

Norwich Union calls on Kognitio to build and run a customer development database, MIDAS

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Steve Gray, Director of MIDAS, Norwich Union

Introduction

Norwich Union is an Aviva company. Aviva is the world's sixth-largest insurance group and the biggest in the UK. It is one of the leading providers of life and pensions products in Europe and has substantial businesses elsewhere around the world. Its main activities are long-term savings, fund management and general insurance.

The Challenge of Customer Development

Technological advances have allowed companies to understand their customers to a level unimagined only years ago. Creating a fully integrated customer development plan based on the 'one-to-one' communication principle is now a reality for many companies in financial services. With this increased ability to improve communications with customers, has also come the opportunity to increase the understanding of what the customer wants and provide the products demanded. The main opportunity however has also been to achieve this while realizing the benefits of reduced contact and distribution costs.

Norwich Union recognized that if it fully embraced the concept of customer development through direct marketing to a growing direct customer base, there would be huge potential for increased business. For some years it had experimented with the concepts of direct marketing, primarily in the field of direct mail and inbound telephone marketing. The problem had been their reliance on legacy computer systems that acted independently of each other and were organized at policy level. They had a need to take that all-important step of creating a truly integrated customer database.

An integrated customer database solution

Having made a decision to embrace the potential technology available, they formed a dedicated team to progress the project with the code name MIDAS. It was important that the board was fully behind the project and therefore a sound business case needed to be made, before full financial backing could be given. Kognitio, as acknowledged experts in this field, provided significant consultancy input to the project to help win the business case.

“This project, given the code name MIDAS, is very important for Norwich Union. Since we need to use a wide range of different software applications, we decided very early in the process that it was essential that we have one industry standard database to work from, which can feed all the software analysis packages we choose in the future,” comments Steve Gray, Director of MIDAS, Norwich Union.

With the backing of the board, the team set creating a database that would ultimately bring together over 20 separate computer source systems. The integration of these systems would enable Norwich Union for the first time to view and interrogate the computer at customer level.

The objective

The ultimate objective was to understand the customer base and, from this, create highly targeted direct marketing campaigns. By refining the level of contact and increasing the effectiveness of each campaign, a reduction in marketing expenditure would create a proportional increase in return.

Challenge

The UK's largest insurance group seeks to gain a comprehensive insight into their customers and understand how they can interact more effectively with them.


Solution

Norwich Union decides to have an integrated customer database built, run and maintained using Kognitio's experience and know-how.

The ROI

Norwich Union's database is now a key part of the business and allows the organization to view and interrogate their database at the customer level.





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The first phase of the project had to be completed in 9 months from start to finish within a tight budget and the margin for error was very little. Phase one consisted of the design of the new database, the extraction, analysis, migration, cleansing and fusion of data to populate it, and development of software to keep it updated. "Speed was very important for this project. Too many projects take too long to deliver and lose the support of business users," continues Gray.

Building the database

The next decision was whether to develop the database in-house or find outside contractors to complete the task. As is the norm, there was little spare capacity in the IT department to divert resources to such a major undertaking.

Completing the task in 9 months could only be achieved by involving the resources of an outside supplier. An open invitation to tender for the business resulted in several companies bidding and Kognitio being awarded the contract. "We chose Kognitio because they demonstrated an understanding of the commercial issues surrounding the business case and an ability to deliver a practical technical solution. This is a unique combination of skills and expertise," continues Gray.

Project Completion

The new database went live on the due date and within the planned budget. Based on Kognitio's customer and management information system, "CaMIS", Norwich Union then chose a 'front-end' software through which the contents could be viewed.

Future phases of the MIDAS project involve further development and integration of the database, with both internal and external systems. Kognitio are continuing to ensure that this takes place within the proposed time frame and within budget.

Kognitio provides solutions to business problems that require acquisition, rationalization and analysis of large and/or complex data

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