Successful IT transformation from the top down at Prudential.

Prudential—an industry leader
The Prudential Insurance Company of America, with $375 billion in total assets managed and administered at year-end, is the largest life insurance company in the United States and one of the largest diversified financial institutions in the world. It is a leader in the global financial services industry, providing a variety of products and services in the areas of insurance, securities, investments and real estate to more than 30 million customers in 30 countries.

The business challenge
The Prudential Insurance Company of America is challenged to expand its worldwide investment, banking and real estate services to meet the future diverse needs of its customers. To meet this challenge, Prudential depends on the delivery of world-class services from its central information technology (IT) services organization, Corporate Technology Services (CTS).

In 1997, CTS undertook a service-level assessment survey to determine its strength as an IT organization in the following areas—leadership, process, technology enablement, people and communication—and to establish the extent to which it was able to support aggressive goals at Prudential. “This assessment showed us we needed to better meet the requirements of the Prudential businesses we supported by improving our ability to provide vision, business focus, performance, consistency and accountability to them,” says Mohammed Mosaad, vice president of CTS.

Prudential CTS managers and IBM consultants formulate an IT transformation strategy.
Setting new goals
To help meet those requirements, CTS looked to the people of IBM Global Services. CTS had confidence in IBM service capabilities from its long-standing relationship with IBM; in fact, there were already consultants onsite. “The best thing about working with IBM is that they have resources in almost every aspect of technology, or they can find them. They have global capabilities, extensive talents, and their employees can easily integrate into your own teams and work side by side,” says Jean Domico, vice president of the Process Management Group at Prudential.

A series of transformation goals were set, including: defining a CTS transformation strategy linked to Prudential business strategies; defining and executing a transformation roadmap; changing existing performance/reward/recognition systems to support desired management behaviors; and redesigning and deploying core CTS processes. To succeed, CTS needed to build a bridge of cooperation, communication, strong leadership direction and accountability with the Prudential businesses it supported.

Executing the plan
With coaching from IBM, CTS formed a transformation team that instituted several new activities. Analysis of organizational roles and responsibilities identified gaps and overlaps that were corrected. To help IT management grow its skills, CTS held leadership workshops, brown-bag lunch-and-learn workshops and training sessions. To encourage better customer service, CTS expanded its collaborative communications with business partners and with its employees through meetings and use of technologies such as the Prudential intranet.

The formation of cross-organizational process teams spread awareness of depart-mental specialties and skills as well as built companywide communication pathways. CTS reviewed its core processes and modified or eliminated those that were least efficient. New service-level agreements (SLAs), derived from the design of an SLA process and tracked on a monthly basis, held CTS accountable to its business partners’ expectations. “What we did, deep down, with the help of IBM coaching, was change the behaviors of our people to encourage accountability, vision, leadership and customer focus,” says Domico.

Positive results
Feedback shows dramatic improvement in customer approval—external benchmarking studies show that CTS rates a 3.57 on a scale of 1 to 5, well above the norm—and overall operational costs have decreased by 19 percent since 1996. Encouraged by the noticeable improvements in its business operations and customer satisfaction, CTS continues the work started by the IBM consulting engagement. “IBM helped us to assess what our business partners thought of us, then helped us transform our organization into what our business partners wanted us to be in terms of people, process and technology,” states John Fox, vice president of the Service Management Group at Prudential. “Now we will continue to use the IBM change model to enable the future growth of Prudential businesses.”

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To learn more about The Prudential Insurance Company of America (headquartered in Newark, New Jersey), visit www.prudential.com.