

CUSTOMERS

Blue Cross and Blue Shield of Kansas City Sees Three-Year ROI of 150% from BusinessObjects XI

“Our executives want to see concise, streamlined reports; they want to see bench marks, key performance indicators (KPIs), and business trends to find out where the company is going; and they want to be able to identify potential issues quickly and adjust business strategies accordingly. The Business Objects deployment helps them do all of that now.”

Erik Brokaw, BI Architect, Blue Cross and Blue Shield of Kansas City



Industry

Healthcare

Business Pain

Blue Cross and Blue Shield employees were unable to access the right information when they needed it, as company data was housed in multiple databases in a variety of file formats. This put unnecessary pressure on the IT department creating backlogs.

Why Business Objects?

Crystal Reports enabled users—across all levels of the organization—to access and drill down easy-to-read reports on vital corporate information, enabling IT to focus on critical issues. Also Business Objects dashboards and Web Intelligence allow BCBSKC executives to easily access KPIs and other benchmarking information they need, to make strategic business decisions.

Business Objects Products and Services

Crystal Reports
BusinessObjects
Web Intelligence

Challenge

Blue Cross and Blue Shield of Kansas City (BCBSKC) is the area's largest health benefits provider—serving more than 880,000 members in 32 counties in greater Kansas City, northwest Missouri, and Johnson and Wyandotte counties in Kansas. The organization offers a variety of benefit plans and funding options to meet customer needs in order to improve the health of the communities it serves. BCBSKC—the largest not-for-profit health insurer in Missouri and the only not-for-profit health insurer in Kansas City—has been part of the Kansas City community since 1938.

In order to better serve its customers and continue to grow its business, BCBSKC needed a central data warehouse to streamline data sharing across all levels of the organization. The company had several thousand Microsoft Access databases running Sybase and SQL server applications in a variety of flat file formats. Organizational users found it increasingly difficult to get the right information when they needed it, from multiple data sources. So Blue Cross and Blue Shield of Kansas City looked to implement an enterprise-wide data warehouse using standard business intelligence (BI) tools.

Approach

After evaluating a variety of BI solutions from different software vendors, BCBSKC chose Crystal Reports® from Business Objects, to meet its complex reporting needs. The primary focus of the implementation was to integrate data from finance, human resources (HR), and the claims department into one central data warehouse. The Business Objects deployment received strategic direction from John W. Kennedy, COO, and Kevin Sparks, CIO, and was driven by the needs of individual departments like sales, marketing, HR, editorial services, medical management, and quality assurance.

The Business Objects deployment was aimed at making company documents accessible to all internal departments, while allowing individual users to run ad hoc queries. BusinessObjects™ Web Intelligence allowed BCBS users to easily accomplish this.

In addition, easy-to-use dashboards from Business Objects allowed company executives to quickly retrieve critical business information to make strategic decisions. “Our executives want to see concise, streamlined reports; they want to see benchmarks, key performance indicators (KPIs), and business trends to find out where the company is going,” says Erik Brokaw, BI architect at Blue Cross and Blue Shield of Kansas City. “And, they want to be able to identify potential issues quickly

and adjust business strategies accordingly. The Business Objects deployment helps them do all of that now.”

Results

Business Objects has helped BCBSKC significantly improve employee productivity by reducing report-turnaround time. The company’s marketing, sales, and HR departments, and management currently use Crystal Reports to meet all of their reporting needs, without relying on IT for support. In fact, IT has been able to avoid hiring additional staff as well as redirect that staff which was working on other BI deployments, which have now been retired. These staff reductions have led to over \$200,000 of savings annually. “Insurance companies are information centers,” says Brokaw, “And the Business Objects deployment has helped us enable our end users to do their own work, minimizing IT backlogs.” At BCBSKC, report developers and end users can now share reports without having to use multiple access tools.

BCBSKC has also customized its deployment on both Java and .NET platforms using the Business Objects software development kit (SDK). “The biggest benefit at this point is automation,” says Brokaw. “BusinessObjects offers advanced features such as custom calendars, the ability to import documents or objects into the calendar format, etc. For example, we have a series of documents that are dispatched on irregular schedules – as many as 200 in one run that need to be produced monthly. Using BusinessObjects, we can now automate the scheduling process.”

Benefits	Initial	2005	2006	2007
End User Training Savings		\$247,900	\$247,900	\$247,900
More Efficient Business Processes		\$242,880	\$242,880	\$242,880
Reduction in IT Staff (Avoided Cost of BusinessObjects XI)		\$200,000	\$200,000	\$200,000
Reduction in IT Staff (Dedicated to Now-Retired BI Deployment)		\$8,800	\$8,800	\$8,800
Total Benefits per Period	\$ -	\$ 699,580	\$ 699,580	\$ 699,580

Costs	Initial	2005	2006	2007
Software Costs	\$640,000			
Maintenance		\$128,000	\$128,000	\$128,000
Consulting	\$30,000			
Implementation Costs	\$60,000			
Upgrade Costs			\$30,000	
Total Costs per Period	\$ 730,000	\$ 128,000	\$ 158,000	\$ 128,000

Results	
3-Year ROI	150%
3-Year NPV	\$ 363,502
3-Year IRR	24%

With nearly 400 users on the existing system, Blue Cross and Blue Shield of Kansas City is currently upgrading to BusinessObjects XI. BCBSKC plans to deploy BusinessObjects XI as its enterprise BI standard. It will be used in every department in the company, including finance, sales, marketing, and human resources, as well as medical and quality management. BusinessObjects XI will play a key role in helping the company operate more efficiently and better manage customer costs. Future plans include the creation of an executive dashboard powered by BusinessObjects XI, so top managers at BCBSKC can have up-to-the-minute reports that monitor the latest business trends, KPIs, and enable extreme insight into the organization's success.

“To make BI successful, you need to have the right tools at the right levels,” says Brokaw. “The new system is so scalable that we believe one of every two people in the company will eventually have access to the BI tools,” Brokaw concludes.