



## Farmers Mutual Hail Reaps Unanticipated Management Benefits with SunGard iWORKS EAS Import and Reporting Flexibility

*After a frustrating first attempt with another GL system inadequate to the company's purposes, Farmers Mutual Hail recognized SunGard's iWORKS EAS system as a perfect fit. With SunGard's consulting expertise, the implementation went smoothly and was completed right on schedule. EAS provides the company the General Ledger functionality it needs and as a bonus has provided unexpected financial management tools as well.*

### Finding the right General Ledger system: Frustration, then success

For more than two decades, Farmers Mutual Hail has been a sophisticated and effective adopter of relevant technology. Until recently, in a nod to its traditions, the company chose to continue to use its traditional General Ledger. Then in 2000, according to Darin Roggenburg, company chief financial officer, because the company's accounting had become more complex with its entry into the Multi-Peril Crop Insurance business, Farmers Mutual Hail decided to convert to an automated General Ledger system.

After looking at alternatives and selecting a GL system that seemed to meet its needs, the company acquired a software package and began an implementation process. The results were very disappointing. Reports Roggenburg, "We were never successful at implementing that system. The biggest problem was trying to figure out how to make the chart of accounts in that system work for us. We came to realize that its 24 character account number was too cumbersome and inappropriate to our business."

After several years of frustration the company decided it was time to look for a General Ledger system that would match the way it did business. Roggenburg explains, "We attended all the usual trade association shows and obtained information on the SunGard solution. We then came to understand its unique "business unit" account coding concept and what the cost module could do for us. Although we looked at other solutions, nothing was comparable to what SunGard offered. One of our top criteria was that the application be insurance specific, not something that had been adapted from another industry and EAS fit the bill."

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**Problem:** General Ledger systems function as a financial reporting hub for insurance companies. To do so effectively they must be able to flexibly import data from a myriad of sub systems as well as provide reports and output in standard and customized formats.

**Solution:** SunGard iWORKS EAS

### Farmers Mutual Hail

Founded in 1893 and headquartered in West Des Moines, Iowa, Farmers Mutual Hail Insurance Company of Iowa, an A. M. Best "A" rated company with 200 employees and sales of \$400m, provides Crop Hail and Multi-Peril Crop Insurance products to farmers in the Midwest.

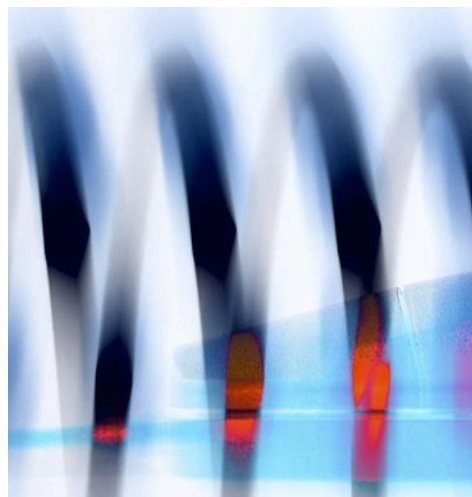


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## Installation, training, and conversion: The value of expert professional help

A successful General Ledger implementation does not happen by accident, Roggenburg says. "We knew we were very limited with the amount of staff we could allocate to this implementation so it was very important that we have help from the SunGard side. We decided to take the route of using a SunGard consultant to the fullest extent to make the transition. Looking back, this worked very well for us."

SunGard provided a consultant who had been a controller at another company and so she understood insurance accounting. "She created a solution for us," Roggenburg says. "We got the software in May 2004 and wanted to be able to close third quarter with it, run dual systems through year end and then retire our manual ledger system. And that's just what happened. We set our time frame and we met it. As you know with a lot of projects that doesn't seem to happen but with this one it did, fortunately with the help of SunGard."



## Automating connections to other systems: A powerful and flexible rearrange utility

General Ledgers sit in the middle of a number of other systems from which they require input. In most cases, automated posting makes a great deal of sense and EAS is flexible and can adapt itself to input from almost any system. Roggenburg reports, "I don't think we've found anything yet that we can't create a rearrange file to pull in." Vickie Bell, Farmers Mutual Hails' senior accountant adds, "We use the rearrange function to process our outstanding and cleared checks, post assumed reinsurance, and in a number of other areas. I've become very comfortable setting up these automated feeds."

## Unanticipated benefits: Better decisions through use of the cost module

Prior to using the EAS system, creating a full financial view of the company was difficult and tedious. Now Accounting can create a trial balance at any time, look for trends, and make adjustments before rather than after the fact. Bell says, "We used to spend a lot of time at year end manually manipulating data with percentages in spreadsheets to create allocated reporting results. Now the allocation function in the EAS cost module has really enabled us to do a better job financially throughout the year." Roggenburg adds, "The system gives us answers we can look at much earlier than we were used to in the past. We can look at cost allocations as they really are, say at the third quarter, rather than wait until year end. And that has sped up the decision making process."

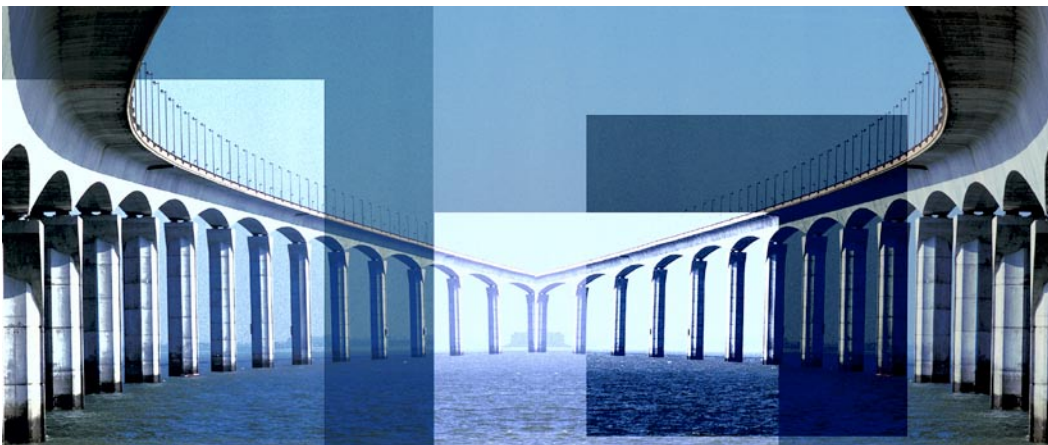
## Lessons learned: Advice to other CFOs

What has Roggenburg learned from his experience choosing, implementing and using SunGard iWORKS EAS? And what advice would he offer his peers at other companies? Most important, he says, is to anticipate what you will need to get out of the system and make certain you can get it before you begin. "It's easy to put detailed transactions in but getting useful information out is the most important piece. You need flexibility in reporting to make your decisions. By using the BizNet Insight for EAS reporting tool, our accountants can easily create their wish-list report items. It's critical that the people that need the reports be able to create them without having to go to some custom report guru."

Just as it is very important to have output flexibility in the hands of the insurance professionals rather than requiring IT staff, so is input. "Input is absolutely important," says Roggenburg. "SunGard has a very slick tool that works extremely well and allows you to capture your data and put it into the ledger package."



And finally, Roggenburg suggests that any CFO looking at a general ledger package pay attention to the quality of help available from the vendor to accomplish the implementation. "We set our time frame and we met it but we couldn't have done that without the expert help we got from our SunGard consultant who was available on site during the most critical periods of the implementation. We had an excellent working relationship with her. Any time you're picking a vendor you need to look at this as well because with some vendors you don't have those relationships and the people you get may not be the quality you need. The people from SunGard have been top notch individuals and because of them we've been able to get the results we needed."



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### **About SunGard iWORKS**

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