

## Unlocking Customer Knowledge for Friends Provident

### Data integration solution delivers ability to hone customer-centric marketing programs.

As one of the UK's leading financial services groups, Friends Provident offers savings, life assurance, health and pension plans, unit trusts, ISAs and other investment products, managing funds worth over £38 billion for its three million customers. Its two core businesses, Life and Pensions and Asset Management are in the top 10 of their respective sectors and the organization is a member of the FTSE 100 Index of leading UK companies.

Realizing the true value of customer information for use in marketing programs was becoming a major task for Friends Provident. Customer data was being held in disparate systems, making it difficult to plan marketing strategies and identify both prospects and existing opportunities. The company also wanted to deliver added value to its IFA (Independent Financial Advisor) community — a vital channel to market for Friends Provident.

“We desperately needed to improve our knowledge of customers but the data was spread across platforms — from desktop to mainframe — and sales offices operated autonomous systems. Marketing also relied a lot on mainframe data which left out some essential data, so we could not execute proper population segmentation and targeting. Managers were unhappy with the lack of customer focus in the data available and costly marketing campaigns were not delivering the expected results,” explained David Young. Whatever solution was found also had to meet another key objective for Friends Provident — to cover system costs within two years.

A radical overhaul was required in order to maximize the value of existing data to support smarter campaigns. Friends Provident realized a data integration solution was needed to extract data from the various sources and create a single customer and product-oriented database, along with scope to add further data sources in the future as the project grew. The chosen solution also had to maintain openness and offer universal data exchange from any source to any target.

After a thorough evaluation of the market, Friends Provident selected a powerful data integration solution for the extraction, transformation and loading (ETL) of data. “We needed a solution that would handle more than 5.7 million customers and 6.9 million policy records,” said Frank Sims, IT Manager, Friends Provident. “This solution enabled us to consolidate this data and convert it into a single valuable customer data resource. It simultaneously met our requirement for superior functionality, value for money and capacity for growth compared to its competition.”

Friends Provident had also recently acquired London and Manchester Group so in total, around 40 data-holding policy and client management source applications were identified, including IMS and DB2® databases, NT and mid-range servers.

*“The data integration solution met our requirement for superior functionality, value for money and flexibility for growth.”*

**David Young,**  
*Database & Direct Marketing Manager,  
Friends Provident*

#### Industry

Financial Services

#### Customer

Friends Provident

#### Business Challenges

- Extracting key information for use in marketing programs
- Customer data held in disparate systems and in different formats
- The organization needed to deliver more value to its Independent Financial Advisor (IFA) community

#### ECM Components Used in Solution

- Data Integration

#### Business Benefits

- Key systems and databases reconciled with accurate data
- Marketing programs more focused and productive
- More cost effective than hiring consultants to perform same tasks that have been automated with the solution
- Improved flexibility with business processes

## Consolidating information

Friends Provident adopted a phased approach to its new data integration strategy and delivered the first phase in just eight months. Adopting a hub and spoke architecture, the data transformation solution transformed and loaded data into a DB2 Universal Database which was copied to Marketing's NT server for live interrogation and is regularly refreshed. The data mart now reveals true, powerful business intelligence, with marketers querying the data with standard tools. Response rates for campaigns are now higher, and the department meets the sales force's expectations by identifying valuable business prospects.

"Without this solution, we could never have achieved such a large data mart application with so few people in our department. Traditional coding-based data integration would have taken a lot longer — for example, we've now got over 200 reusable ETL processes which we use to generate data marts that marketers have full access to, enabling them to examine the business definitions and manipulate the data structures that their campaigns are built upon," said Sims.

## Future partners for success

As the IFA community became more important to Friends Provident within the UK, the organization decided to create a data mart specifically aimed at supporting this area of its business. The IFA base is a crucial link between the organization and potential customers, accounting for 60%–70% of new business. Young explained, "We offer our IFA colleagues an extensive range of marketing collateral that includes flyers, posters, brochures, employee-focused presentations, specimen letters and worksite meeting support. The added value achieved through the data integration solution is the ability to provide a more pinpointed service to both customers and IFAs. We can now adopt an intelligent and targeted approach to our campaigns, ensuring that marketing activity is hitting the mark through segmentation and sophisticated targeting. We can also ensure that marketing budgets are allocated in an appropriate fashion."

## Success story

Friends Provident chose to adopt an evolutionary approach to the enhancement of its marketing activities; a strategy that, according to Young, has brought significant rewards. "We are growing our ETL project so we can tailor business processes along the way to achieve further success. In line with our strategic aims and objectives, we are now focusing on the data coming from the IFA community and will continue to incorporate this into our overall data repository over the coming months."



"In simple terms, the flexibility of the software is mirrored in the increased flexibility of the business. It's all about relevance — the customer is far more likely to consider the marketing literature issued by Friends Provident if it is of significance to them and has a bearing on their lifestyle," Young added. "Furthermore, in 2002 the amount of annual premium income (API) from marketing campaigns increased by more than four-fold. This alone has covered the investment made to develop the database."

The implementation has significantly streamlined business processes within the Marketing department, and now other parts of the organization are interested in what this technology can do for them — it's likely that this solution will be used to benefit other Business Units later this year," concluded Sims.

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Sales	Americas	Europe	Asia/Pacific	
www.opentext.com sales@opentext.com	United States 100 Tri-State Int'l Pkwy Lincolnshire IL 60069 Phone: 847-267-9330 Fax: 847-267-9332 Toll Free: 1-800-538-7723	Germany Technopark 2 Werner-von-Siemens-Ring 20 D-85630 Grasbrunn Phone: +49 89 4629 0 Fax: +49 89 4629 1199	United Kingdom Grosvenor House Horseshoe Crescent Beaconsfield Buckinghamshire HP9 1LJ Phone: +44 1494 679700 Fax: +44 1494 679707	Australia Level 12 65 Berry Street North Sydney, NSW 2060 Phone: +61 2 9026 3400 Fax: +61 2 9026 3455
North America Sales 1-800-499-6544				
International Sales +800 4996 5440				

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