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Covéa: Working better. Together.

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Sylvie Noel, Chief Procurement Officer, Covéa Insurance Group, details the company's drive for transparency amidst its digital transformation in order to truly professionalise procurement

Covéa Insurance has built an excellent reputation over the last 20 years for its customer service and products. The insurance company was formed by the merger of three brands: Garantie Mutuelle des Fonctionnaires (GMF), Mutuelle d'assurance des artisans de France (MAAF) and Mutuelle du Mans Assurance (MMA). Today, the company holds a number of awards, including Personal Lines Claims Excellence of the Year 2019 (Insurance Times Claims Excellence Awards); and Best Use of Customer Service Technology 2019 (Modern Insurance Customer Service Excellence Awards) among others.

As the company has grown, so has the need for a more seamless procurement process. "I initially came to the company to assist with the professionalisation of procurement at Covéa," says Sylvie Noel, Chief Procurement Officer. "I created a proposal on how to improve procurement, called EMA: ensemble pour mieux acheter, which means 'together to work better.'" Noel has been with Covéa for almost nine years, starting out as a consultant, before taking the role of CPO, which was created for her in July 2012. "In 2012 Covéa had over 12 members of staff specialised in procurement, working across different levels within our three brands and in our French subsidiary on procurement, internal procurement and IT." Noel's

"The unification of procurement through this platform enables us to speak with one voice"

Sylvie Noel,
Chief Procurement Officer,
Covéa Group

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responsibility was to streamline this into a connected, standardised network with added value. She achieved this by digitising the entire process.

DIGITISING PROCUREMENT

"The process is now really slick. The digitalisation of procurement enables easy work cover in the event of sickness, but also the platform is wholly compliant. It provides a new perspective to procurement." Noel and her team created the procurement function from scratch. Initially, she had worked across the process, on segmentation, building common language and legal. "Having worked across different parts of the company, we realised that we could make the process more sustainable, and so we took to the market to search for an appropriate tool that would help us achieve our goals of transparency and added value," recalls Noel. She then began conversing with over 60 stakeholders about their views and fears regarding procurement, and began to build the platform from there.

The platform was initially rolled out in 2013 to internal stakeholders and

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“We were proactive with our stakeholders and responded to their suggestions, which were present in the version of the platform that we later rolled out”

Sylvie Noel,
Chief Procurement Officer,
Covéa Group

NOVEMBER 2019

procurement before rollout to wider users. According to Noel, there were naturally some challenges during the 2013 rollout, which have since been overcome following the platform expansion. “We started with the procurement request, the workflow associated and a first wave of model of contracts. What we’re doing now is very different: we start with the budgets imported to the platform; any procurement request needs to have a budget line. Then, it either goes to the creation of a tender, or into catalogs.”

EXECUTIVE PROFILE

Sylvie Noel,
Chief Procurement Officer

Sylvie Noel is the Chief Procurement Officer at Covéa and has been with the insurance company for nine years. She started with the company in 2010 as a Principal Consultant, working across process and legal, before moving to becoming Chief Procurement Officer in 2012. In this role she is in charge of heading up the program EMA (Ensemble pour Mieux Acheter) which is an initiative designed to professionalise procurement.

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Noel goes on to explain that if a tender is chosen, a group comprising all the required individuals – including procurement and legal – forms in order to process the tender's dispatch to suppliers via the platform. "All the exchanges with parties occur solely within the platform, so we all have a very good view of the activity and it's impossible now for anyone to be out of the loop," she says. "We were proactive with our stakeholders and responded to their suggestions, which were

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COVEA deploys SAP S/4 HANA as part of its financial transformation plan.

To achieve its objective of aligning financial processes for all its subsidiaries, the COVEA group relies on SAP S/4 HANA.

COVEA is composed of the three mutuals MAAF, MMA and GMF, leaders in property insurance and responsibility in France. The key figures for 2017 are:

- 26,000 employees: 21,000 in France and 5,000 abroad
- Nearly 2,700 points of sale
- In France, 11.5 million members and customers
- Premiums earned (France & International): €16.3 billion
- Combined net income (group share): €818m
- Equity: €14.7 billion

The financial function at the heart of the strategic plan

COVEA's strategy is to mutualize the central and back-office functions while keeping the customer relationship with their different markets to the brands. In this context, the COMEX of the COVEA group decided, in July 2018, to align the financial processes of the various subsidiaries and to respond to the obsolescence of the existing accounting tools. In September 2018, COVEA launched a consultation for its "Convergence Finance" program. The project's roadmap aims to achieve the following objectives. First objective is to improve the efficiency of business and operational processes between its three brands. This requires the definition of a common language for the entire group, as well as the harmonization of financial processes and reporting, the reduction of low value-added activities and the automation of repetitive tasks. The second objective is to simplify and rationalize the information system in order to reduce the operational risk of multiple systems and their obsolescence. In addition to optimizing the standardization of tools, COVEA also needs to define a norm of integration, build a transactional data source for the entire group in order to facilitate future transformations. The construction of this new platform will ensure that changes in regulatory requirements are met more quickly and at a lower cost. Last but not least, to make economic management more reliable and faster. The transformations generated by technology are leading to profound changes in insurance. The ability to manage the Group more consistently will bring efficiency, responsiveness and strategic agility to COVEA.

SAP wins for its state-of-the-art financial solutions

To choose the solution and the service provider, the bidding is organized in two phases: choice of the tool, and choice of the integrator.

The selection process has been conducted by the COVEA group between September 2018 and March 2019. After a pre-selection of several solutions, COVEA opted for SAP. On the one hand, the publisher already had references in insurance; and on the other hand, the technologies on which the SAP solution is based ("in memory" technology) opens up the world of possibilities in terms of reporting and data exploitation.

The core of the selected solution will be based on the SAP HANA database combined with the S/4 HANA ERP (Finance modules). This will be complemented, for budget management, by SAP Analytics Cloud Planning. Finally, SAP Profitabilty and Performance Management will manage the cost management.

The choice of deploying on the private Cloud of SAP has been made to benefit from more flexible technical platforms, and from the latest innovations of the software publisher more quickly.

A progressive deployment

The project was therefore launched in early July 2019.

The design phase of the target model is expected to be completed by mid-2020. In parallel, a prototyping environment will allow to share with users to make the new processes and tool more concrete. These workshops promote a customization closer to user needs, as well as the sharing of a common vocabulary for all brands.

The development and configuration phase will be carried out by Accenture. A first integration and testing phase has been planned for 2021, and the first wave of operational deployment of the project is scheduled for January 1, 2022. Ultimately, 500 users will be involved in this project.

Learn More

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present in the version of the plarform that we later rolled out."

From a change management perspective, this digitisation has been largely welcomed, as it has created clarity and ease of access to vital information at Covéa. But this may not always be the case and Noel asserts the need to listen to employee concerns and to work through them. "This is why we built the program in response to our stakeholders: not only to show them that this is a serious progression, but to ensure that any of their fears regarding the industry could be eliminated through the creation of the platform. It is also important to lead by example with confidence and reassurance," she says.

In addition to this, big data is an integral component to the quality that Covéa strives for: "We are also still trying to ensure that all who are involved with the procurement process are aware of the importance of big data. We are constantly evaluating the quality of the overall process and upscaling it often to meet expectations." Noel shares that the company that assisted in the implementation of this

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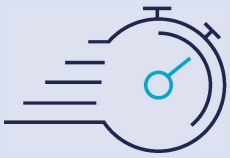

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transformation was Ivalua, which has been "the core skeleton to the process at Covéa," and assisted in the streamlining of the function. The digitisation of procurement has had many benefits. "The unification of procurement through this platform enables us to speak with one voice," Noel says, adding that "this allows for a greater market presence and improved relations with our stakeholders and vendors."

Not only has the process added value and been well received by

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employees and stakeholders alike, but it has had excellent benefits in terms of sustainability: “In terms of our vision for sustainability, we are almost paperless and it’s compliant with regulation and auditable. Sustainability isn’t underlined as much as it should be,” Noel asserts.

A TRANSPARENT FUTURE

“As Covéa moves forward, customers will be at the center of all we do, and this is evident in our huge project transformation with added value and productivity,” she adds. “Procurement will continue to be aligned with the business strategy of the group.” She is confident that both customers and employees will continue to see a growing level of transparency that will bring the business and stakeholders closer, while consolidating the valuable role that procurement plays within the company. ■

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