



PRUHEALTH

Innovative health insurance company that rewards members for being healthy

Industry: Healthcare
Geography: South Africa and UK

Deployment Summary

- PruHealth is using TIBCO software to enable business process management on an SOA infrastructure.
- First project: Developed services and applied BPM software to improve the process for managing appointments with screening partners, tracking usage, and preparing corporate bills.
- Second project: Leveraged existing services and BPM software to automate the process for receiving electronic claims from a UK claims switching organization, and validating, processing, reconciling, and routing for assessment.

Benefits

- Rapid deployment: The company acquired TIBCO's BPM software in August 2007 and had already started to deploy processes on a service-oriented architecture by April 2008.
- Achieved ROI within one year – one year earlier than projected.
- Customer engagement on the website has increased 4X without incremental marketing as a result of process improvements.
- Better visibility into processes supports audit requirements.
- Membership growth is 2X the rate of Discovery, one of PruHealth's parent companies.



"TIBCO's software gives us a competitive advantage against larger competitors (with larger IT teams) by providing an agile infrastructure that reduces development time and provides rapid return on investment."

Paulo Dos Santos, CIO, PruHealth

TIBCO's Agile Infrastructure Supports Rapid Growth at PruHealth

PruHealth is an award-winning health insurance company that rewards members for being healthy. Launched in 2004, PruHealth is a joint venture between Prudential and Discovery, the South African health insurance leader. The company's IT team and back-office and systems support is located in Johannesburg, South Africa. Its model is based on a successful concept launched in South Africa and the U.S.

PruHealth is using TIBCO software to create a more agile IT infrastructure – one that enables them to adapt their processes to business opportunities and bring products to market more rapidly in the highly competitive health insurance market in the UK. The company acquired TIBCO's business process management (BPM) software in August 2007 and had already started to deploy processes on a service-oriented architecture (SOA) by April 2008.

TIBCO's SOA software is enabling PruHealth to get more value from existing assets by wrapping legacy components and exposing them as services to the enterprise service bus. The company was able to deliver the first project three times faster and the second project five times faster than with the traditional approach and to achieve ROI within the first year.

During the first project, the company deployed 40 new services including

some that interact with partner organizations. In parallel, they automated 10 highly complex business processes, some including as many as 100 actions. All of the newly automated processes live within the process repository in TIBCO Business Studio™ and are documented and maintained in sync at the design level and operational level. PruHealth now benefits from a true end-to-end view of their newly automated business processes.

The detailed documentation and traceability enabled by the new approach to business process management has enabled PruHealth to demonstrate compliance to stringent regulations such as the Financial Promotions Act in the UK.

The Road to SOA

"Our previous infrastructure was made up of monolithic applications," says Paulo Dos Santos, CIO, PruHealth. "This made it difficult and time-consuming to make changes." It also required an unusually large IT staff (12.6% of total staff compared to the industry benchmark of 7.4%, based on Bureau of Labour Statistics). It also complicated integration with third party solutions. Manual processes were difficult to scale and prone to human error. Customers had no visibility into company processes and managers had no alerts to process breakdowns.

To address these issues, Dos Santos and his team began planning for an enterprise service bus (ESB) that would connect enterprise assets, implementation of a service oriented architecture that would ultimately streamline development, adoption of business process management tools and methods to allow users to configure, simulate, deploy, and manage processes with reduced IT involvement, and a new presentation framework.

The key challenge for 2008 was to increase efficiency to deal with the company's rapid growth (2X the rate of Discovery). Membership was projected to grow 67% with only 5.8% increase in headcount growth. Efficiency would be achieved through a combination of automation, product simplification, optimization, and process improvement. Technology would play a key role.

Key issues with the current system were:

- Inflexible architecture made it hard to revise online functionality and hard to integrate with third party systems.
- Reliance on manual systems made it difficult to scale processes to support the company's growth and difficult to meet audit requirements.
- Service failure, with no alerts when service level agreements were in jeopardy.

Demonstrating ROI

Dos Santos recognized the importance of demonstrating ROI, so they developed services and applied BPM software to improving a particular process – the process for managing appointments with screening partners, tracking usage, and preparing corporate bills.

The process involved:

- Integration with third party applications
- Case initiation
- Value-based reports

By applying BPM tools and methodologies, they were able to achieve the following benefits:

- Removed dependencies on key individuals. Distributed workload. Reduced training time for new users. Optimized resource utilization by routing work based on skillset.
- Met audit requirements. Documentation was up to date and sufficiently detailed to meet audit requirements. Roles were clear and there was version control.
- Gave managers a view into operations. Managers could proactively address bottlenecks and see opportunities to improve efficiency. Provided visibility into peaks and troughs for better resource management.
- Enabled process improvement. Using Business Studio to plan and simulate process improvements, resulted in better SLA compliance and greater sub-process reuse on subsequent projects.
- Laid the foundation for automation.

Building on Success

The company's second project involved automating the process for receiving electronic claims from a UK claims switching organization, and validating, processing, reconciling, and routing (as necessary) for assessment.

Key features included:

- Secure FTP file transfer
- Scheduled kick-off and retries
- Workflow failures, notices, and calls to action
- Automated reconciliation

"There were many things we liked about this project," says Dos Santos. "Development time was one third of the original estimate, because components are resilient out of the box, coding is minimal, and testing is easy."

Cross Channel Integration

PruHealth's third major project involved repackaging Vitality, a program that rewards members for healthy habits, including eating well and getting more exercise. The new infrastructure provides seamless integration across channels for a consistent customer experience. Development time was eight weeks for a project that involved four development teams and a multi-site deployment.

Key Learnings

Dos Santos notes that moving to SOA requires an investment in tools and change management to evangelize the new approach to development and business processes. "There is also some productivity loss during the transition," says Dos Santos. "But the ROI has been fairly rapid – within one year of moving to the TIBCO infrastructure. Governance also turns out to be an important aspect of enterprise SOA," says Dos Santos. "It is not necessary in the very early phases, but becomes essential as services are reused across development teams."



TIBCO Software Inc. (NASDAQ: TIBX) technology digitized Wall Street in the '80s with its event-driven "Information Bus" software, which helped make real-time business a strategic differentiator in the '90s. Today, TIBCO's infrastructure software gives customers the ability to constantly innovate by connecting applications and data in a service-oriented architecture, streamlining activities through business process management, and giving people the information and intelligence tools they need to make faster and smarter decisions, what we call The Power of Now®. TIBCO serves more than 3,000 customers around the world with offices in more than 20 countries and an ecosystem of over 200 partners. Learn more at www.tibco.com.

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