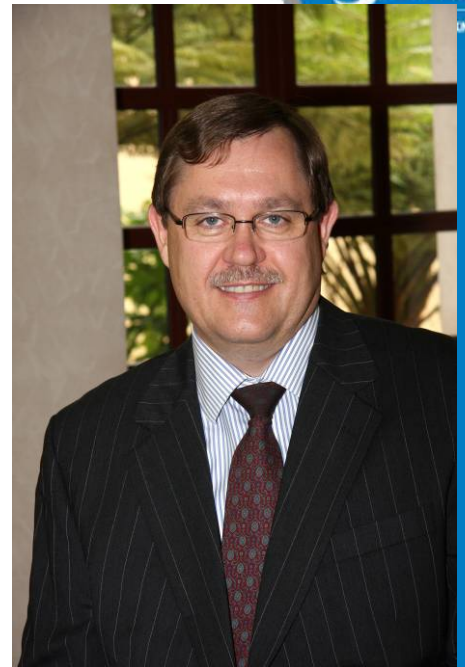
This helps to promote a risk culture within organisations according to governance, reporting, documentation and information, allowing risk to be measured, monitoring and adjusting risk according to the performance of the company,

Challenges

Implementing risk management processes and procedures can be a challenging task for a number of reasons. The issue of multiple siloes of information held in legacy systems makes data management challenging, as data quality, availability and consistency may not be up to standard.

Risk modelling is made difficult as a result, as integrating existing legacy technology and calibration of risk models may be a complex task, and these systems may not support operational, credit, market and actuarial risk.

In terms of risk governance, reporting and implementation, insurers may come up against difficulties when aggregating risk, as well as in the management, transparency and documentation of processes.



Timing, costs and the integration of existing technology for risk modelling, as well as scarcity of resources and expertise may all pose challenges for insurers when attempting to implement risk management in line with Solvency II.

The solution

To benefit from best practice guidelines as laid out in Solvency II requires investment into technology to manage risk across an organisation in an integrated fashion.

Risks are often interlinks and understanding how these links affect the business is of paramount importance. The systems which manage this are not only a part of a regulatory approach, but can also be used to drive more effective and efficient business behaviour and practices.

Solutions should include a robust risk data platform for data modelling and data management processes, an integrated analytical platform for valuation, modelling and pricing, an open and flexible system for progressively adopting evolving risk analysis and business intelligence tools for the dissemination of risk information.

Proven solutions from a vendor with good vision will provide a comprehensive and cohesive solutions framework for managing risk.

LOCAL NEWS

SAS sponsors more than R10 000 towards future statisticians in South Africa

SAS Institute proudly sponsored the 2008/2009 South African Statistical Association (SASA) Honours Project Competition with a total contribution of more than R10 000 in prize money. The Honours Project Competition, which was held in June this year called, for projects by students completing their Honours in Statistics and in total eight projects were received from four universities, all of which were of a very high standard.

"The judges expressed that it was very difficult to rank the projects this year due to the high standard and SAS is continually impressed with standard of work from these statisticians of the future. We are pleased to sponsor the three cash prizes for the top three out of eight honours projects received this year and feel this event and does much to showcase the talent of the future," says Lydia Mogoboe, Sales Executive at SAS Institute.

First prize went to Laura Tim, who won R5000 for her project on An Alternative Approach to the Westlake Confidence Interval Method for Bio-Equivalence Trials from Wits University. Second place was taken by Rinoli Odayar, who performed an Analysis of the University of Cape Town Mathematics Competition and went home with R3500. The project which came in third place was done by Tarylee Reddy from the University of Kwa-Zulu Natal.

INTERNATIONAL NEWS

SAS plans additional 1.2 megawatt solar farm

Teaming with groSolar and FLS Energy, SAS will provide power to local community

SAS, the leader in business analytics software and services, working with groSolar and FLS Energy, will develop a second solar farm on the company's Cary, NC, headquarters campus. Scheduled for completion by late March 2010, the 1.2 megawatt capacity addition will generate an estimated 1.9 million kilowatt-hours (kWh) annually, enough to power more than 200 homes.

SAS Solar Farm 2 will comprise some 5,200 photovoltaic panels, covering about seven acres near the existing system off Trenton Road. The design of the system will take advantage of the natural topography using a sun-tracking system to optimise sun exposure and power generation. Progress Energy will purchase the generated electricity for the public energy grid.

SAS marks 20 years of JMP software

JMP grows as customers increasingly seek interactive desktop analytics, data visualisation capabilities

SAS, the leader in business analytics software and services, celebrated the 20th anniversary of JMP statistical discovery software this month.

Pronounced "jump," JMP is exploratory data analysis and modelling software for the desktop. Designed to be interactive and easy to use, JMP makes data analysis and discoveries visual and helps users communicate their discoveries to others. JMP links graphs to each other and to data, enabling users to easily see trends, outliers and other patterns hidden in data.

Product in the Spotlight

SAS for Sustainability Management

Predict and respond to environmental, social, and economic risks and opportunities

Organisational performance now requires sustainability measures across social, environmental and economic factors, which in turn requires the vital steps of integrating and analysing data to achieve new goals and transform internal organisational cultures.

The most strategic enterprises will use data, and the intelligence gained from it, to their competitive advantage – driving increased brand value through innovation, improving internal efficiencies and accountability, and engendering loyalty of consumers, employees and other stakeholders.

SAS for Sustainability Management enables an organisation to measure, manage and report on the Triple Bottom Line – environmental, social and economic indicators – and determine business strategies that reduce risk and increase shareholder value.

Read more at: <http://www.sas.com/solutions/sustainability/index.html>



Upcoming Events

Reach for a Dream Cycle Challenge	Johannesburg	15 November 2009
SAS Alliance Forum Event	SAS Offices Johannesburg	17th November 2009
SAS Corporate Golf Day	Sandton	19 November 2009
M & E training	Pretoria	23 - 27 November 2009

The bit at the end

We hope you enjoyed this edition of SAS Talk, if you have any suggestions for improvement, comments or interesting SAS info, please email marketing@zaf.sas.com.