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Monthly Financial Close Automation and Monitoring in an actuarial department

Abstract

Avantage Reply assisted a significant Insurer in the automation of recurrent tasks in its non-life actuarial department.

The mission enabled the client to allocate more time in analysing, understanding and anticipating risks and provide decision-makers with accurate and appropriate insights to define strategic orientations.

To achieve this objective, Avantage Reply delivered a flexible solution, combining automation features of SAS technologies and the flexibility of Excel spreadsheets.

The client has now a solution that is metadata-driven, easy to maintain and modular. The solution is self-documented and includes a data dictionary, a list of inputs/outputs, business rules, data quality controls, etc. It allows users to monitor and alter a sequence of tasks without IT intervention.

THE CLIENT

Our client is a significant Insurer active on the Life and Non-Life market confronted with the need to become more performant and agile in a fast-evolving market taking advantage of new technologies and digitisation. The client faces enormous challenges ahead to meet clients' expectations for more cost efficient and tailored mobile offerings.

In this context, the client decided to invest in transforming and adapting its organisation to focus on digitisation, big data processing as well as on process automation of manual and time-consuming operations.

THE CHALLENGE

Each month, part of the actuarial non-life department was permanently under pressure to deliver, check and validate figures and report in a short period of time. The time devoted to the production of the reporting, involving the manual collection and aggregation of many different data files, meant there was little or no time left for the most important part of their job; analytics, that is to analyse, understand and anticipate risks in order to provide insights and recommendations enabling the management to take informed decisions and define strategic directions.

The poor organisation of the department was a direct consequence of this process with little transparency, collaborators working in siloes and where simply acting as "back up" for a colleague was becoming an overwhelming task.

Avantage Reply worked on delivering a solution addressing these issues; replacing human effort, freeing up time for higher-level tasks as well as facilitating the process operation by allowing any collaborator to substitute absent colleagues.

The challenge was to find a good compromise between automation and flexibility while ensuring ease of use and control over the process.

APPROACH AND SOLUTION

To achieve the objective, Avantage Reply provided a solution combining SAS automation capabilities with the flexibility of Excel spreadsheets.

The solution allows to manage interdependencies between processes taking into account arrival of data (a given task is executed only when specific data is available).

In contrast with a standard scheduler, Avantage Reply's innovative solution offered the following benefits:

- ✓ The solution can be deployed in very short delay in any business department;
- ✓ It is written in SAS Base code and can be easily customised to fit specific requirements;
- ✓ The business user keeps the control over the process without to call upon the IT department to add, delete or modify a task;
- ✓ Configuration: sequence and list of tasks, coding logic or business rules as well as the integration of multiple data sources is metadata driven. Metadata (or data over the data) is entered in Excel spreadsheets which are imported in SAS datasets;
- ✓ Monitoring of job execution of the jobs handled with emails:
    - o For each process, it is possible to define which user(s) needs to be contacted in case of error and/or successful execution;
    - o For each process, it is also possible to attach a (customised) report to the mail sent to monitoring staff.
- ✓ A standard audit report is automatically generated for each process comparing key indicators over two periods:
    - o The name of the programs executed and the date of the last modification for each program;
    - o The execution time;
    - o The potential warnings;
    - o The number of observations and the number of variables for each table created, temporary or permanently.
- ✓ The solution also handles workflow validations very easily. Each process can be validated through an interface. Once validated for a specific period, it can't be executed anymore for this period unless it is reopen. In the same way, a period can be closed. Once a period is closed no task can be executed anymore.
- ✓ Re-running capability (apply same code on same data as it was done at any point in the past) was a critical point for this actuarial department. Therefore, this solution encompasses a functionality allowing to compress and archive automatically all the programmes each time a period is closed.

RESULTS AND BENEFITS

The solution has been deployed and customised at the client site in just a couple of weeks. After that, Avantage Reply started implementing processes in the system with a limited scope. This was also the opportunity to reorganise the architecture, streamline programs as well as automating remaining manual process (such as copy/paste from SAS to Excel, creation of reports, etc.).

The numerous advantages of the solution have definitively swept aside the fears related to the change in the "closing" process. The following reporting period occurred without any incident and the Client was so thrilled, it decided to automate additional tasks, continue with performance optimisation and alleviate work.

Avantage Reply, part of the Reply Group, is specialised in Financial Services with a focus on Compliance, Risk, Treasury and Capital and Financial Performance Management. With offices in Amsterdam, Brussels, Frankfurt, Hamburg, London (head office), Luxembourg, Paris, Milan, Munich and Rome, Avantage Reply counts some of the world's most significant financial groups among its clients, including well-known and respected organisations in the Banking, Insurance, Investment Management and Services, and Post Trading Services sectors. The firm's delivery capabilities cover advisory services (Compliance/Risk/Finance/Treasury Subject Matter Expertise), Program and Project Management, Business, Functional, and Data Analysis.
For further information: www.avantagereply.com

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