

Infor PM10 and Application Studio Shine the Light on Consolidation and Reporting Excellence at Hyperion

Hyperion is an international insurance group covering wholesale and retail broking, reinsurance broking and underwriting. The group has businesses across Europe and Scandinavia, in India, Israel and Australia. Ranked first or second in many of its markets, Hyperion has ambitions to be leader in them all.

Insurance broking was the foundation of the Hyperion Insurance Group with the formation of Howden Insurance Brokers in 1994. Over the past 14 years, the Group broking operations have grown exponentially across the world.

The underwriting arm of Hyperion was formed in 1998 when the Group's first underwriting agency, DUAL Ibérica, was established in Madrid. Underwriting agency businesses act as a virtual insurer, performing all of the functions typically performed by an insurer other than retaining the ultimate balance sheet risk. Hyperion operates underwriting agency businesses through Avant, CFC Underwriting (based in the Lloyds building in London), DUAL and VK Underwriting.

Turnover has seen an average compound annual growth of 37% since the first company, Howden, was founded in 1994. When Howden was created, it employed six people in one office. Today, Hyperion employs over 600 people in 43 offices operating out of 22 countries.

Getting Business Specific

Containing separate entities throughout 22 countries, Hyperion Group had developed a very diverse IT environment. Nowhere was this more present than with regards to finance. A DataFlow general ledger and master spreadsheet, fed by an array of other systems including QuickBooks and Sage, led to issues of both consistency and clarity in the data used for decisions.

From a technological perspective, the systems were very much at breaking point. Files exceeded 100 Mb in size, causing significant delays for finance teams. When these systems were used, the information taken from them and fed to the board often became out of date as group companies made adjustments.

As a result confidence in the data being presented was low, inhibiting management decisions. As Paul Atkinson, Group Systems Accountant, Hyperion explains: "The data itself was not inaccurate. It was just we could not make use of it to get a better understanding of the business. The 'untimeliness' of the data and the presentation were real challenges."

As well as frustrating decision-making confidence, this meant additional resources were needed to consolidate the accounts from various group companies into a meaningful "whole" for the purposes of evaluation and planning. Hyperion soon found that while the individual companies were reporting accurately and in

compliance with regulatory requirements, it was unable to look at consolidated information that could illustrate a specific group or region.

Enter Infor

As a result, in 2008 a project began to implement a consolidation tool within the group. Following the development of a requirements document, an initial long list of four vendors was drawn up.

The first stage of this process was a one day consultation with each of these vendors, in which a full spreadsheet file was fed into their solutions. The results of this first round then produced a shortlist of two vendors: Infor and the Infor PM10 solution, via reseller CFMS and Cognos / IBM.

At this point, CFMS delivered additional consultancy to Hyperion, pointing out that consolidation would simply be the first stage in an evolutionary process. Paul Atkinson explains: CFMS demonstrated the Infor Application Studio alongside the PM 10. This really opened our eyes to the fact we could add in further demands for improved reporting as part of the requirements documentation. This 'business intelligence' reporting soon became a critical factor in our decision making."

Amid concerns that the Cognos product was getting a little too old, and a splintered approach from Cognos, Hyperion chose Infor.

Seeing results

The implementation of Infor PM10 has delivered results across not only the consolidation of the Hyperion group accounts but also reporting.

Firstly the information now presented to senior managers is far more consistent. Atkinson puts this down to two elements: "Early on in the implementation it became clear that we were going to expose a lot of the flaws in our old data – inaccuracies and out of date information mainly. Part of the implementation of Infor PM10 has been to rectify and correct that data, bringing it into line with what we want.

"Secondly this has then developed into better business processes. Because all the groups have to now feed in data on PM 10 we can control it much more – a discipline has been imposed in terms of the processes and workflow around entering the data and then consolidating it. This is a very simple step but makes a huge difference to the confidence".

"For example, the MD of our Broking group needed some figures for a meeting. What he was asking for would have normally taken a day to find and deliver in a meaningful way. With PM10 it took less than two minutes to have the details he needed on his Blackberry. In a business like insurance, that sort of response speed is critical."

Infor PM10 also delivers confidence as it eliminates multiple “versions of the truth” whereby different accounts, individually correct, do not tally. PM10 has delivered a standard set of information that does not move.

PM10 has also eliminated the technological barriers that were experienced with the spreadsheet based previous approach. This has enabled more than one member of staff to access the data at any one time – previously impossible.

When it comes to reporting, PM10 has delivered much more clarity and visibility. The use of Application Studio has enabled the newly consistent information and management accounts to be delivered in a consistent format to stakeholders such as shareholders and the venture capitalists behind Hyperion.

A solid example of this has been the reporting of minority interests. The entrepreneurial spirit of Hyperion means acquired businesses are not assimilated into a 'one size fits all' Hyperion model. Rather, the directors of these individual companies are incentivised with equity. This quickly builds up a complex picture of ownership and controlling percentages.

“For the first time we have been able to compile quick, regular reports on the ownership and control of these minority interests that can be signed off monthly. This is vital for our growth in the emerging markets where small, agile business units, ideal for acquisition, are thriving.”

The consolidation and improved reporting PM10 offers have also delivered a more holistic view of the business. As there is greater consistency in the comparison that can be made between group companies, there has been a corresponding increase in the ability to identify and learn from star performers.

In addition, PM10 has helped to release qualified staff from low level accounting activity: “We now have our best finance people working on policy instead of crunching numbers,” explains Atkinson. “We are saving weeks per year when it comes to developing budgets and planning. It also means we don’t have to throw human resource to solve technological problems. Spreadsheets usually need staff at every turn. PM10 does not.

Looking to the future

Whilst still an early implementation, Hyperion has already begun to extend beyond the initial parameters that were set for PM10. The integration of additional data has meant that the HR department now has far more visibility into the work force.

Atkinson concludes: “The confidence that we have in the system is remarkable. There has been a notable increase in our examination of control and processes. Issues of scalability that used to be a real challenge are no longer a concern. This means we are a lot more aggressive about what we can deliver to the business as we move forward.”