


 Investment Data Services

IDS—On Course for Growth with Informatica

“The Informatica® Platform is a central component of our system architecture and plays a key role in our growth strategy.”

— Rainer Zinsmeister, information processing and delivery team,
IDS GmbH – Analysis and Reporting Services

CHALLENGES

- Integrate master data for portfolios and investments plus position and transactional data from Allianz Group asset managers and insurance companies
- Standardize master data from portfolios and investments and from insurance companies

RESULTS

- Provided 2,300 users with portal-based portfolio analysis and report generation
- Underpinned report generation for insurance company financial investments
- Reduced development time through ease of use
- Ensured data consistency by reusing mappings
- Provided foundation exceptional data integration efficiency—even when handling large volumes of data
- Enabled certain IDS customers to have the data they need when they need it
- Informatica Platform offered flexibility to enhance data quality

Consider the IDS Dilemma

How does a leading global financial services organization integrate data from almost 200 systems and provide near real-time reporting on financial investments and other metrics? That was the challenge facing the German company Allianz SE Group. The answer was to call on the services of its analysis and reporting services subsidiary, IDS GmbH. IDS in turn, has called on the services of Informatica in support of its data integration objectives.

By introducing the Informatica™ Platform, IDS is integrating master data for portfolios and investments plus position and transactional data from Allianz Group asset managers and insurance companies. Simultaneously, the solution standardizes master data from portfolios and investments and from insurance companies. Altogether, IDS manages approximately 7,500 right-time data deliveries each month, from which more than 22,000 reports are prepared. Every day, 138,000 items of market data are updated and approximately 10,000 market data sets are processed. As a result, 2,300 users now receive portal-based portfolio analysis and report generation—ensuring IDS customers have the data they need when they need it.

The High Stakes of Managing Risks

There is general unanimity among financial services providers concerning their core competencies: the requirement to identify, assess, and control risks. As the current global financial crisis has demonstrated, a failure to manage risk can have widespread impact and serious consequences for the business. Insurance companies need to calculate the risk of the occurrence of claims; whereas for financial institutions the emphasis is primarily on capital market risks.

The Munich-based Allianz SE Group provisions investment management services both for the assets of its insurance companies and for numerous investment funds. To handle detailed risk and performance analyses, the group employs the services of its subsidiary IDS GmbH – Analysis and Reporting Services (IDS).

Since its foundation in 2001, IDS has built an illustrious client list, which includes domestic and foreign capital investment and insurance companies within the Allianz Group. To support asset management, IDS operates and maintains a financial database containing data on all capital investments managed by the Allianz Group worldwide at the individual investment level. The IDS product portfolio includes the supply of formatted investment and market data, performance and risk analyses, plus the corresponding reporting and preparation of consolidated and customer-specific analyses and reports. The business model is based on a system architecture developed by IDS, its own analysis models, and state-of-the-art applications. This year, the volume of assets under reporting was more than one billion euros.

Almost 200 Heterogeneous Systems Currently Integrated

Integrating data from a wide variety of sources is the basis of the services that IDS offers. Presently, 185 heterogeneous systems are integrated for use regularly to load data. The data consists of master data for portfolios and investments, position and transaction data from the accounting systems of the asset managers and insurance companies of Allianz Group, and market data (such as benchmarking data). All of this data is loaded on different paths and in different locations into a central data warehouse, where it is then available for evaluation.

IDS's challenge was to integrate and standardize data from these heterogeneous sources. Standardizing the data required supplementing the accounting data with current market data, a prerequisite for consistent reports. Without standardization, no correct consolidation of the information

or allocation of derivatives can occur. Standardization, for instance, makes it possible to allocate shares according to different criteria, such as the country. A characteristic example is the technology company Seagate Technology; it is officially registered in the Cayman Islands but is headquartered in the United States and should appear in comprehensive lists of U.S. technology companies.

Informatica is Fundamentally Important to the Future of IDS

Ever since IDS's inception as an Allianz SE subsidiary, the Informatica Platform has played an important role in data integration. "We selected Informatica in 2001 for integrating numerous heterogeneous data sources, and today the Informatica Platform is a central component of our system architecture; and plays a key role in our growth strategy," says Rainer Zinsmeister, who is responsible for the administration and support of Informatica at IDS.

Right-Time Data Delivery

IDS manages approximately 7,500 right-time data deliveries each month, from which more than 22,000 reports are prepared. Every day, 138,000 items of market data are updated and approximately 10,000 market data sets are processed. The Informatica Platform integrates the different data sources by using different paths. Some of the data is retrieved by FTP; other data is available on file servers at defined times and is imported from flat files or XML files. In some cases, the solution also directly accesses external databases.

All of this data is then transferred into the database, supplemented with market data, from where it is standardized and ultimately loaded into the data warehouse. The target groups include investment companies receiving the analyses and reports prepared from this data.

Presently, almost 2,300 users have direct access to the IDS portal. As a result, they can access the data warehouse for portfolio analysis and directly generate an Excel worksheet with the information they require. An asset manager, for example, can select a portfolio and then receive a breakdown of information containing key figures, such as the performance compared to a freely selectable benchmark. Another application is the 'Compliance Cockpit,' which can determine the percentage of a certain stock that Allianz holds, to meet the statutory notification requirement in the event of an overrun.

Allianz investors are also benefiting from Informatica's data integration platform. Here, for example, the system is used to prepare reports on financial investments of the insurance companies, or breakdowns for Allianz from a group perspective. The reports include the calculation of the 'value at risk' as part of the derivatives directive for asset managers. These reports are based on data provided by the Informatica Platform. The centrally held data is additionally used for complex scenario analyses.

The Growth of Data Traffic

As the largest of three databases in use, the data warehouse presently encompasses a data volume of approximately six terabytes. The total database capacity is approximately 30 terabytes. "Data traffic is growing rapidly and therefore we anticipate a doubling of the data volume within two years," says Rainer Zinsmeister. Approximately 40 IDS employees work directly with Informatica, including 15 developers. The development cycle follows three stages:

- In the development environment, allocations (referred to as mappings) are defined and developed and then tested for their fundamental functionality.

- Next, the tested mappings are copied into the system integration and reviewed for correct content.
- In the last step, the mappings are transferred into the actual production environment. Some 2,500 mappings regulate the data integration at IDS, with up to three gigabytes of data being processed daily.

Exceptional Data Integration Efficiency

Informatica has proven to be an exceptionally efficient and flexible data integration solution for IDS. According to Mr. Zinsmeister, so far there has virtually been no case where it was not possible to collect data with the Informatica Platform. While Informatica is not the only integration solution in the company, comparative tests have shown that the performance of the Informatica solution is certainly on par when it comes to handling large data volumes. "For a planned integration of SAP systems, Informatica will be the first choice, and the Informatica SAP connector convinced us in initial tests," he says.

Reusing Mappings Adds Consistency and Saves Time

Mr. Zinsmeister continues, "For IDS, Informatica's two strongest technical advantages are the ease of use and the ability to document mass processes. With Informatica, existing mappings are very easy to reuse. This enables us, for example, to design consistent loading processes in delivery systems." An employee not familiar with a delivery system can rapidly gain an overview with the help of the mapping and recognize where and in what form a target field is stored in the data warehouse, how to fill in a field, or how key indicators are composed. If an error occurs, the root cause of the problem can be determined very quickly.

Monitoring Workflows Enhances Data Availability

With Informatica technology, IDS is able to control different workflows as a function of events or according to a schedule. As soon as a file is available, a loading process is automatically triggered. Resource-intensive processes can be postponed until the night, so that system performance is not impaired during the day. In practice, IDS receives the majority of data deliveries at night, either via batch processes or time-controlled collections. The central element for planning and control is the workflow monitor within the Informatica Platform. It ensures that IDS customers have all the necessary data available when they begin their work in the morning.

Improving Data Quality

To steadily improve the accuracy, currency, and trustworthiness of its data, IDS plans to invest more heavily in data quality. "The fund managers' decisions have far-reaching consequences, and the analyses or reports therefore must be of uncompromisingly high quality," says Mr. Zinsmeister. "To this end, we are actively investigating the Informatica Data Quality, Data Profiling, and Identity Resolution solutions—especially because it is apparent the platform can easily handle very large volumes of data. So far, we have not even come close to exhausting all the possibilities of the Informatica Platform."

LEARN MORE

Learn more about Informatica PowerCenter and the entire Informatica product platform. Visit us at www.informatica.com or call 800.653.3871.

ABOUT INFORMATICA

Informatica is the world's number one independent provider of data integration software. Thousands of organizations rely on the Informatica Platform to obtain timely and trusted data for their most important business initiatives. With Informatica, enterprises gain a competitive advantage from all their information assets to grow revenues, increase profitability, further regulatory compliance and foster customer loyalty. Informatica delivers a comprehensive, unified, open and economical platform to reduce IT costs and expedite the time to address data integration needs of any complexity and scale.

NUTS & BOLTS

PRODUCTS:

- Informatica PowerCenter®

SOLUTION:

- Enterprise Data Warehouse

SOURCES:

- 185 heterogeneous delivery systems

TARGETS:

- Data warehouse with Oracle database (Version 10g)



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