



NEW APPROACH NETS MILLIONS IN SAVINGS FOR MBF

New regulations, rising costs from suppliers and recent expansion from mergers and acquisitions had MBF feeling the heat. But with the help of SAS® and a BI Competency Center, the company consolidated, integrated and applied advanced analytics to its data, helping MBF identify better ways to serve its members, improve healthcare outcomes and reduce costs.

Industry

Insurance

Business Issue

Decision makers were receiving questionable and contradictory information because reports were being generated from a variety of sources.

Solution

SAS and a BI Competency Center helped MBF consolidate, integrate and apply advanced analytics to data, giving decision makers accurate information and reports they can trust.

Benefits

MBF can better identify ways to service its customers and reduce costs. External audits indicate the additional value generated as a result runs into millions of dollars.

The MBF Group is Australia's largest privately-owned health insurer. Providing coverage to two million Australians, it's second only to government-owned insurance in market share. The MBF Group also offers services such as travel insurance and retirement solutions to both corporate and private consumers.

Recently, two factors have exacerbated business pressures on the group: new regulations and rising costs from suppliers. Health insurance is a highly regulated industry, and one of the implications is that MBF cannot simply pass on additional costs to its members. "It's important that we are efficient and have clear insight into costs," says Paul Ormonde-James, who heads MBF's Group Business Intelligence (BI) Unit.

Complicating matters was the fact that MBF Group had expanded through a series of mergers and acquisitions. As a result, much of its corporate data was in silos, and while the main organization had a data warehouse, it was under-utilized. Employees were generating thousands of reports from different sources, using their own methods to extract and manipulate the data.

"People were generating contradictory reports on identical topics, and executives rarely asked where they sourced the data," Ormonde-James explains. "The inconsistencies meant analysts were spending 80 percent of their time finding and just cleaning the data." It also meant important decisions were being made on questionable and competing information

and, says Ormonde-James, "We simply weren't being forward-thinking with our information."

A change in business culture was critical to the company's transformation, but so too was having the right technology solutions in place to facilitate the changes. In the case of a medical insurer with many products and information systems, the ability to view all of the data relating to a particular customer is a critical first step to being able to offer the right tailored products and services – which will impact the bottom line.



After a lengthy selection process, the group chose SAS as its long-term partner. "SAS understood our vision. They added value on the technology front, but most of all they helped to sell the concept of business intelligence and to re-educate the organization." With its sophisticated – yet easy-to-use – analytics and predictive capabilities, SAS® Business Intelligence enables smarter and faster decision making in the business units. Analysts are also challenged to make more sophisticated discoveries, contributing to a more fulfilling career – a passion for Ormonde-James. "Retaining talented analysts reduces HR and management

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Paul Ormonde-James
Head of MBF’s Group Business Intelligence

costs, it increases access to knowledge and helps build a more stable environment,” he says.

“The analysts are now saying to their internal customers, ‘I’ve not only answered the question you asked, but also the question you should have asked’. That’s where an analyst brings true value: Not by answering a question, but by solving a problem. And now they have time to do that – time to think creatively, time to go places with their thinking where the competition can’t go.” Ormonde-James says this is the real future of BI – not simply answering questions, nor even merely solving problems, but rather, exploring opportunities.

For example, SAS helps MBF identify new health care resources for the members who can most benefit from them, resulting in improved healthcare outcomes, healthier members and reduced costs.

Ormonde-James adds happily, “These great changes are directly attributable to our choice of SAS.”

Measurable results – “into millions of dollars”

MBF formalized this proactive approach by implementing a Business Intelligence Competency Center. “One of the biggest challenges we face – and this is true of all the organizations where I have worked – is that IT does not understand the business issues, and business does not understand the structure of data,” Ormonde-James says. “As a result, neither the IT service approach nor the self-service approach really works. You need a specialist unit that straddles both business and IT, and offers a framework for solving problems in a consistent manner.” MBF has 12 people in the BI Competency Center who can be called upon (“like a SWAT team,” says Ormonde-James) to back up the 50 analysts who are out in the front line with the business units.

The bottom line? Through its innovative use of SAS in analytics as well as the new BI Competency Center, MBF’s sales and marketing efforts are better informed and therefore better targeted. Leveraging its brand and business intelligence from SAS, the company has expanded its market share potential, beginning with cross-selling and upselling to its existing member base. Ormonde-James has hard proof of the insurer’s success, “We’ve done analysis with external consultants to define the return that SAS provides and it runs into millions of dollars,” Ormonde-James says. “Today, business competition revolves around who has the fastest, most reliable access to information and who uses it to best advantage. SAS not only provided the technical solution, but also understood our vision, and was always there when we needed help.”



**THE
POWER
TO KNOW.**

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