



# The Cognitive Enterprise for Oracle ERP Cloud in Insurance

Powered by IBM and Oracle



ORACLE | Partner



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# 1

## Cognitive Enterprise for Insurance

### A new era of business reinvention

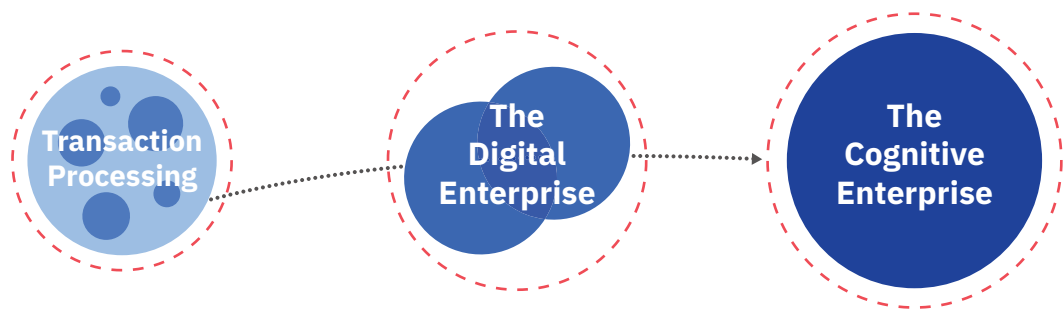
A new era of business reinvention is dawning in the insurance industry. Organizations are facing an unprecedented convergence of technological, social and regulatory forces. As cloud, artificial intelligence (AI), automation, Internet of Things (IoT), blockchain and 5G become pervasive, their combined impact will reshape standard business architectures and business as usual.

We call this next-generation business model...

**The Cognitive Enterprise**

# The shift to a Cognitive Enterprise

Radically changes how organizations create, deliver, and capture value



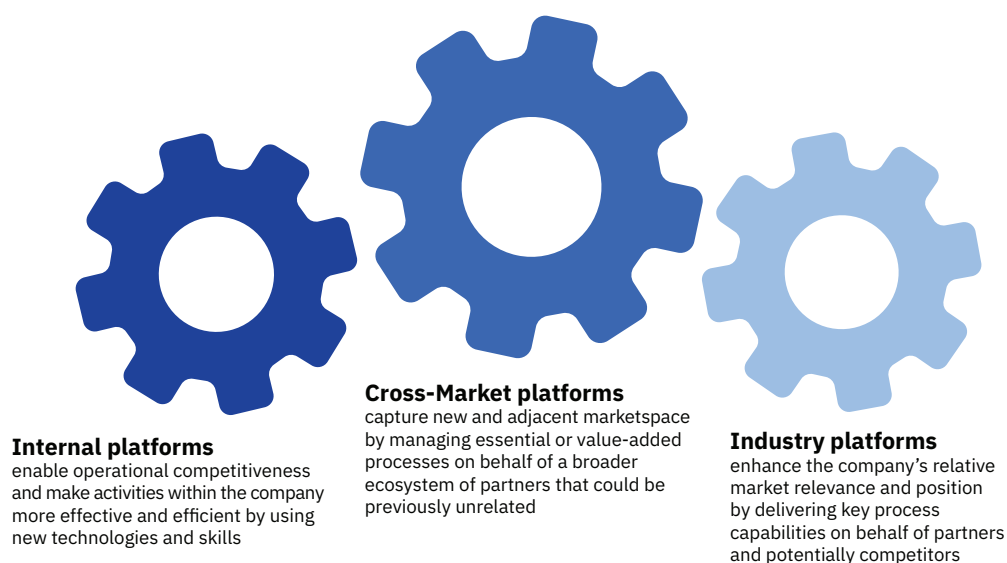
<b>WHAT</b>	Early information technology improved efficiency by applying technology to individual resources or processes	Digital transformation digitizes whole aspects of a business producing customer experiences that support what individuals need or want	The cognitive enterprise incorporates exponential technologies to create revenues and results via <b>innovative strategies, products, platforms, process transformation, and user experiences.</b>
<b>HOW</b>	<ul style="list-style-type: none"> <li>• Paper tracking</li> <li>• Lift and shift</li> <li>• Limited use productivity tools</li> <li>• Labor arbitrage</li> <li>• Localized practices</li> <li>• Labor arbitrage Limited</li> <li>• Globalization of practices</li> </ul>	<ul style="list-style-type: none"> <li>• Process automation point solutions</li> <li>• Design thinking principles</li> <li>• Enterprise adoption and change management</li> </ul>	<ul style="list-style-type: none"> <li>• Intelligent workflows</li> <li>• Pervasive automation</li> <li>• Design Thinking+ agile</li> <li>• Rapid experimentation</li> <li>• Embedded change mindset</li> <li>• Work elimination with blockchain</li> </ul>

## What is a Cognitive Enterprise?

To understand what a Cognitive Enterprise is, it is important to understand a fundamental concept called business platforms. As insurance companies around the world describe their strategies in terms of platforms, they are anchoring to the idea of a “stage” or “field of operation” — an area where a range of unique capabilities can be deployed and where the companies can seek to establish a control point over a range of value-creating activities.

Thus, **business platforms differentiate an organization by combining data, unique workflows and expertise to drive competitive advantage.** Examples include claims processing for an insurer. Such Business Platforms will often be underpinned by technology platforms and may connect into other ecosystem business platforms as well.

**Figure 2**  
Types of Business Platforms



**Source:** IBM Institute for Business Value (IBV) analysis

Imagine the **Cognitive Enterprise as composed of multiple business platforms.** One or more of these acts as the core or primary platform(s), providing key differentiation.

At IBM, we see companies placing bets on the creation of business platforms to solidify competitive advantage and differentiation. These platforms must be digitally connected from the outside-in and cognitively enabled from the inside-out. Others see the chance to play a platform role across their industries. A few companies are using platforms to expand their expertise and compete in markets adjacent to — but until now separate from — their traditional businesses.

# 2

## Insurance Industry Adoption of Business Platforms

IBM interviewed **1,000** global insurance executives in various C-Suite roles. Questions centered on insurance platforms regarding participants' readiness, platform benefits, and the role platforms will play within the insurance industry going forward.

Respondents were grouped into outperforming and average insurers by premium growth and efficiency.

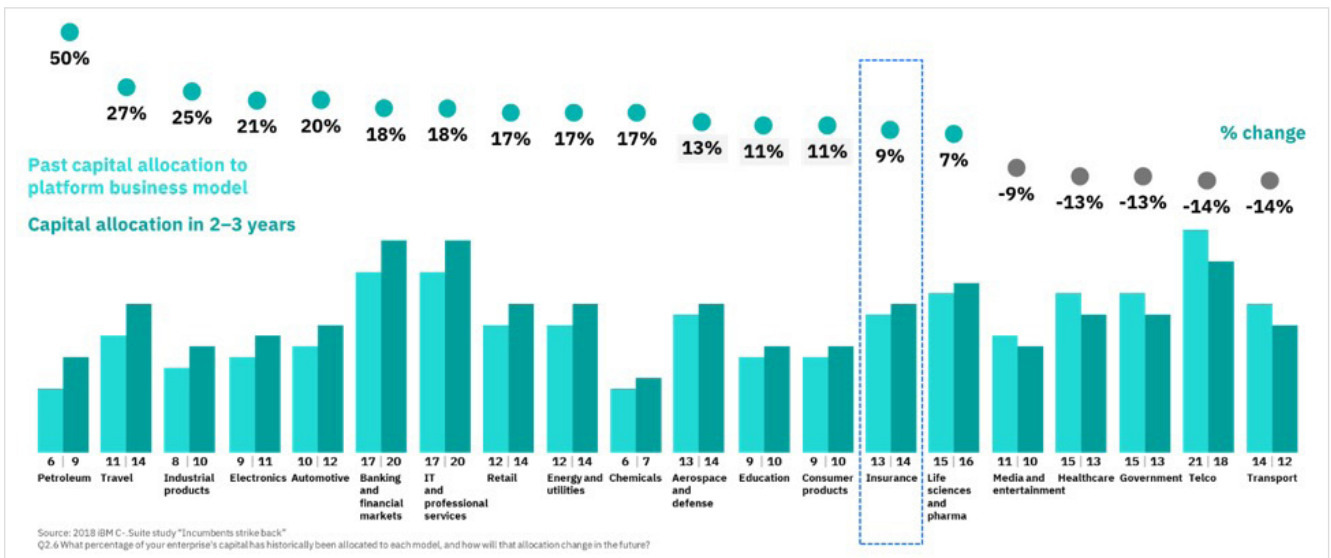
Our survey indicates that **32%** insurers are outperformers from platform adoption standpoint. (Ref - Source: 2018 IBM Institute for Business Value Platform survey.)



**Source:** 2018 IBM Institute for Business Value Platform survey



Based on a C-Suite study, “Incumbents strike back”, performed by IBM, the capital allocation for business platforms could go up to \$1.2 trillion in the next 2 – 3 years across all industries. The striking revelation is that while many industries are upping the ante on platforms, insurance can do better!





# 3

## Digital ERP For Cognitive Enterprise using IBM and Oracle solutions

The role of ERP is changing in the Insurance industry. Digital ERP has the potential to not only modernize the back-office finance and accounting function but also influence overall corporate strategy.

IBM and Oracle technologies are designed to work cohesively for the insurance industry to adapt to the future demands of change across multiple finance, supply chain and reporting challenges.

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In a recent survey for CFO Magazine when asked about the state of their finance function's technology, most of the respondents — a combined 63% — describe it as “inefficient,” “silo-constrained,” or “not linked to decision-making.”

— CFO Magazine

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**ORACLE®**

**IBM®**

 <b>Procure to Pay</b>	Sourcing Supplier Qualification Accounts Payable and OCR/Scanning Intelligent Payments	Watson Supplier IQ Robotic Process Automation for AP Watson AP Agent Assist
 <b>Sale to Cash</b>	Accounts Reconciliation CPQ (Configure Price Quote) Cloud Cash Management Reval Treasury	IBM Cognitive Collections
 <b>Record to Report</b>	General Ledger Financial Consolidation and Close Cloud Insurance Analyzer Oracle Blockchain Intercompany	IBM Blockchain Chart of Accounts Mapper Insurance Information Warehouse Algo Workspace Analyzer

# 4

## Finance and Procurement Challenges

Three-quarters of CFOs have cited existential threats of some kind to their enterprises' current business model.

- Six in ten CFOs point to more **innovative competitors** delivering more compelling value propositions.
- Three in ten indicate **new entrants are taking market share**, and approximately one in six point to some combination of product commoditization eroding margins, or online and mobile channel threats.
- One-sixth cite their own **enterprise's struggle to scale for growth** as a leading issue.

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“An effective finance organization is not enough – we have to help enable the rest of the enterprise to be agile. That requires reliability, support and understanding the business through insights”

### **CFO – Brazil**

**Source:** Elevate Your Enterprise – IBM C-Suite Institute for Value

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“We use digital and cognitive capability for better decision making and collaboration.”

### **CFO – India**

**Source:** Elevate Your Enterprise – IBM C-Suite Institute for Value

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# Finance and Procurement challenges in the Insurance Industry



## Regulatory Compliance

- Significant changes in regulation within the industry such as IFRS17 require more complex mechanisms for tracking and reporting financial results
- Enabling the necessary data analysis to be completed is time consuming and complex



## Customer Experience

- From initial customer interaction to managing the recovery of debt insurers often have a complex and disparate set of processes to manage customers
- Bringing these systems together will support a better customer experience and help improve margins



## Fraud

- Fraud within the insurance industry reduces trust and increases premiums for customers
- Maintaining the necessary provenance, reliability and consistency in claims when there can be multiple parties is critical to swiftly resolving issues and providing transparency



## AP Management

- Significant effort is often required in managing and matching invoices as well as dealing with queries from internal and external stakeholders on the status of invoices
- Additional burdens placed on the AP department can lead to delayed payments and missed opportunities to take discount



## Cash and Treasury

- Reconciling and managing multiple bank accounts can be time consuming with many thousands of entries and potential exceptions
- Fluctuations in exchange rates require constant monitoring to manage the risk and exposure from FX rate changes



## COA Design

- New reporting and legislative requirements often lead to revisions in the chart of accounts structure
- Managing the transition between the historic structure and new structure requires significant re-mapping and reconciliation work not only for the GL but all sub-ledger related transactions



### **Procurement Efficiencies**

- Sourcing from suppliers can be a bureaucratic process, with data maintained about suppliers locally and research carried out at time of sourcing
- This can often be unreliable and lead to poor decisions based on incomplete data sets about suppliers



### **Complex Cost Accounting and Intercompany Trading**

- Insurers often have sophisticated legal, reporting and managerial structures to support the business which can result in high volumes of intercompany activity
- In addition it introduces complex consolidation needs, with multiple entities each of whom could potentially have differing source data which needs to be brought together for reporting

# 5

## Regulatory Compliance

IFRS 17 and Long Duration Targeted Improvements (LDTI) are two sweeping regulatory changes on the horizon for insurers.

Insurers might be required to calculate, track and report financial details at more granular levels. Most insurers' finance divisions still depend on hundreds, or even thousands, of spreadsheets, with significant human intervention.

IBM believes that the regulatory challenges spans 4 major areas:

- Methodology
- Accounting Hub and General Ledger Integration
- Data Computation
- Business Benefit

There won't be a one-size-fits-all solution to these challenges. So, IBM and Oracle have a host of offerings in this space to meet diverse needs of clients.

**Solution 1–IBM Insurance Information Warehouse (IIW)** IBM® Insurance Information Warehouse (IIW) provides a blue print for insurers to capture their financial reporting needs across their business units and meet the challenges of unprecedented change in their regulatory and reporting requirements.

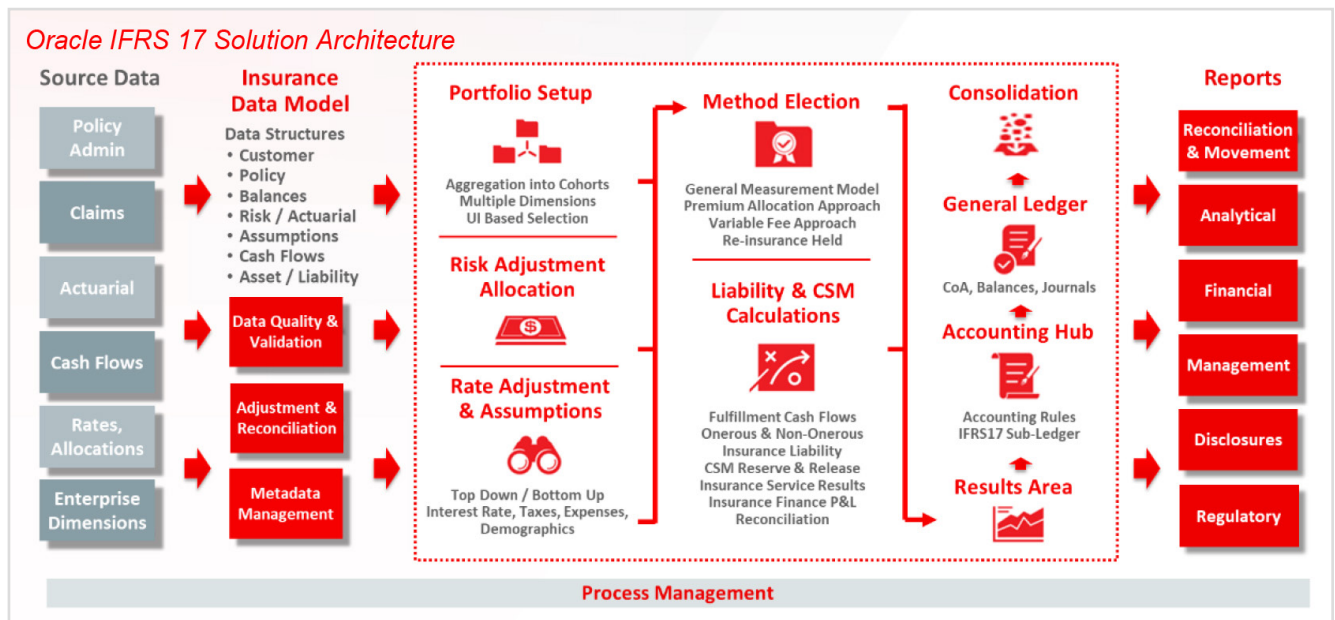
More Information can be found at [ibm.com/downloads/cas/NOQLN5XD](http://ibm.com/downloads/cas/NOQLN5XD)

**Solution 2–IBM Algo Workspace Analyzer** offers an evolutionary approach to meet challenges resulting from traditional risk solutions becoming

obsolete. Implementing the IFRS 17 reporting standard means insurers will need to contend with multiple data sources, large data volumes and intensive calculations. Consequently, as IBM explains, insurance providers will require platforms built for performance, scalability and ease of data integration.

More Information can be found at [ibm.com/downloads/cas/Q3DJGLJX](http://ibm.com/downloads/cas/Q3DJGLJX)

**Solution 3–Oracle Insurance Analyzer** is built on OFSAA (Oracle Financial Services Analytical Applications) foundation with integration with ERP General Ledger and Oracle Accounting Hub Cloud Service



**Source:** Oracle IFRS 17 Solution Architecture.  
©Oracle, Courtesy of Oracle Financial Services IFRS 17 Solutions



# 6

## Capitalize on Customer Experience

The Insurance industry has a unique Quote to Cash business process critical to ensure faster closure of deals, increased sales, maximized margins, and attractive commissions for agents. The Quote to Cash process intertwines business applications such as Policy Administration, CRM, ERP and Customer Contract Centers.

Oracle CPQ (Configure, Price, Quote) Cloud platform is positioned to address a client's needs from front-to back-office. Whilst the Oracle CPQ Cloud platform provides its own rich functionality it can be used to support industry hardened packaged integrations to all the market's top CRM and ERP systems.

Oracles CPQ functionality supports the insurance industry requirements by providing:

### **Configure:**

- A guided selling approach, providing directed guidance to meet customer needs
- Available on any device, allowing field sales as well as online and phone sales to be easily managed

### **Price:**

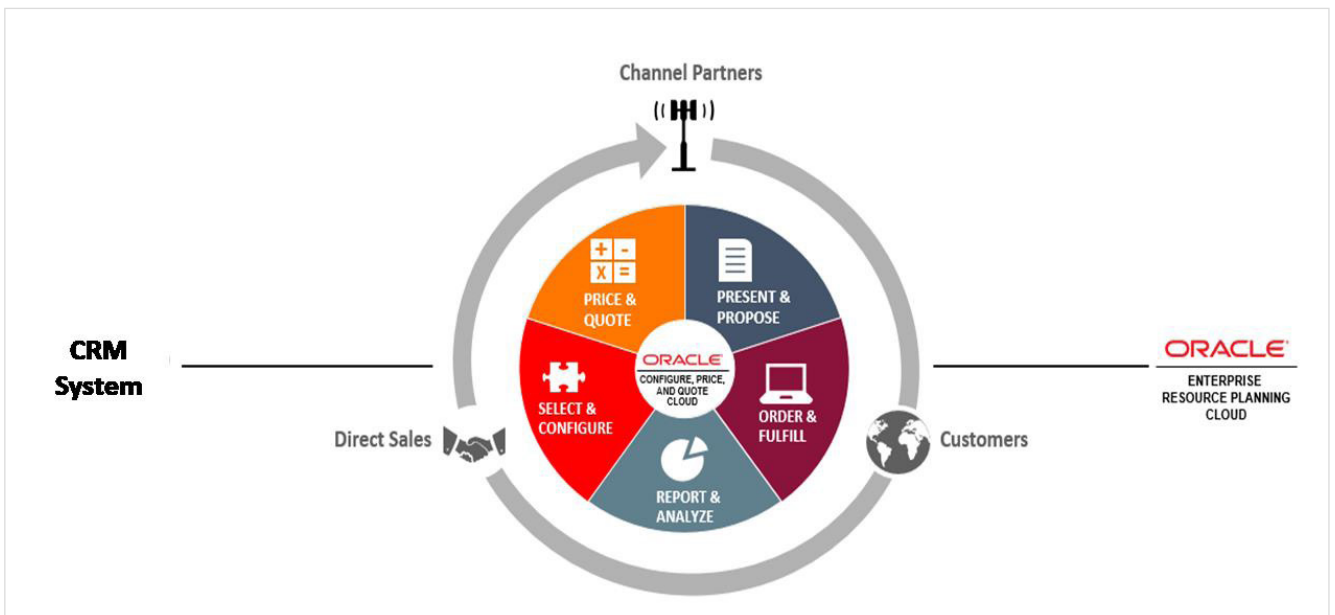
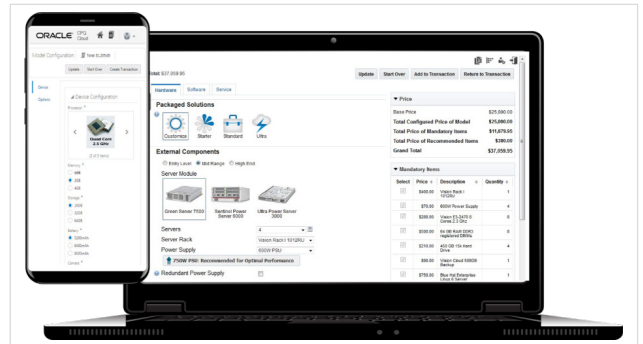
- Supports complex pricing models by multiple customer segment types
- Identifies those products and offerings which allow margin to be maximized

**Quote:**

- Generates dynamic contracts which can be routed for approval
- Produces rich formatted documents throughout the entire sales cycle

Oracle CPQ provides the opportunity to leverage existing IT investments and integrate seamlessly with existing systems to help orchestrate the sales process.

- It integrates seamlessly with CRM and ERP systems including Oracle as well as 3<sup>rd</sup> party applications.
- Connects to web-services to support dynamic data exchanges in scenarios such as pricing checks, e-signatures and currency fluctuations



With a singularly integrated end-to-end configure-price and quote capabilities. This CPQ platform's value proposition is further enhanced by

IBM's Cognitive Quote offering seamlessly embeds IBM Watson cognitive capabilities within the user flow of the Oracle CPQ Cloud UI's user experience.



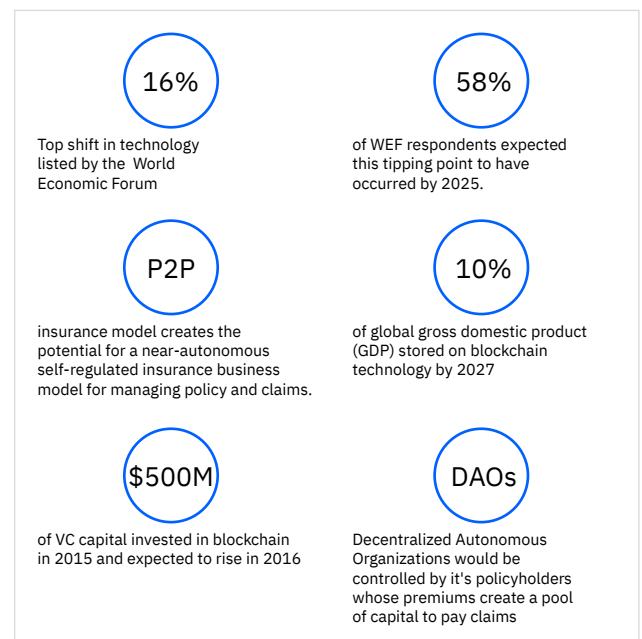
# 7

## Enterprise Blockchain

Insurance companies really are in the business of delivering on the promise of TRUST to clients. Dealing with fraud adds time and expense, while reducing trust systemically. Blockchain's shared, replicated, and permissioned ledger is the solution to ensure consensus, provenance, immutability, finality.

The Coalition Against Insurance Fraud conservatively estimates that \$80B a year is stolen across all lines of insurance

There is significant investment and future opportunity within insurance for blockchain



B3i is a group of 17 leading insurers who have come together to promote use of blockchain. B3i focuses on using blockchain to remove friction in risk transfer by developing standards, protocols and network infrastructure for insurance industry.

Why blockchain should be a part of enterprise applications strategy?

- Business applications and use cases will invariably connect with enterprise applications – primarily ERP being a System of Record (SOR) for accounting
- Integration between ERP and blockchain would improve transparency and control
- Customers, business partners, suppliers and employees are going to be participants in blockchain. They are often mastered in enterprise applications (ERP, HCM or CRM), and such applications drive process orchestration among those participants.

Oracle Blockchain is built on Hyperledger Fabric. IBM has a long association with Hyperledger as a founding member since, IBM has delivered 500+ blockchain engagements since in this time.

IBM's blockchain capability is ranked number 1 by both Juniper Research and HFS Research

It has partnered its blockchain solutions with its Cognitive Collections capability to create a powerful revenue management solution

IBM's Order to Cash offering enables digitization and leverages **Blockchain and IBM Cognitive Collections Platform** to optimize working capital and reduce operating costs and minimize disputes.

**5-7 Days**

Improvement in days sales outstanding (DSO) through IBM's Cognitive Collections Platform

**40-60%**

Reduction in finance operational run rate using customer self-serve, digitization, smart workflows and transparency

**15-20%**

Decrease in revenue leakage through improved dispute management enabled by Blockchain

# 8

## Automation in AP

According to a recent survey for the AP Association:

- 57% of all invoices were just received loosely on pieces of paper
- 54% of businesses said invoices were being sent to the wrong place
- 36% said they were concerned with late payments due to process delays

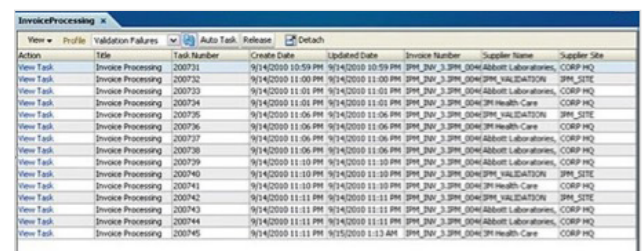
The receipt, sorting and management of supplier invoices often leads to a large amount of paper being handled by accounts payable, procurement and approvers. This can lead to delays in payment, lost paperwork and a frustrating experience for internal stakeholders as well as the supplier.

Multiple invoice contact points for suppliers and manual workflow for each invoice incurs a significant cost in the processing of each invoice.

## Integrated Invoice Imaging Center

The **Integrated Invoice Imaging** Center from Oracle provides 2 primary options to enable the automated receipt, match and workflow of invoices:

- Suppliers email their invoices to a common address from where it will be imported directly into the ERP
- Where suppliers still send paper copies, scan the invoice locally to create an electronic record and have the invoices automatically imported into the ERP



Action	Title	Task Number	Create Date	Updated Date	Invoice Number	Supplier Name	Supplier Site
View Task	Invoice Processing	200731	10/14/2010 10:59 PM	10/14/2010 10:59 PM	SPH_INV_3.SPH_0043Abbott Laboratories	LABORATORIES	CORP HQ
View Task	Invoice Processing	200732	10/14/2010 11:00 PM	10/14/2010 11:00 PM	SPH_INV_3.SPH_0043PH_VALIDATION	SPH_SITE	
View Task	Invoice Processing	200733	10/14/2010 11:01 PM	10/14/2010 11:01 PM	SPH_INV_3.SPH_0043Abbott Laboratories	LABORATORIES	CORP HQ
View Task	Invoice Processing	200734	10/14/2010 11:01 PM	10/14/2010 11:01 PM	SPH_INV_3.SPH_0043PH_Health Care	LABORATORIES	CORP HQ
View Task	Invoice Processing	200735	10/14/2010 11:06 PM	10/14/2010 11:06 PM	SPH_INV_3.SPH_0043PH_VALIDATION	SPH_SITE	
View Task	Invoice Processing	200736	10/14/2010 11:06 PM	10/14/2010 11:06 PM	SPH_INV_3.SPH_0043PH_Health Care	LABORATORIES	CORP HQ
View Task	Invoice Processing	200737	10/14/2010 11:06 PM	10/14/2010 11:06 PM	SPH_INV_3.SPH_0043Abbott Laboratories	LABORATORIES	CORP HQ
View Task	Invoice Processing	200738	10/14/2010 11:06 PM	10/14/2010 11:06 PM	SPH_INV_3.SPH_0043Abbott Laboratories	LABORATORIES	CORP HQ
View Task	Invoice Processing	200739	10/14/2010 11:10 PM	10/14/2010 11:10 PM	SPH_INV_3.SPH_0043Abbott Laboratories	LABORATORIES	CORP HQ
View Task	Invoice Processing	200740	10/14/2010 11:10 PM	10/14/2010 11:10 PM	SPH_INV_3.SPH_0043PH_VALIDATION	SPH_SITE	
View Task	Invoice Processing	200741	10/14/2010 11:10 PM	10/14/2010 11:10 PM	SPH_INV_3.SPH_0043PH_Health Care	LABORATORIES	CORP HQ
View Task	Invoice Processing	200742	10/14/2010 11:11 PM	10/14/2010 11:11 PM	SPH_INV_3.SPH_0043PH_VALIDATION	SPH_SITE	
View Task	Invoice Processing	200743	10/14/2010 11:11 PM	10/14/2010 11:11 PM	SPH_INV_3.SPH_0043Abbott Laboratories	LABORATORIES	CORP HQ
View Task	Invoice Processing	200744	10/14/2010 11:11 PM	10/14/2010 11:11 PM	SPH_INV_3.SPH_0043Abbott Laboratories	LABORATORIES	CORP HQ
View Task	Invoice Processing	200745	10/14/2010 11:11 PM	10/15/2010 1:11 AM	SPH_INV_3.SPH_0043PH_Health Care	LABORATORIES	CORP HQ

Whether scanned or received via email, Oracle's Intelligent Character Recognition will read the invoice, create an invoice record, attempt to match to a Purchase Order (where appropriate) and where there are exceptions send these via electronic workflow to the relevant internal teams for resolution.

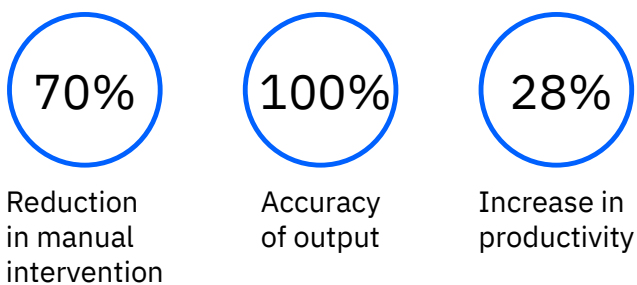
## Blue Prism® Robotic Process Automation

The **Blue Prism Automated Matching** solution provides the opportunity to significantly reduce manual intervention from the AP team in managing:

- Either those invoices where OCR has not been able to achieve a match; or
- Enable automated matching for those suppliers who are used on a one-time basis or persist in sending paper invoices

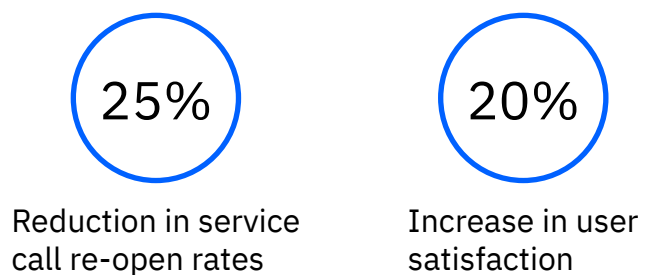
Using Blueprism, the automated Robotic Process is typically able to book more invoices per month, with improved accuracy and significantly reduce the need for manual intervention.

IBM implemented Blueprism to automate the booking of receipted Purchase Order invoices from workflow to the ERP and achieved the following results:



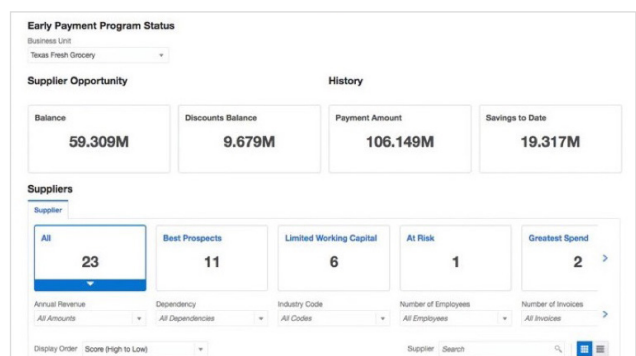
## IBM Watson® Agent Assist

The **Watson Agent Assist in Accounts Payable** provides a Guided call assist for Accounts Payable and Travel and Expense helpdesk agents via cognitive question and answer support. It has proven to support higher client satisfaction through better first call resolution and reduced call center resolution costs in dealing with supplier and internal queries.



## Oracle Intelligent Payments

The **Oracle Intelligent Payments** application is part of Oracles adaptive intelligence suite in which recommendations for discounts are made based upon the most up to date supplier profile data. It enables discounts historically missed under contracts to be recognized and savings made.





# 9






## Cash Management

Effective management of cash, receivables and receipts from businesses or consumers is key to financial success and liquidity. Oracle ERP cloud integrated with Accounting Reconciliation Cloud Services provides configurable rules to automate the reconciliation and report on exceptions.

Oracle **Accounts Reconciliation Cloud Service (ARCS)** is a configurable matching and reconciliation tool that provides workflow and seamless integration with Oracle Cloud ERP, EPM or other data sources to enable large volumes of data such as receipts to be brought together from modules including **Oracle General Ledger, Cash Management** and **3<sup>rd</sup> party sources and reconciled.**

Reconciliations can be automated using pre-built or configured rules. The application includes dashboards and workflows to support exception resolution and therefore allows the reconciliation of sales to the multiple receipt types (e.g. cash, direct debit etc.) to be completed without the need for significant manual analysis.

### Accounts Reconciliation Cloud Service

Activity	
<b>Recent Activity</b>	
Today	
	Susan Chang Approved Reconciliation 105-1961 Insurance Receivable (July 2016) Aug 30, 2016 2:17
	Frank Taylor Approved Reconciliation 109-1214 Investor Receivable (July 2016) Aug 30, 2016 1:33 PM
	Francis Rosenberg Submitted Reconciliation 107-2225 Accrued Liabilities (July 2016) Aug 30, 2016 1:30 PM
Yesterday	
	Susan Chang Approved Reconciliation 105-1530 Machinery & Equipment (July 2016) Aug 29, 2016 7:5
	Carol Judd Submitted Reconciliation 102-2924 Rent in Advance (July 2016) Aug 29, 2016 7:39 PM

Change Requests	
0 Today	0 7 Days

Additionally, ARCs provides re-assurance via:

- **Compliance** — Using audit controls to track all activities
- **Workflow** — Sign off and Approvals
- **Role Based Controls** — Ensuring access to specific data sets or functions are only accessible to relevant teams



Whilst typically insurers have large amounts of small cash transactions to manage from consumers, equally they need to manage long term cash flow based upon the required investments in large projects.

To ensure companies are able to monitor their cash and liquidity position IBM recommends **Reval**, an Oracle partner who provide a leading class solution with the following capabilities:

- **Enterprise** — wide view of a company's cash position, providing a view of risk exposures and support decision making
- **Integrated planning** — use the integration tools to draw data from Reval and other sources to support strategic funding and investment decisions
- **Liquidity Monitoring** — Provides the capabilities to set limit monitoring controls, manage debt and investments and monitor and report on intercompany loans.

# 10

## ERP Insurance Transformation and Accounting

The Insurance industry is at an inflection point caused by multiple factors:

- Due to emergence of newer business models such as Bancassurance that offers an arrangement between a bank and an insurance company to let insurance companies sell their products to the bank's client base. The ability to adapt to such new models needs agility and synergy among core insurance applications (Policy Administration, Claim Management) and enterprise financials applications.
- The introduction of IFRS 17 results in the need to manage and report financial data in a different way requiring the chart of accounts and organization structure to reflect future needs.

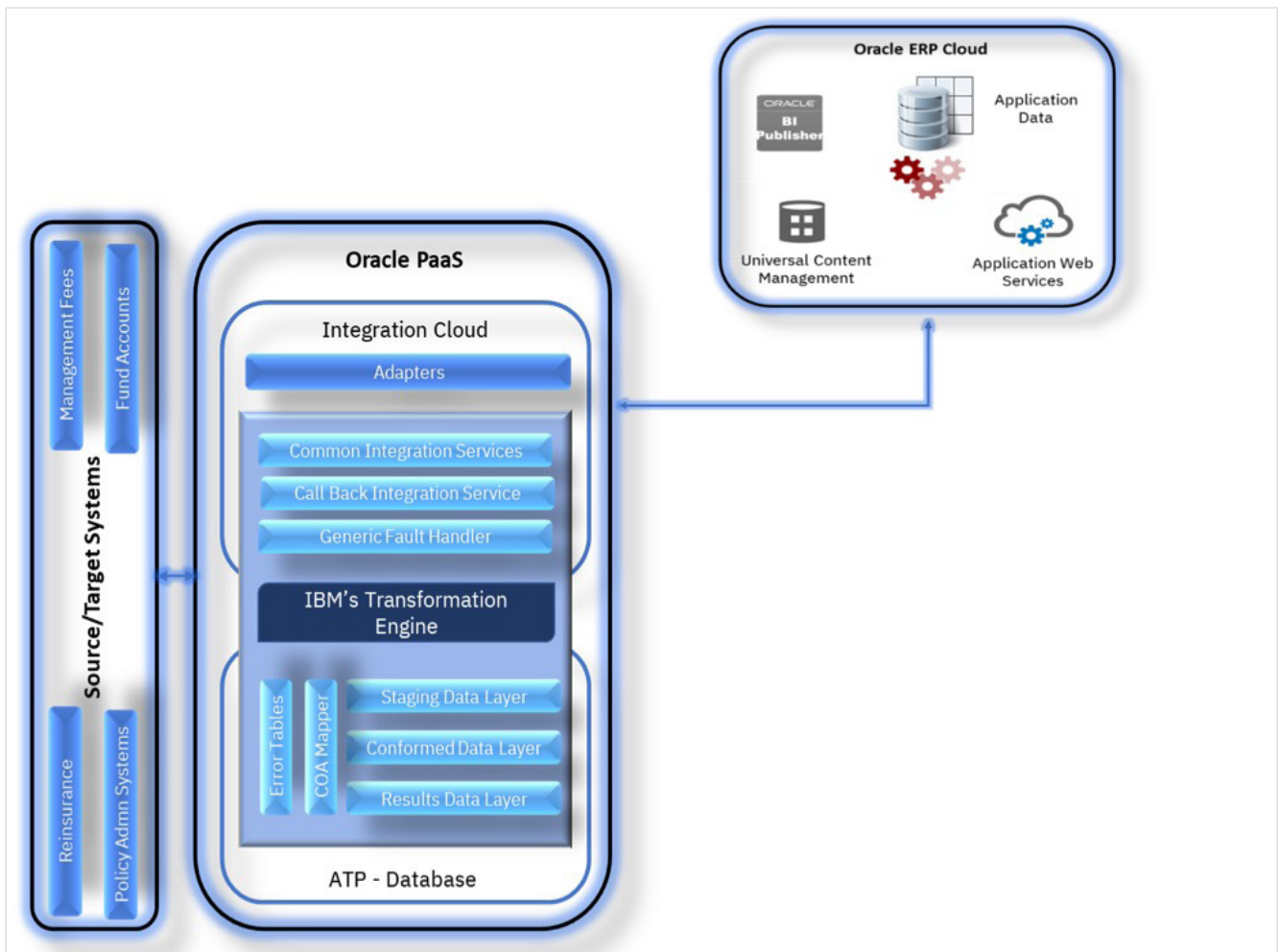
IBM's Oracle Chart of Account Mapper provides a framework to enable chart of account transformation both at point of implementation as well as integration between legacy systems which will integrate with the Oracle ERP.

### Oracle ERP Cloud integration

The chart of accounts mapper is enabled via a seamless integration framework which sits alongside the ERP Cloud. This supports data integration with external systems using:

- Bulk data interchange using Universal Content Management.
- Real time in/out transaction data interchange using Application WebService.
- Data extraction using BI Report.

Oracle PaaS offers Oracle Integration Cloud to integrate Oracle ERP Cloud with other systems using inbuilt technology adapters, SaaS adapters, On-Premise adapters. Integration Cloud is a browser-based application integration product with rich orchestration and transformation capability.



## Integration

To manage complex transformation and integrations requirements IBM have built a transformation engine that provides a re-usable solution component supporting both General Ledger and sub-ledgers

The solution enables seamless validation, integration, error handling, transaction tracking and reporting capabilities.

The solution uses Autonomous Transaction Processing (ATP) and IBM's COA mapper framework that enables Chart of Account transformation at run time.

The capability provides the following key benefits:

- Eliminates the need for transformation at each individual source
- Maintains data auditability and traceability
- Supports high volume data interchanges
- Reduces the amount of effort in complex integrations
- Provides dashboard reporting for end user visibility and reconciliation.

## Migration

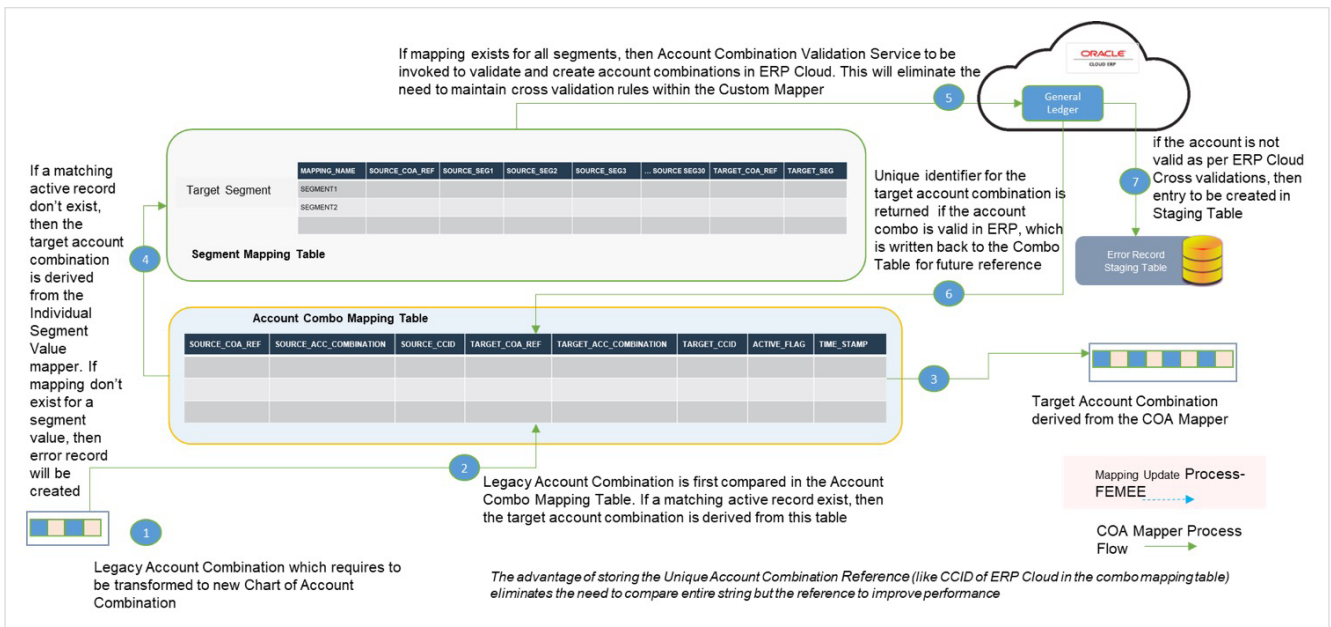
At point of implementation and migration there can often be a lengthy multi-phased migration for systems such as policy admin, investment, billing and fund accounts with peripheral applications onboarded to the new chart of accounts incrementally.

This results in a mapping requirement spanning multiple iterations and not just a one-time mapping requirement to convert transactions and balances from the old legacy account combinations to the new global chart of accounts.

Our experience working with some major insurance clients across different geographies suggest that this extended duration can be 3-4 years.

The COA mapper provides the following capabilities






- An in-built user interface, which facilitates the definition of the simple or complex mapping rules
- Ability for bulk upload which can be used by the business with no requirement for technical coding or development, when new chart of account values are introduced
- Built in account string validation based on Cross Validation Rules/Intersection defined in ERP Cloud
- Web Services to allow interactions with other systems



# 11

## Efficient Procurement

In order to drive strategic sourcing of goods and services, insurers need a modern procurement solution. Cost, cycle time, automation and productivity utilization of procurement staff are key metrics under consideration. A cognitive platform enabled procurement helps optimize all these parameters.

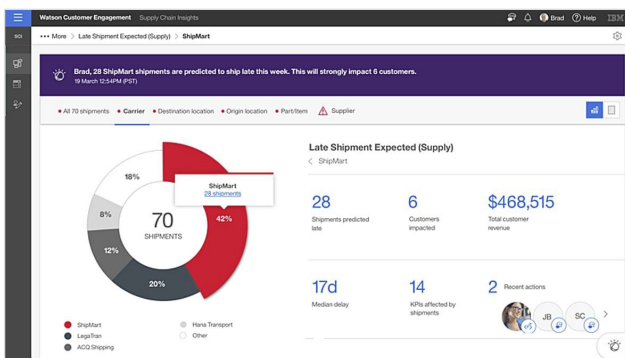
	Metric	Metrics Across Industries		
		Top Performers	Median	Bottom Performers
	Total cost to perform procurement process per \$1,000 in revenue	\$2.16	\$6.46 Financial Services \$12.71	\$20.00
	Cycle time in days to place a purchase order	5 days	14 days Financial Services 30 days	48 days
	Percentage of purchase orders approved electronically	98%	80% Financial Services 82%	55%
	Number of purchase orders processed per procurement process group FTE	2091	549 Financial Services \$590	149

**Source** - Key procurement benchmarks at a glance, APQC and blueprint for success: procurement, APQC 2018

**Supplier IQ** is IBM's procurement insights solution using big data and analytics to measure supplier performance and support sourcing decisions. It enables employees to improve productivity and decision making, by providing:

- **Comprehensive company profile assessments** based on aggregated data from internal and external sources
- **Analytical Insights** which provide KPI benchmarking assessments
- **Analysis of unstructured data** such as news reports and general market analysis to drive decision making

Using Supplier IQ can help an organization more quickly get a more rounded picture of the suppliers it may be seeking to contract with. It provides a suite of data that **helps procurement professionals make informed decisions** based upon market data, makes them less reliant on the responses that would typically be received via an RFX, and removes the need for time-consuming research.



Using cognitive capabilities embedded within procurement, IBM experienced a \$65M saving year on year in 2017 and expected a similar saving to be achieved in 2018

**Source:** IBM Institute for Business Value

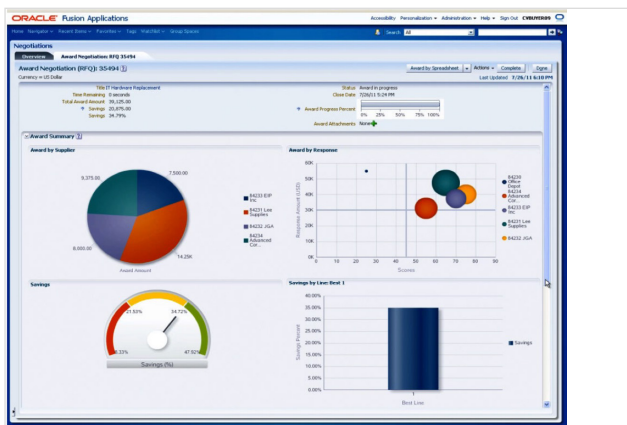


Oracles suite of core procurement products provides a means of capturing and qualifying your suppliers through to contracting with them quicker and more efficiently. In addition, it allows you to leverage the master data within Oracle used for other Purchase to Pay processes to enable more consistent and efficient use of data and provide consistent, reliable reporting through out the source to pay cycle. Specifically, Supplier Qualification, Sourcing and Contracting tools provide:

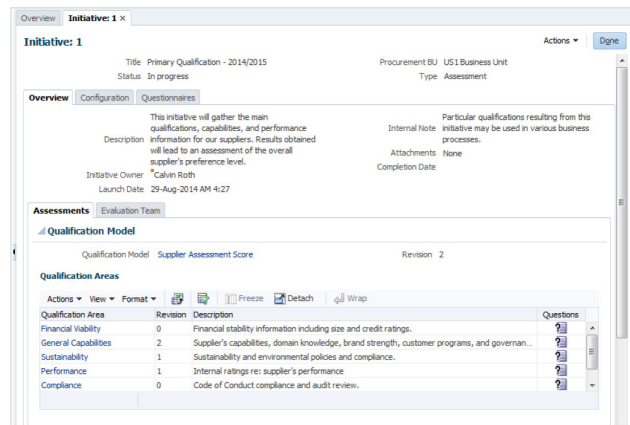
- **Online collaborative tools:** Allowing you to request and maintain qualification information, share RFx and ITT requirements and negotiate contracts

- **Maintain a single source of truth:** Maintain data sets about suppliers and their contracts, allowing you to better understand their ability to participate in new procurement activities or more quickly identify their suitability for participation in sourcing events
- **Expedite the Contracting Process:** Use the information captured in supplier qualification and configurable terms libraries to reduce the amount of time in tendering and contracting
- **Maintain Control:** Use configurable online approvals and controls to ensure the necessary checks are in place prior to approving a new contract

## Oracle Sourcing



## Oracle Supplier Qualification



# 12

## Accounting (Project Costing, Intercompany and Transfer Pricing)

Insurers need a reporting solution that takes into consideration the complex functional, legal and managerial structure of their organization and help report consolidated financial performance.

### Oracle FCCS

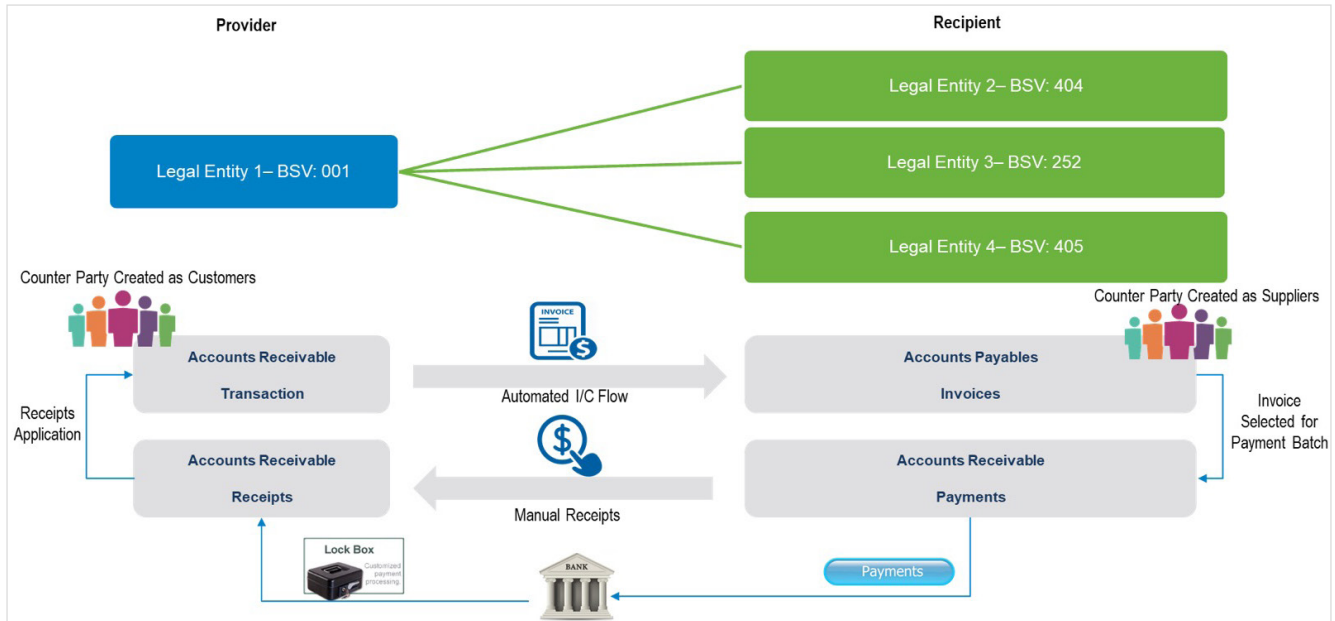
Years FY16	Scenario Actual	Currency Entry Currency	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
			Calc Status	Calc Status	Calc Status	Calc Status	Calc Status	Calc Status	Calc Status	Calc Status
			Ok	Ok	Ok	Impacted	No Data	No Data	No Data	No Data
			Ok	Ok	Ok	Impacted	No Data	No Data	No Data	No Data
			Ok	Ok	Ok	Impacted	No Data	No Data	No Data	No Data
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### Oracles Financial Consolidation and Close (FCCS)

provides a flexible consolidation service that allows you to bring together data from your Oracle ERP alongside other data sources to quickly create consolidated financial reporting across all entities. The solution provides the following key tools that enable greater efficiencies in managing period end:

- **Compliance Framework** – enables auditing, segregation of duties and configurable calculations
- **Flexible Models** – Accommodate complex legal and internal management reporting business rollup structures with unique calculations
- **Key Performance Indicators** – Track and report on key metrics of the consolidation process and business performance
- **Global Coverage** – Provides GAAP support to enable intercompany and equity eliminations along with adjustments and currency support

## Oracle Intercompany



Complex trading relationships between intercompany entities should be supported by automated transactional and reconciliation routines.

**Oracle Fusion Intercompany** enables you to create, settle and reconcile intercompany transactions.

The Intercompany application enables:

- Transactions initiated by an entity to be reviewed and approved by the recipient entity;
- Transactions to be either routed to the General Ledger module in the case of treasury-based settlements; or
- AR and AP invoices in case of sub-ledger-based receipts and payments.

With **Oracle Fusion General Ledger** functionality, users can:

- Reconcile account balances online as well as via reports
- Use integrated inquiry, reporting and analysis tools.
- Drill down from account balances to journals and underlying subledger transactions is possible through a single drill path.
- Use standard subledger to ledger reconciliation, intercompany reports to easily resolve reconciliation related challenges

# 13

## What's Next?

Convergence of technological innovation, social and regulatory transformations have made the insurance industry a dynamic market place. To keep up with the disruption, the emergence of the Cognitive Enterprise is inevitable. The ability to manage the needs of your customers, regulators, suppliers, work force and stakeholders to drive efficiency and optimize the finance and procurement function is paramount to the success of the enterprise. The opportunity to harness Oracle's vertically integrated Finance and Procurement Cloud with IBM's Cognitive capabilities have the potential to accelerate industry transformation into intelligent automation.

To learn more about or request for a demo of IBM's Oracle Finance and Procurement Cloud capabilities with Cognitive in the Insurance industry, please reach out to your IBM client executive.

# 14

## Why IBM

IBM is one of Oracle's largest and most experienced systems integration partners jointly helping customers for over 35 years:



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