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# New York Life Plans Bright Future for Finance

by **Ken Murphy**, Senior Features Editor

**F**orward-looking New York Life Insurance Company, one of the largest life insurance companies in the world, is currently embarking on a digital transformation of its finance organization and embracing new technologies to help steer the journey.

Over the past 17 years, the state of the company's finance organization has transformed dramatically since it first installed SAP software in 1999. Inefficiencies arising from the database-centric running of manual, spreadsheet-based processes with SAP ERP have become more and more noticeable over time.

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# At a Glance

“We spent far too much time simply figuring out how to get information and put it together. We realized we needed instead to figure out what was going on in the business.”

— **Jonathan Feinstein**,  
Vice President of Insurance Finance,  
New York Life Insurance Company

**Goals:** Improve financial process efficiencies and reduce reliance on manual-based spreadsheets; transition toward a real-time finance function

**Strategy:** Implemented finance application of SAP S/4HANA Finance with an SAP-managed SAP HANA Enterprise Cloud deployment

**Outcome:** Deployed a digital core as the foundation for the future with an expectation for instant financial insights

“In a new 3D world, it became apparent that we could get a much richer experience and more meaningful numbers in a simpler way,” says Vice President of Insurance Finance at New York Life Jonathan Feinstein.

Increasing data volumes also slowed the process. “Responding to analytics requests was a multi-week project. We had to find the information in the SAP and non-SAP systems, extract the data into a spreadsheet, manipulate it, validate it, double-check it, post it to the ledger, and then do everything in reverse to present it. While the cumbersome process worked effectively, we knew we needed to do better,” says Feinstein. “When you spend all your time chasing down information, it takes too much time to answer the question that is being asked, which prevents you from adding value to the business process. We wanted to reach a state where a financial analyst can deliver thoughtful, thorough solutions from the get-go.”

## A Next-Generation Solution

In 2014, New York Life was implementing SAP Insurance Analyzer — an analysis application designed to help insurance companies comply with financial reporting standards, guidelines, and directives — when it ramped up discussions with SAP about how to reach the company’s desired future state.

SAP HANA was mentioned early on as a very real solution to New York Life’s challenges, but as time went on, discussions turned to a new solution not yet in general release: SAP S/4HANA. Released in February 2015, SAP S/4HANA is SAP’s next-generation business suite built natively on SAP HANA and with new structures leveraging the most modern technology trends, allowing for real-time processes — and making a separation of transactions and analytics obsolete. Finance was the first business suite application built on the new SAP S/4HANA architecture, and New York Life

was a very early adopter of this new cutting-edge finance software. In fact, the business became one of the first two companies in the US to be up and operational with SAP S/4HANA Finance when it migrated off its SAP ERP instance in July 2015.

SAP manages New York Life's SAP S/4HANA Finance solution in SAP HANA Enterprise Cloud (there is also an on-premise edition). To avoid having to migrate to an SAP HANA database before an SAP S/4HANA installation, New York Life stood up a greenfield SAP S/4HANA instance for central finance and used SAP Insurance Analyzer as the source system for the migration of its SAP ERP data to create a single, centralized financial management system.

Feinstein explains some of the thinking that led New York Life down the path of SAP S/4HANA Finance in a managed cloud service, which the business decided on with help from implementation partner Deloitte. "SAP HANA appeared to be the best solution for what we were trying to do. But at the same time, with our future state in mind, we wanted to be on the latest version, especially with such a large transformation," he says. "When we opted to go with a cloud-based option, that decision sealed the deal for SAP S/4HANA Finance. And after conversations with Deloitte and SAP, we confirmed it was the best fit for where we wanted to take finance."

### Think Digitally

New York Life decided to focus on the general ledger as the first SAP S/4HANA Finance functionality to go live, and saw firsthand how the SAP S/4HANA digital core simplifies what had been a litany of complexity that many finance organizations understood as the cost of doing business, such as batch processing. "Our code block over 15 years had become unwieldy," says Feinstein. "With the general ledger as the foundation for all financial systems, it was important to start there, get that right, and build the rest of what finance would look like in the future state."

After that decision, New York Life undertook the necessary (and painstaking) process of re-assessing its code, removing accounts and cost centers that had been constructed as spreadsheet workarounds. According to Feinstein, this was a key step in the finance organization's transition to thinking like a digital enterprise. Instead of



## New York Life Insurance Company

**Headquarters:** New York, New York

**Industry:** Insurance

**Employees:** 9,000

**Company details:**

- The largest life insurance company in the US that is also a mutual company, which means it is owned by its customers and does not issue stock
- Has 12,000 agents, more than 6 million customers, and manages more than \$500 billion
- One of the first companies to insure women at the same cost as men (Susan B. Anthony was an early policyholder) and the first company to insure people with disabilities
- The 40-floor New York Life building — the company headquarters located at 51 Madison Avenue in Manhattan — was designed by Cass Gilbert in 1926, occupies an entire city block, and has been a New York City landmark since 2000
- Life insurance policyholders in the early years were prohibited from traveling south of Virginia during the summer because the climate was deemed a health risk
- As an early adopter of SAP S/4HANA Finance, New York Life was one of the first two companies in the US to go live with the solution
- [www.newyorklife.com](http://www.newyorklife.com)

**SAP solutions:**

- SAP S/4HANA Finance
- SAP Business Planning and Consolidation (optimized for SAP S/4HANA)
- SAP HANA Enterprise Cloud
- SAP Insurance Analyzer
- SAP BW





running processes in line with what technology permitted and scrambling to complete tasks, it was the start of thinking more strategically about what all that data flowing through its systems meant.

“For us, the digital transformation is summed up by focusing on the ‘What’ and not the ‘How,’” Feinstein says. “We spent far too much time simply figuring out how to get information and put it together. We realized we needed instead to figure out what was going on in the business. As a complex insurance business, we’re sitting on a lot of very interesting data, and the next frontier is figuring out how to make better use of that data to drive the business forward.”

What helped the transition to SAP S/4HANA Finance was New York Life’s approach — developed with assistance from Deloitte — of designing with the end in mind, and tackling manageable wins rather than installing a completely new system and then figuring out how to use it. This approach, along with early and upfront executive buy-in from the CIO, CFO, and CEO, put the project on a track toward success. Everyone was on the same page as far as the overall objective, knew significant changes were afoot, and realized that the company was doing more than simply moving to a new system.

“With a project of this magnitude, you’re always going to have ups and downs along the way,” Feinstein says. “Having senior management on board with good expectations of the end result really allows the freedom to complete the project successfully.”

### **Changing Expectations**

While a strong tailwind continues to push New York Life forward on a digital journey with expanded use of SAP S/4HANA Finance — including going live with expense budgeting and fixed assets directly within the

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solution — the hard part of the journey is a stern; a core system is now aligned with the evolving expectations from all stakeholders, including internal and external customers, IT, and auditors. An upsurge of digitization in the consumer world is making its way to businesses of every stripe, and companies realize that instant insight is quickly becoming a requirement.

“In this new world, business partner expectations for finance should revolve around what the business can deliver — now. Companies that make that transition have a competitive advantage,” Feinstein says. “That propelled our thinking about how to arrive at a place where we truly understand the information we have, make better use of it, and drive the business forward.” ■