

# CASE STUDY

## TONG YANG LIFE INSURANCE

»THANKS TO FUJITSU'S SUPPORT WE WERE ABLE TO TEST THIS MIGRATION FROM THE VERY FIRST PHASES OF THE PROJECT. AS THE TEST PROCEEDED SUCCESSFULLY WE BECAME VERY COMFORTABLE ABOUT THE MOVE TO THE NEW SYSTEM«

**Yeong Mo Kim, Chief of infrastructure, Tong Yang Life Insurance**



### THE CUSTOMER

A famous character, an angel with a star baton who guards customers, is the symbol of Tong Yang Insurance, while the motto of this famous Korean insurance company is “customer first”.

They respond to customers’ needs as soon as possible and return profits gained from stable asset maintenance. They also embrace new types of promotion, and were the first to provide TV based home shopping for insurance products. The promotion of insurance products is changing from door-to-door and tele-marketing to cyber marketing, which is a combination of the existing door-to-door approach and the Internet.

To complement such changes they are taking efforts to build up their structures and systems. The combination of door-to-door and tele-marketing is attractive to customers as is their new product line, retirement pension plans which provide customers with ease of life planning after retirement.

Their revenue reached 100 billion won in the last three years and this expansion of business reached the point where this year the companies’ shares began trading on the stock market, the first insurance company to be listed. In the new financial era Tong Yang Group comprises one of the big three financial groups.

The Capital Market and Financial Investment Service Act came into effect from September 2009. In preparing for implementing of this financial Big Bang, momentum has grown for “next generation financial systems”. Tong Yang Insurance has been a leader in Korean Insurance Industries introducing the first client server system. To maintain their IT leadership they commenced the building of the first SOA based next-generation financial system.

### THE CHALLENGE

Yeong Mo Kim, chief of infrastructure at Tong Yang Insurance introduced the purpose of the next-generation financial system. “The first purpose was to meet the dynamic changes in the financial business environment speedily and flexibly. Another was to build IT infrastructure that would allow us to keep coming up with new products to flexibly match changing customers’ needs.”

### THE CUSTOMER

Country: The Republic of Korea  
 Industry: Finance  
 Founded: 1989  
 Employees: 5,000  
 Website: [www.myangel.co.kr](http://www.myangel.co.kr)



### THE CHALLENGE

The customer needed to meet the dynamic changes in the financial business environment speedily and flexibly. The new IT infrastructure that would allow Tong Yang Life to keep up to speed with new products to flexibly match changing end-customers’ needs.

### THE SOLUTION

Since the customer was concerned with migration of data from the existing system to the new one, Fujitsu tested migration from the very first phases of the project. Tong Yang Insurance adopted Fujitsu SPARC Enterprise M9000, M8000 and M5000 as their ERP and information system server of next-generation financial infrastructure for high reliability and built a clustered system for high availability.

**THE BENEFIT**

- High performance of Fujitsu SPARC Enterprise accelerated entire process. Downtime for batch processing decreased by 75%, from 2 hours to 30 minutes. Response in peak-times almost halved to within 2 seconds from 3.5 seconds
- The systems maintain high reliability and can flexibly meet changes in the business environment
- Standardized SOA base system provides synergy for entire Tong Yang Group

**PRODUCTS AND SERVICES**

- Fujitsu SPARC Enterprise M9000 server
- Fujitsu SPARC Enterprise M8000 server
- Fujitsu SPARC Enterprise M5000 server
- Fujitsu PRIMECLUSTER

In terms of Tong Yang Group, the financial Big Bang is considered a big opportunity for new business under their total financial strategy. Yeong Mo Kim added the real meaning of “the next-generation financial system”. “There are customers who want to manage insurance and investments together. The next-generation system will help Tong Yang Group Financial companies such as Securities, and Investment Trusts cope with this and provide value-added products to customers. The next-generation financial system is an important factor to creating synergy in the Tong Yang Group.”

He also further explained the aim of the system. “The first thing to do is to solve existing system problems and build up an SOA base. This time it’s not just a system replacement but also business process improvement. Field staff will participate in the project to reflect their needs in the next-generation financial system. The system will also provide enhanced security of customer information to further raise customer satisfaction.”

To match critical requirements evaluation was done on each vendor’s servers using an objective elements comparison. “Whenever Tong Yang Group buys a system performance benchmark tests are essential. We evaluated the performance for both online and batch processing. Fujitsu’s UNIX server SPARC Enterprise recorded the highest performance. We were very excited by the high performance processors and their multi-core multi-thread technology.”

But performance benchmarks were not the only criteria. They chose Fujitsu SPARC Enterprise after taking several operational aspects into consideration. “Fujitsu SPARC Enterprise was very attractive to us as it provided a one-stop solution including high performance, high reliability, scalability to even meet five years requirements, a TCO including maintenance fees, and high quality technical support. Hardware partitioning was also a hot button that only Fujitsu SPARC Enterprise could provide. The system meets the needs of server consolidation or change in the business environment, with efficient and flexible division of hardware resources thanks to Fujitsu SPARC Enterprise’s unique functions.”

**THE SOLUTION**

The most critical system element to underpin the insurance business of Tong Yang Insurance was a non-stop system. “The reliability and availability of Fujitsu SPARC Enterprise had already been proven by many references. But we were concerned about migration of data from the existing system to the new one. Thanks to Fujitsu’s support we were able to test this migration from the very first phases of the project. As the test proceeded successfully we became very comfortable about the move to the new system.”

Tong Yang Insurance adopted Fujitsu SPARC Enterprise M9000, M8000 and M5000 as their ERP and information system server of next-generation financial infrastructure for high reliability and built a clustered system for high availability. “The new system implements the three basic component flows of insurance; contracting, payment deposits, plus the data storage and information system. Although personal information and product information had been managed on separate servers on the previous system, hardware partitioning of the new system enabled them to be consolidated on one server while maintaining their reliability. Now as the overall system works together new types of marketing activity, such as product development based on client information can be brought to market.” Work on constructing the next-generation financial system is now under way with operational commencement in November 2008.

**THE BENEFIT**

In answer to the question, ‘how does the new system benefit the business?’ Yeong Mo Kim replied. “Based on an SOA system, field services can be types of modules. By combining those modules we will be able to bring new and optimized services quickly to customers.” For those in CxO positions there are numerous benefits; improved productivity with business process innovation, enterprise management innovation by KPI, competitiveness from more efficient use of information and customer satisfaction improvement. We are expecting that manageability will also improve from the optimized operating environment and efficient information administration.

Fujitsu SPARC Enterprise performance is also exciting. “We are forced to stop online transactions for two hours with the existing system. But the new system will never require more than 30 minutes down time. As operating times expand, customer convenience can be improved. At peak times when access concentrates, the response on our existing systems takes 3.5 seconds, but this will improve to under 2 seconds.” Customers can also view their contracts anytime via the Internet. Service is also improved and will provide 365/24 services for customer convenience.

**CONCLUSION**

They are also looking for further ensure their future. “We are expecting the Tong Yang Insurance system approach to be applied to the entire Tong Yang Group. It will bring about great synergy. For this total course of action Fujitsu’s support is essential to us. We are looking forward to maintaining our good relationship with Fujitsu for business expansion in government, financial, and all other business areas.” Fujitsu will continue to provide support for Tong Yang Insurance, Tong Yang Systems, and Tong Yang Group with business process support, technical support and Fujitsu SPARC Enterprise.

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