CUSTOMER INNOVATION STUDY

Astra Life

improves reporting with Infor SunSystems and gains greater insights with Infor d/EPM

“As we look to grow and become one of the leading insurance providers in the region, Astra Life will rely on the information from Infor SunSystems and Infor d/EPM to generate insights on the business and fuel strategic decisions.”

Lucy Tanurahardja
Head of Finance and Controls, PT ASTRA AVIVA LIFE
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Facts at a glance

HEADQUARTERS
Jakarta, Indonesia

INDUSTRY
Insurance

Customers
Astra International: 10 million / year
Aviva: 29 million worldwide

Implementation Partners
PT. Supersoft Sistemindo

WEB SITE
astralife.co.id

INFOR PRODUCTS
Infor® SunSystems, Infor d/EPM
Executive overview

Situation analysis

- Become one of the leading insurance providers in Indonesia by developing synergies between PT Astra International Tbk and Aviva International Holdings Limited.
- Comply with increased reporting requirements of the parent companies involved in the joint venture and the regulatory bodies that oversee the Indonesian insurance industry.

Innovation strategy

- Improve financial and accounting team efficiency, while also increasing the number of transactions an employee in the group can process with Infor SunSystems.
- Develop reusable reporting templates to make it easier to comply with the complex reporting requirements of the insurance regulatory bodies that oversee Astra Life.
- Provide its support services with modern and easy-to-use technology, so these teams can serve the organization more efficiently without increasing headcount.

Results

- Maintained a constant headcount in the accounting and finance teams, despite an increase in business and employee growth as the company’s headcount increased from 200 to 500 employees.
- Increased the overall speed in reporting through greater process efficiency in the financial reporting process.
- Eliminated manual calculations related to the depreciation of fixed assets to deliver drastically reduced process times and increased accuracy.

High level impact

- **46%** reduction in time required to complete financial reporting process
- **99%** reduction in the time it takes to complete fixed asset depreciation calculations
- **70%** of financial reporting for regulator automatically generated by Infor SunSystems
SITUATION ANALYSIS

Merging two giants to serve Indonesia’s life insurance industry

Staying current with reporting challenges

PT ASTRA AVIVA LIFE, also known as Astra Life, is a life insurance products and services provider that brings together the very best of PT Astra International Tbk, a national champion, and Aviva International Holdings Limited, a world-class insurance provider. Operating the partnership as a 50:50 joint venture, the combined experience and knowledge of the two parent companies helps Astra Life to provide high-quality service and innovative insurance products, as well as investment and risk mitigating protection products to groups and individual customers. Individually, Astra and Aviva are industry giants. Astra has 10 million* customers per year and Aviva has 29 million** customers worldwide. Compared to the 377 years of operating experience between PT Astra International Tbk (58 years*) and Aviva (319 years**), PT ASTRA AVIVA LIFE is still in its infancy, having been established in August 2014.

With low market penetration, the insurance market in Indonesia is still in a nascent stage of development compared to neighboring countries such as Singapore, Malaysia, and Thailand. This offers great opportunity for Astra Life, a company that intends to become a top five insurance company. Given the formation of the joint venture, the organization must report to PT Astra International Tbk and Aviva International Holdings, as well as the Indonesian Financial Services Authority (OJK). Tightening regulations in the industry—including the introduction of new laws, tighter capital requirements, and tariff regulations—have created stringent requirements for reports that must be delivered in a timely fashion. With the company’s previous existing accounting systems, it was a challenge for Astra Life to meet its monthly reporting deadlines. Astra Life wanted a solution that could make reporting to their stakeholders easier, eliminate the risk of paying high penalties for late submissions, and avoid the risk of losing its license to operate as an insurance company.

*Source based on Astra’s corporate website www.astra.co.id
**Source based on Aviva’s corporate website www.aviva.com
In order to improve the efficiency of its accounting and reporting systems, Astra Life upgraded its enterprise financial management solution to Infor SunSystems. Infor SunSystems was the obvious choice: 70% of insurance companies in Indonesia use it for its ease of use, cost effectiveness and responsiveness. Thanks to Infor SunSystems Query & Analysis (previously known as “Vision”), Astra Life can now grab data automatically from its accounting system and prepare reports quickly.

The system has also allowed Astra Life to conveniently change its parameters to modify reports so those reports better suit the end user. Astra Life has also created templates that have helped it prepare custom reports to comply with the reporting requirements of the Indonesian Financial Services Authority (OJK).

“Infor SunSystems is extremely valuable to us. Without Infor SunSystems our month end and ad hoc reporting would become very difficult for us.”

Rinda Orin
Head of Finance Operations,
PT ASTRA AVIVA LIFE
Helping its workforce produce better results

Throughout its organizational and business growth, Astra Life did substantial hiring within many of its departments. This resulted in a 150% increase in headcount across all of its departments. Due to the time-savings and efficiencies delivered by Infor Sunsystems, Astra Life’s finance team can now handle the workload associated with a larger business with its existing head count.

6-day reduction in the month-end closing process helped limit headcount additions to the finance team.

Infor SunSystems has also helped its finance department become more self-sufficient—all of the reporting Astra Life must submit can now be accomplished without requiring IT support.
Value realized

Infor SunSystems has helped Astra Life streamline a number of the processes within its finance and accounting departments. Thanks to Infor SunSystems, the overall financial reporting cycle time has been reduced to seven days—six days faster than it was before. This made it significantly less stressful for the company to meet its internal reporting deadline on the fifth of each month and provide reports to the regulators on the tenth of every month. As a result of the increase in the speed of reporting, Astra Life can now deliver reports on time, and avoid any fines or penalties incurred for late submissions and the risk of losing their insurance license.

Increasing accuracy and efficiency in accounting for fixed assets

Before using Infor SunSystems, Astra Life used to manually calculate the depreciation of fixed assets, a tedious process susceptible to human error. With Infor SunSystems, the details about fixed assets—including acquisition costs, useful life assumptions, and the classification the asset would be treated—are loaded in the system once. Meanwhile, completing fixed assets depreciation is as easy as a click of a button. Previously, this process took two full-time employees two days to complete. Now, the fixed asset depreciation can be calculated within five minutes, and with greater accuracy.

RESULTS

Making reporting easier with Infor SunSystems

6-day reduction in the month-end closing process

75% reduction in reporting time to the Financial Services Authority (OJK)

72% reduction in accounts payable transaction time

1-month go-live for the project to interface Infor SunSystems with PT ASTRA AVIVA LIFE’S call system
Now that Astra Life has benefited from Infor SunSystem’s fixed asset module, the company is continuing to expand its use of Infor solutions. Astra Life has recently implemented Infor SunSystem’s budgeting and planning module, the accounts payable module, and Infor d/EPM. The accounts payable module will help Astra Life to improve its understanding of its relationships with the various vendors with which it conducts transactions. The recent implementation of Infor d/EPM will help Astra Life to provide management with a more comprehensive and detailed view of its business intelligence. By integrating Infor’s solution into its call and claims management system, Astra Life’s accounting department can provide richer information to its executives and enable them to drill down into the details behind revenue, claims, commissions paid, and operating expenses. All of this information will help Astra Life to provide timely and relevant information to its executives, so that they can make more informed decisions in the rapidly changing Indonesian insurance market.

“Infor d/EPM will connect Infor Sunsystmes to our claim management and actuarial system to give us a consolidated view of our business intelligence. It will allow us to drill down into the specifics behind our revenue, claims, commissions paid, and operating expenses numbers.”

Lucy Tanurahardja
Head of Finance and Controls,
PT ASTRA AVIVA LIFE
Learn how Astra Life improved reporting with Infor SunSystems and gained greater insights with Infor d/EPM.

Learn more

Manage complex reporting
With Infor SunSystems, you can manage complex international financial management requirements and business changes with localized support for regional reporting regulations. You can select from flexible deployment options to align with new growth strategies, implement best practices globally, adjusting for size, structure, and regulations. Plus, you can easily change processes post-implementation to capitalize on market changes.

Infor SunSystems

Infor SunSystem Customer?
On the new Infor SunSystems customer community page, you’ll find the most recent information on the latest release and other resources to help you access support and education, get involved in customer events, upgrade your solution, and more.

Infor SunSystems customers

Make better decisions
Give your management team access to business performance data anytime, anywhere. Empower your staff to make better decisions. Do it all with one central source of truth, and a seamless connection between your transaction systems and your business intelligence.

Infor d/EPM
Infor builds beautiful business applications with last mile functionality and scientific insights for select industries delivered as a cloud service. With 13,000 employees and customers in more than 200 countries and territories, Infor automates critical processes for industries including healthcare, manufacturing, fashion, wholesale distribution, hospitality, retail, and public sector. Infor software helps eliminate the need for costly customization through embedded deep industry domain expertise. Headquartered in New York City, Infor is also home to one of the largest creative agencies in Manhattan, Hook & Loop, focused on delivering a user experience that is fun and engaging. Infor deploys its applications primarily on the Amazon Web Services cloud and open source platforms. To learn more about Infor, please visit www.infor.com.