

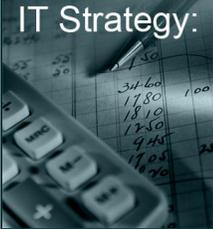
IBM Tivoli Monitoring and Management deliver savings and position Česká pojišťovna for Future Growth



ČESKÁ POJIŠŤOVNA

Czech Republic's largest insurance company offering Life and non-Life Business, Risk, etc.

IT Strategy:



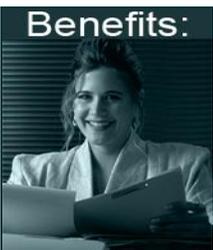
Česká pojišťovna taps IBM to integrated, infrastructure management to improve service and avoid IT Issues as it prepares for major growth.

Solution:



[IBM Tivoli Monitoringⁱ](#)
[IBM Tivoli Service Request Managerⁱⁱ](#)
[IBM Tivoli Composite Application Managerⁱⁱⁱ](#)
[IBM Tivoli Netcool/OMNIbus^{iv}](#) & [IBM Tivoli Network Manager^v](#)
[IBM Tivoli Business Service Manager^{vi}](#)

Benefits:



Raised IT Efficiency and Productivity reducing cost of operations significantly.
Reduced Maintenance costs dramatically
Prepared for significant Expansion

“Through the IBM solution and its preventive approach to IT, we can better ensure that everything from contracts to SLA assessment runs reliably, minimizing impact on productivity.”

Miroslav Lhotský of Česká pojišťovna's Competence Center

The Challenge: Gain savings and Prepare for growth with integrated, pro-active IT infrastructure management solution

This personal, enterprise and business focused insurance firm delivers a full range of individual life and non-life insurance packages, in addition to insuring small medium and large clients against risk in industrial, business and agriculture operations. In the highly competitive insurance market that had begun in 1991, [Česká pojišťovna](http://en.ceskapojistovna.cz/)¹ had proven its capability by becoming the largest provider of insurance in the Czech Republic. With in-excess of 8,000 employees, the internal IT staff of approximately 500 employees was extremely busy.

After years of growth, Česká pojišťovna found itself operating with a number of disparate, independent and disconnected IT operations. These operations were organized and managed along discrete, unintegrated operational and technological fault lines.

In order to keep this disparate infrastructure up and running, the IT department and systems owners added monitoring and management tools on an ad hoc basis. The result was a collection and wide variety of different, unintegrated, home-grown and off-the-shelf monitoring and management tools. They ended up with solutions from a mix of vendors that included EMC, HP and IBM. While this initially benefited and worked for the individual groups, as the business along with the IT staff grew, such independence took its toll in terms of poor communications, lower efficiency and inefficient operations which increased costs.

With a heterogeneous mixture of over 18 different tools and solutions, management across infrastructure and operational functions was totally siloed with no hope of coordinated operations. With different tools operating independently, there existed no reasonable way for them to share data and operational information. As a result, IT department were unable to coordinate efforts, leverage data and share information among inter-dependent functions.

IT was stuck; locked into a style of management that was reactive, inefficient for infrastructure management and actually hampered service delivery. They were unable to pro-actively detect and address operational anomalies to avoid problems and optimize application performance. As a result, they were in an unending struggle to meet service level agreements (SLAs).

IT staff efforts to improve operational effectiveness, efficiency and performance were frustrating. The situation was especially perilous and the disjointed structure represented too much risk as the company faced an accelerating rate of growth. Under the current system, with operations costs rising and the risk of systems failures increasing, the anticipated growth would only make things

About Česká pojišťovna

Česká pojišťovna is a universal insurance company with a tradition of providing life and non-life insurance for more than 180-years. Since 1991, they have remained the biggest insurance company in the Czech insurance market.

They provide individual life and non-life insurance as well as insurance for small medium and large clients in industrial, business risks and agriculture. About 3900 employees and 5600 sales representatives ensure the maximum satisfaction of clients at more than 4,500 sales offices.

Česká pojišťovna is a member of Generali PPF Holding B.V. which operates in 14 Central and Eastern European countries.

¹ <http://en.ceskapojistovna.cz/>

worse. Both IT and Business managers recognized they needed a solution that moved them off the existing jumbled mixture of vendors, tools and solutions.

Selecting an integrated, end-to-end management solution

Česká pojišťovna's IT department was convinced they could provide services at lower cost with greater efficiency. They believed that by leveraging ITIL and operational Best Practices they could improve operations and application performance to assure they would satisfy Service Level Agreements (SLA's) more consistently, improving overall performance and increasing customer satisfaction while reducing costs.

The IT staff joined their IT consultancy partner [GC Systems a.s.](#)². With more than ten years working together, the Česká pojišťovna and GC System teams were well positioned to help choose a solution. GC System was also a highly qualified and experienced IBM Business Partner. The two companies formed a team to identify what they needed and the evaluation criteria.

About GC System a.s.

GC System a.s. has been operating in the Czech ICT market since 1990, focusing on ICT infrastructure implementation and software development. In 2000, and ever since, it has been the most important business partner to IBM Czech Republic with awards and certifications from IBM and other leading companies.

In independent evaluations, GC System sits in 9th place in TOP 10 of system integrators, 28th place in the TOP 100 of ICT firms in the Czech Republic. In the year 2007, they earned more than CZK 1 billion (EUR 40 million).

The team quickly determined what they needed was an integrated solution suite to cover critical management functions. Česká pojišťovna decided they wanted to keep existing vendor solutions in a critical area because of the complexity of that operation. Therefore, the new solution had to be able to integrate smoothly with those solutions. Česká pojišťovna IT staff wanted to maintain the option to convert these to the new solution at a later time. Therefore, that module would be included in the review. Therefore, the ability to have a smooth integration and migration path for future expansion was also considered as part of the evaluation.

The team worked together to create the Request for Proposal (RFP). They organized their requirement definition around IT infrastructure management, application management and business needs. They team identified six management functions they wanted to examine. These were:

1. Infrastructure monitoring;
2. End-user monitoring/management;
3. CMDB - (Configuration Management Data Base);
4. Service Desk management;
5. Service Level - SLA creation/management;
6. SOA monitoring/management.

The team then identified the six (6) areas on the basis of which they would evaluate the vendor proposals and select the vendor for a Proof of Concept (POC) test. Each vendor would be evaluated in the following categories:

1. Price;

² <http://www.gcsystem.cz/en/>

2. Ability to meet the technical requirements;
3. Ability to meet business requirements;
4. Solution references;
5. Financial Terms and Conditions.
6. SOA monitoring/management

The team also deemed performance in other areas as critical for consideration. These included the integration and interoperation of the solution modules, the ability to share data, the ability to work with the modules that would not be replaced, and the ability to expand to complement IT operation maturity and business growth. They also wanted a common reporting system and analytics that allowed shared data to be viewed in a manner most useful to each interested business and operational function.

Once they had identified and prioritized the desired selection criteria and functionality, the team began a review of vendors and their offerings. Six potential vendors ASG, BMC, CA, EMC, HP and IBM were to be evaluated with one selected to perform a POC implementation.

Selecting the Winner

The process of vendor and product selection from requirements definition thru vendor evaluation and completion of the POC testing lasted approximately 6 months. IBM was chosen for a number of reasons including the history of problem-free operations with Netcool /Omnibus and Tivoli Storage Manager (TSM) products. The exceptional support from IBM's response team as well as the characteristics of solution suite convinced the team that IBM's Tivoli suite of fully integrated products would be the best for them.

During the POC the specific performance points that made IBM stand out and convinced the team their decision was correct included:

1. The number and availability of out-of-the-box workflows;
2. Ease of replacement of many existing monitoring scripts;
3. Easy integration and operation with other IBM modules, Active Directory, SAP, Exchange and their homegrown systems;
4. Performance and functionality of the incident management module;
5. User-friendly GUI that was integrated, consistent and able to interoperate across the modules;
6. User-friendly GUI for service trees, SLAs and OLAs;
7. Quality and level of support from the IBM POC team;
8. Competitive price.

The members of the evaluation and implementation team felt that IBM was committed and seriously investing in the Management product suite. Whenever there was an issue or problem that required IBM involvement, the IBM team worked rapidly and closely with the Česká pojišťovna and GC System team to come to a resolution.

The Payoff

Using the mixture of IBM Tivoli management products, the GC System and Česká pojišťovna team was able to consolidate their heterogeneous infrastructure management and moved to implement,

coordinated proactive management in the majority of their target areas. They now have real-time visibility into their complex IT environment. They can act proactively to predict and prevent outages, minimizing the risk of a negative impact on business operations. They have visibility into and improved management control of application performance.

The consensus was that the majority of their goals had been achieved including:

1. Data quality increased;
2. Replaced the Service Desk with improved Incident and Problem management.
3. Improved root cause analysis;
4. Built the basis for IT process automation;
5. Improved and extended application monitoring;
6. Reporting of data and results has been simplified;
7. Consolidation of monitoring of systems and data bases.

It wasn't just IT operations and application performance management that benefited from this upgrade. Measureable business benefits were seen in the following areas:

1. Consolidating the operations environment onto a single software platform resulted in a reduction of maintenance costs of \$500,000;
2. Increased efficiency and productivity of the IT staff is saving \$25,000 annually in human resource costs;
3. The overall cost of IT operations has been significantly reduced while service levels have improved and workloads reduced.

The IT staff is pleased with the enhanced ability to manage infrastructure and application performance that allows them to more effectively operate to and deliver the SLAs their customers want. Customer satisfaction is high because of the resulting improvement in service and service level performance.

Future Plans

In the spirit of continuous improvement, the Česká pojišťovna and GC System team is planning for the future. The decision was made to extend the current management environment into other aspects of IT and non-IT business operations. The team is looking to implement process management modules for Change management, Release management, IT Asset management, Software Asset and License management as well as integrating IP Telephony and Service Desk.

In addition, they are looking at extending infrastructure management to include monitoring non-IT technologies (e.g. motor generators, temperature-sensitive elements, etc.) with SNMP traps. They want to add monitoring of the virtualization platform (vCenters and ESX servers), add application monitoring throughout CITRIX and extend monitoring of the MS (Microsoft) platform using SharePoint agents.

The Česká pojišťovna and GC System staff have an ambitious plan. There is every reason to expect that their efforts will provide the content for another case study.

IBM Advantage

Company Benefits

 Integrated solutions	 Common GUI, reduce training costs
	 Faster implementation and time-to-value
	 Data sharing – more detailed information and end-to-end view of operations
	 Insight into operations, earlier detection of anomalies to take action to avoid problems
	 Consistent look-and-feel, improve staff response times
 Time Savings	 Process automation – consistent responses, free staff for other tasks
	 Improved IT staff productivity
 Cost savings	 Reduce costs by automation and less integration effort
 Single Management console	 End-to-end view, understand business impact, connect business and IT operations

This report was developed by Ptak, Noel & Associates with IBM assistance and funding. This report may utilize information, including publicly available data, provided by the various companies and sources, including IBM. The expressed opinions are those of the report's author and do not necessarily represent IBM's position.

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About Ptak, Noel & Associates LLC

With a belief that business and IT success are inseparable, Ptak, Noel & Associates works with clients to identify, understand and respond to the implications of today's trends and innovations on the future of IT operations.

www.ptaknoel.com

ⁱ IBM Tivoli Monitoring - <http://www-01.ibm.com/software/tivoli/products/monitor/>

ⁱⁱ IBM Tivoli TSRM - <http://www-01.ibm.com/software/tivoli/products/service-request-mgr/>

ⁱⁱⁱ IBM Tivoli Composite Application Manager - <http://www-01.ibm.com/software/tivoli/products/composite-application-mgrproductline/>

^{iv} IBM Tivoli Netcool/OMNIBus - <http://www-01.ibm.com/software/tivoli/products/netcool-omnibus/>

^v IBM Tivoli Network Manager - <http://www-01.ibm.com/software/tivoli/products/network-mgrproductline/>

^{vi} IBM Tivoli Business Service Manager - <http://www-01.ibm.com/software/tivoli/products/bus-srv-mgr/>

^{vii} IBM Tivoli Application Dependency Discovery Manager - <http://www-01.ibm.com/software/tivoli/products/taddm/>