AAA Carolinas passes competitors by integrating business processes.

Eliminating paper drives improvements in customer service.

Overview

■ *Challenge*
Reduce operating expenses and boost efficiency to maintain profitability and accommodate rapid growth in highly competitive market

■ *Why Become an On Demand Business?*
By eliminating paper documents and integrating key applications, AAA Carolinas lowered costs and offers more responsive service
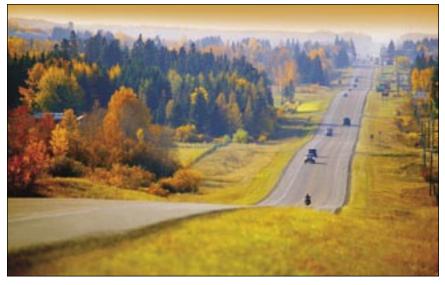
■ *Solution*
An integrated, lower-cost Web-based solution enables customer service representatives to access information online, in real time

■ *Key Benefits*
Growing 48% a year by offering more responsive customer service; 23% reduction in time to resolution for customer call; insurance applications processed in days, not weeks; $20,000 saved per year in storage costs; ROI in less than two months

» **On Demand Business defined**
An enterprise whose business processes—integrated end-to-end across the company and with key partners, suppliers and customers—can respond with speed to any customer demand, market opportunity or external threat.

More that 1.5 million drivers in North and South Carolina rely on AAA Carolinas for automobile insurance, roadside assistance and travel planning.

"Nothing could be finer than to be in Carolina." That old show tune is music to the ears of AAA Carolinas, a not-for-profit membership organization operating exclusively in North and South Carolina. Founded in 1922, AAA Carolinas (*www.aaacarolinas. com*) provides travel and roadside service to more than 1.5 million members. Affiliated with the Automobile Association of America, AAA Carolinas also offers a full range of insurance products, including automotive, homeowners, health and life.

"To scale to meet our rapid growth, AAA Carolinas needs a single, standardized infrastructure to support our insurance and document management applications. IBM WebSphere software forms the basis of a service oriented architecture that will allow us to continue to reuse existing services and integrate new ones for the foreseeable future."

—Harry Johns, Manager of Insurance Information Technology, AAA Carolinas

ON DEMAND BUSINESS™

On Demand Business Benefits

- AAA Carolinas realized a full return on its investment in IBM and RJS in less than two months.
- AAA Carolinas is growing rapidly — 48% a year — by offering more responsive customer service.
- AAA Carolinas now processes insurance applications in days, not weeks, increasing agents' productivity and ability to close sales.
- Eliminating the need for additional file cabinets and contract staff to manage archiving of paper documents saves AAA Carolinas $20,000 a year.

"IBM WebSphere Application Server – Express offers us the ease of use and affordability that we need to automate our internal business processes. It also supports J2EE, which gives us a way to build dynamic Web user interfaces with a drag-and-drop development methodology."

– Harry Johns

AAA Carolinas has set itself ambitious goals for 2010: To be the top insurance provider of personal lines in the region and exceed $100 million in written premiums. With 2004 written premiums of $20 million and an annual growth rate of 48 percent — four times the national AAA average — the organization is well on its way. A healthy regional economy and AAA Carolinas' reputation for excellent customer service promise a speedy ride towards its destination.

However, the road has a few twists and turns. Insurance premiums in the Carolinas are regulated by the state governments, limiting the company's ability to differentiate through pricing. To compete effectively, AAA Carolinas must acquire new customers and retain existing ones by providing better customer service than its rivals. At the same time, staying profitable demands effective cost control, which requires business processes that are optimized for operational efficiency.

Paper documents cause gridlock

Since 1998, AAA Carolinas had relied on a green-screen insurance application from Computer Sciences Corporation (CSC) to manage customer information and provide pricing. The organization's customer service representatives (CSRs) were accomplished in its use and could provide responsive customer service in many cases.

However, some customer-facing activities were suffering, in part due to the organization's reliance on paper. "Hardcopy insurance applications made the approval rounds sequentially, requiring weeks to process," relates Harry Johns, manager of insurance information technology. "When an agent requested the status of an application, the customer service representative had to put the call on hold and find the paper copy, which could be located anywhere within the office. As we continued to grow, we realized that our responsiveness to our customers would degrade unless we streamlined and automated the process."

Automating document management

Johns was wary of any document management solution that would require AAA Carolinas to rip and replace costly IT investments, but that didn't prove necessary. The organization wanted to continue to use its IBM @server® iSeries™ system, as Johns attests: "We've never found anything that can compete with the iSeries system in our environment. It's the ideal platform for AAA Carolinas."

AAA Carolinas evaluated vendors to help them automate their paper processes. Johns chose the WebDocs-iSeries Edition product from RJS Software Systems (RJS), an IBM Business Partner, because of its proven ability to work well on the iSeries platform and extensive feature set. RJS also recommended that Johns use IBM WebSphere Application Server – Express. "One of the big factors in RJS's success has been our ability to implement scalable solutions rapidly using the IBM WebSphere software platform," says Bill Whalen, sales and marketing executive for RJS.

Johns took RJS's advice and has been pleased with the results. "IBM WebSphere Application Server – Express offers us the ease of use and affordability that we need to automate our internal business processes," Johns explains. "It also supports J2EE [Java 2 Enterprise Edition], which gives us a way to build dynamic Web user interfaces with a drag-and-drop development methodology."

Enabling CSRs to work from a single screen

At about the same time that Johns was finalizing the decision to move to RJS WebDocs-iSeries Edition, CSC was introducing a new insurance application product called POINT IN. POINT IN features Web-browser access and includes a Java™ technology-based interface using JavaServer Pages (JSP). Johns saw an opportunity to create a single integrated front end that CSRs could use to bring up documents while they were using the POINT IN application.

RJS was excited about integrating the two applications. "We believe in IBM's business integration approach," says Whalen. "RJS designed WebDocs – iSeries to integrate easily with other Java technology-based applications in a portal-based environment." In less than one day, RJS implemented a link between the two applications using Java.

Now, CSRs can perform all of their customer service functions from the POINT IN screen. When they need to access a document, they simply click an icon and the WebDoc application appears. Being able to instantly retrieve a document during a call has greatly speeded response times, as well as providing other capabilities. "CSRs can view, print, fax or e-mail any of our electronic documents, all without leaving the CSC application," explains Johns. "Our average customer service call is shorter, which reduces our time to resolution by 23 percent."

Key Components
Software
• IBM WebSphere® Application Server – Express
Servers
• IBM @**server** iSeries 810
Business Partner
• RJS Software Systems

"One of the big factors in RJS's success has been our ability to implement scalable solutions rapidly using the IBM WebSphere software platform."

– Bill Whalen, Sales and Marketing Executive, RJS Software Systems

Advantages of going paperless

Moving from paper to electronic documents has streamlined the company's internal processes, leading to operational efficiencies that save time and costs. AAA Carolinas can now process an insurance application in days instead of weeks. This faster turnaround improves the productivity of its agents and allows them to close more sales, especially when they are competing directly with other insurance companies.

In addition, eliminating paper helps AAA Carolinas reduce storage costs. Before implementing WebDocs, the organization had to buy additional filing cabinets regularly, hire temporary help to file the documents and pay an archival firm for offsite storage. "With WebDocs, the overhead expense of archiving paper documents is gone," says Johns. "That alone saves us $20,000 a year. When we add up the savings, the IBM and RJS solution paid for itself in less than two months."

Moving ahead with a service oriented architecture

Johns is enthusiastic about how IBM is helping AAA Carolinas meet the company's challenges: "To scale to meet our rapid growth, AAA Carolinas needs a single, standardized infrastructure to support our insurance and document management applications. IBM WebSphere software forms the basis of a service oriented architecture that will allow us to continue to reuse existing services and integrate new ones for the foreseeable future."

For more information

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For more information about RJS Software, visit:
rjssoftware.com