

Samsung Life Insurance to Save US\$20.8 Million Over Four Years after massive Mainframe to UNIX Migration



Samsung Life
Seoul, Korea
www.samsunglife.com

Industry:

Financial Services

Annual Revenue:

US\$23 Billion

Employees:

6,300

Oracle Products & Services:

Oracle Database
Oracle Real Application Clusters
Oracle Enterprise Manager
Oracle Database Control

Key Benefits:

- Reduced costs by US\$20.8 million over the next four years
- Enhanced efficiency by consolidating multiple platforms
- Promoted greater business flexibility with open system
- Improved availability and scalability options through the use of clustering technology

“Migrating our entire DB2 mainframe environment to an open UNIX environment based on Oracle Database 10g with Real Application Clusters and Micro Focus Cobol should save Samsung Life Insurance US\$20.8 million over the next four years. With this project—the first of its kind in Korea—Samsung Life can more easily handle the workloads for its major businesses such as insurance and loans. We can also better integrate the management of our systems as a result of eliminating one complete environment.” – Lee Kang-Ho, General Manager, Life Insurance IS Team, Samsung SDS

Samsung Life has led the Korean insurance industry for the last half century. The company set a milestone for Korea’s second-tier banks in April 2006 when its total assets exceeded US\$100 billion for the first time, strengthening its status as the industry leader. Aiming to become a reliable life companion, the company has dedicated itself to customer-oriented management and is positioning itself for global leadership.

The ever-increasing quantity of customer-related data meant Samsung Life had to expand its IT systems. Continuing to expand the current IT environment that covered multiple platforms was an expensive option that maintained reliance on skill sets that were getting harder to find. The company realized it needed to consolidate to a lower cost open environment system that would also allow its major businesses improved inter-operability with external sources such as call centers and online channels.

Samsung Life selected an approach that with a 99% automation rate shifted its entire IBM/CICS/DB2 environment to an Oracle database 10g grid running Micro Focus COBOL on HP SuperDome enabling the company to increase management efficiency and cut costs by more than US\$20 million over the next four years. Samsung Life is also now in a better position to further integrate the migrated legacy COBOL applications with its UNIX-based environments.

Cost Savings of US\$20.8 Million

Samsung Life's migration of a 7,500 million instructions per second (MIPS) mainframe into an open environment was the first of its kind in the Korean financial industry and the biggest such migration project in the world. The main benefit this move delivers is cost reduction. Even after implementation costs, Samsung Life expects to save US\$20.8 million over the next four years.

Enhanced Business Management

The new system integrates previously disparate Unix and mainframe applications to better link and manage internal and external business information. More efficient information management will lead to higher productivity and better management of the business. This open system environment also gives Samsung Life the ability to process larger volumes of business using lower cost hardware and software alternatives.

"The open system environment based on Oracle 10g has enabled Samsung Life to rank first in terms of IT systems while also opening the door for future cost-effective growth," said Lee Kang-Ho, general manager, Life Insurance IS Team, Samsung SDS.

Samsung Life plans to further introduce an advanced business management system based on this new system environment. The company is further developing its expertise in large scale open systems environments and is strengthening its capability to deliver the desired business outcomes in order to realize its long-term plan to become a global leader of the insurance industry.

Why Oracle?

A system, based on Oracle Database 10g and Oracle Real Application Clusters 10g was judged the best solution to handle the database load for various kinds of heavy transaction processing applications under complex circumstances.

Oracle's grid computing technology provides outstanding capacity, availability, scalability, and security. It provides complete failover and disaster recovery capability over multiple HP SuperDomes and as a completely open solution it provides high-level interoperability with other systems.

Implementation Process

In order to decide how to implement an open environment system, Samsung Life studied migration and whole change options. Changing the whole system would be slow and very expensive, while a re-hosting migration on this scale had never been applied in the industry and so success here was also not guaranteed. In May 2005, the company decided to migrate its applications because implementation would be relatively fast, risk would be lower and cost savings sooner.

Samsung Life began implementing the Oracle solution in June 2005. The project was completed in May 2006 and went live the following month. There has been no downtime since the system went live.

Founded in 1957, Samsung Life is the leading insurance provider in Korea. The company offers a range of products and services to more than 10 million business and retail customers.