

SAP Customer Success Story Insurance – Reinsurance



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Artur von Römer, Project Manager for SAP Logistics, Munich Re Group

AT A GLANCE

Summary

The Munich, Germany-based Munich Re Group leveraged IT asset and service management functionality that is standard in SAP® software to create a tailor-made solution. This global leader in reinsurance can now manage its computing resources with much greater transparency and control.

Web Site

www.munichre.com

Key Challenges

- Improve management of IT assets, including hardware, software, and licenses
- Enhance data accuracy
- Reduce the number of manual processes

Project Objectives

- Integrate new SAP software-based solution tightly with other systems
- Consolidate IT-related data centrally and make it available to all areas involved in procurement and asset management
- Improve software license management

Solution and Services

Plant maintenance and materials management functionality of SAP software, which is now found in the mySAP™ ERP solution

Why SAP Solution

Company's strategic commitment to SAP software

Implementation Highlights

- Smooth implementation thanks to close collaboration with end users
- Development of a bar code scanner solution for increased process efficiency

Key Benefits

- Support for end-to-end management of the IT life cycle
- Increased automation and streamlined processes from procurement to disposal
- Efficient license management and reporting
- Full cost control
- Improved visibility

Implementation Partner

Syskoplan AG

Existing Environment

SAP software, functionality now found in mySAP ERP

Database

Oracle

Hardware

HP

Operating System

Microsoft Windows NT, UNIX

MUNICH RE

SAP® Software-Based Solution Helps Company Get a Firmer Grip on IT Assets

Keeping Track of Hardware and Software

Effectively managing IT assets, including software licenses, is a vital task at any organization. But it can also be costly and time-consuming. To master this challenge, Munich, Germany-based Munich Re Group created a solution based on standard SAP® software functionality, which is available today in the mySAP™ ERP solution. Leveraging the plant maintenance and materials management functionality of the software, the tailor-made solution gives the world's leading reinsurance player far greater visibility and control of its IT assets.

Munich Re was established in 1880 as one of the world's first independent reinsurers. Today, the top reinsurance company has gross premiums of over €24 billion and offers coverage for property-casualty, life and health, and for such diverse risks as fire, climate change, genetic engineering, and even IT failure.

Managing Complexity

Like many businesses its size, Munich Re has a huge IT environment and needs to make the most of the hardware and software it owns and operates. This includes 3,500 desktops, as well as hundreds of printers, scanners, and servers. Keeping track of the location, type, and number of individual items is no easy matter. But it is extremely important if routine events, such as staff relocations, are to be handled efficiently. Moreover, Munich Re wanted to keep a closer eye on purchased and installed software licenses, to avoid wasting money on unused rights. Ultimately, the company needed to be able to track all IT assets from cradle to grave – from procurement to disposal.

Limited Visibility and Error-Prone Manual Procedures

Having systems that were not fully integrated meant that Munich Re lacked accurate, up-to-the-minute visibility into its costly hardware and software resources. As Artur von Römer, project manager for SAP logistics at Munich Re Group, says, "We were suffering from a lack of transparency and from imprecise information. When we took physical inventories, we discovered that some of our data was inconsistent."

Process automation was another area in urgent need of attention. Munich Re's IT management and procurement procedures involved a lot of time-consuming and error-prone manual activities. The company decided that it needed to address these challenges.

Building on Proven SAP Software Functionality

Munich Re decided to develop its own solution, IT Logistics, building on IT asset and service management functionality of SAP software, including plant maintenance and materials management functionality. Because the company standardizes more and more of its IT solutions on SAP software, using an SAP solution was the logical option.

The IT Logistics project kicked off in August 2003. Implementation was carried out by specialists from SAP partner Syskoplan and wrapped up within a year. Close collaboration with select users from each department ensured that the software met real-world needs and guaranteed a smooth go-live.

Streamlined Processes and Increased Efficiency

Over 300 users currently have access to the solution, ranging from warehouse staff to IT experts and technicians from Munich Re's external service provider. The solution links all areas involved in procurement and asset management by centrally consolidating IT-related data from a variety of systems and monitoring the movement of equipment with the help of bar codes. Technicians installing or decommissioning hardware can now document their

activities and capture relevant information rapidly and efficiently. "We no longer have to manually enter equipment data into our system," explains von Römer. "This has halved the time required for certain processes and increased productivity." Moreover, integration with Munich Re's computer-aided design systems enables the exact location of hardware to be pinpointed on floor plans.

The SAP software-based solution enhances data quality and integration, supporting end-to-end management of the entire IT life cycle. A variety of tasks are now automated, often with the help of standard SAP software workflows. The company also has increased visibility of its software licenses. This information is gathered via a homegrown tool and fed into the SAP software system, where it is used for administration. The reinsurer also generates precise reports showing which licenses are currently installed and which have to be purchased.

Greater Cost Control and Enhanced Supplier Evaluation

The solution already gives Munich Re better control over its IT spending and the company is confident that the tool will help it reduce costs. In the past, the company received a bill each month from its external service provider for desktop services, which

was quite difficult to check for accuracy: now it has a complete rundown of all work carried out. IT Logistics also allows the company to evaluate suppliers based on their ability to deliver and on price.

All in all, the company is very pleased. "The SAP software-based solution fully meets our expectations," von Römer says. "We now have a precise overview of what equipment we have, where it is located, and who is using it."

Looking Ahead

Thanks to the SAP-based IT Logistics solution, Munich Re is ideally equipped for the future. The project has laid the groundwork for an enterprise-wide rollout of software license management functionality – which is currently under way. And the company plans to upgrade to the mySAP ERP solution in 2006.

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