

CASE STUDY



FROM IT ASSET MANAGEMENT TO ITIL-BASED IT SERVICE MANAGEMENT

LVM: On the Road to IT Value Management

LVM-Versicherungen is one of Germany's leading direct insurance groups. The decentralized company structure, comprising over 2,100 agencies, demands highly efficient data processing. Software solutions from USU have been gradually implementing comprehensive IT service management in incremental stages since 1995. The introduction of the ITIL standard and the implementation of the ITIL-compliant Valuation software line in 2006 have enabled LVM to achieve substantial qualitative and quantitative improvements – such as saving several hundred man-days a year on the Service Desk.

> **Initial Situation and Aim**

LVM-Versicherungen implemented a total solution for comprehensive IT controlling as early as the mid-90s in order to make the IT contribution to added value transparent – pioneering work in light of the fact that the organization was growing very quickly. A USU AG system was chosen that monitored the complete life cycle of the IT infrastructure used and ensured the smooth flow of data and information within the LVM network. Subsequently, the efficient administration of around 12,000 terminals and 5,000 agency computers not only led to a significant reduction in the IT costs but also better planning and management of the various hardware and

software components. The results were more than respectable: “Due to the exact information we receive regarding configurations, network environments and so on, any necessary migration, decommissioning, updates or reconfiguration can be precisely executed and planning, budgeting and installation processes effectively implemented,” was the judgment of Alois Lutz, Head of LVM's IT Department. From 2005 onward, with the implementation of the ITIL industry standard, the processes required to run the IT infrastructure



Horse at the ground floor of the LVM tower by night

>> COMPANY

LVM-Versicherungen, Münster, Germany

>> INDUSTRY

Financial Services

>> CHALLENGE

- > Organize IT to make it a value-adding business unit within the LVM Group
- > Implement the ITIL standard in the organization's service support processes
- > Migration to the modern, ITIL-compliant Valuation product platform
- > Comprehensive migration project as a “big bang” scenario

>> SOLUTION

- > Deployment of ITIL processes and LVM best practices
- > Implementation of the Valuation modules Asset/CMDB, Procurement, Contract and Service/Change Manager
- > Interfaces to SAP/R3 and Tivoli

>> RESULTS

- > *Transparent administration and control of the entire life cycle of 40,000 systems and 115,000 components, including procurement and contracts*
- > *Efficient processes, high level of data quality and employee acceptance*
- > *Operating costs reduced by several hundred man-days a year, or 160,000 euros*
- > *Sound database for further projects such as license management*

>> STATEMENT

*Werner Schmidt, CEO:
"With Valuation, we now have an ITIL-compliant core application that will support over the long-term the integration processes and administrative procedures critical to LVM's success. The increases to the efficiency of our service support processes are bringing us measurable qualitative and quantitative improvements throughout the LVM Group."*

needed optimizing with the aim of integrated IT service management. Therefore, the decision was taken to carry out a comprehensive migration project. With the project, LVM's 10-year partnership with its technology and expertise partner USU also entered a new phase.

> Project and Implementation

The entire infrastructure and application structure of LVM's organization-wide, heterogeneous agency system had – up until that point – been flexibly mapped through the USU ValueWise application. This was also true of the User Help Desk information for the agencies and of the inside sales department in Münster. Migration to USU's new ITIL-compliant Valuation generation of products was on the one hand to cover the whole functionality of LVM's existing complex customer solution and on the other to support the restructuring of the LVM User Service's Incident and Problem Management areas according to ITIL guidelines. Added to this came further requirements such as control of the network topology.

With the above as its main tasks, the ZVS migration project – ZVS is the German abbreviation for Central Administration and Control – launched in May 2005. Structuring content to comply with ITIL for LVM's specific case was one of the major challenges during the course of the project. The complete Service Desk handling was to be integrated into the application and tickets generated automatically out of Tivoli. Documentation was

accelerated by means of pre-filled, classified brief descriptions. In addition, the aim was also to implement the defined role and authorization concept.

> Effects and Forecast

In May 2006, LVM released the full scope of functionality as a "big bang" scenario. Today, 140 users manage 40,000 systems and 115,000 components using the modules Asset, Procurement, Contract and Service/Change Manager. The Service Desk team processes around 10,000 tickets a month. The introduction of Valuation has brought a series of qualitative and quantitative improvements. The implemented ITIL guidelines cover all service support processes. In addition to the separation of Incident and Problem, effective planning and monitoring of the Service Level Agreements is now possible. Ticket processing has been accelerated both through the creation of "sample tickets" for frequently occurring problems and by "master tickets" for larger disruptions. In addition, checklists and pre-specified levels of plausibility aimed at minimizing errors lead, according to LVM, to total cost savings of several hundred man-days a year.

In the second half of 2007, management of the numerically-controlled IT landscape should become even easier through the use of Linux. Further issues for the near future are the implementation of license management and the mapping of the entire request and order management by Valuation.