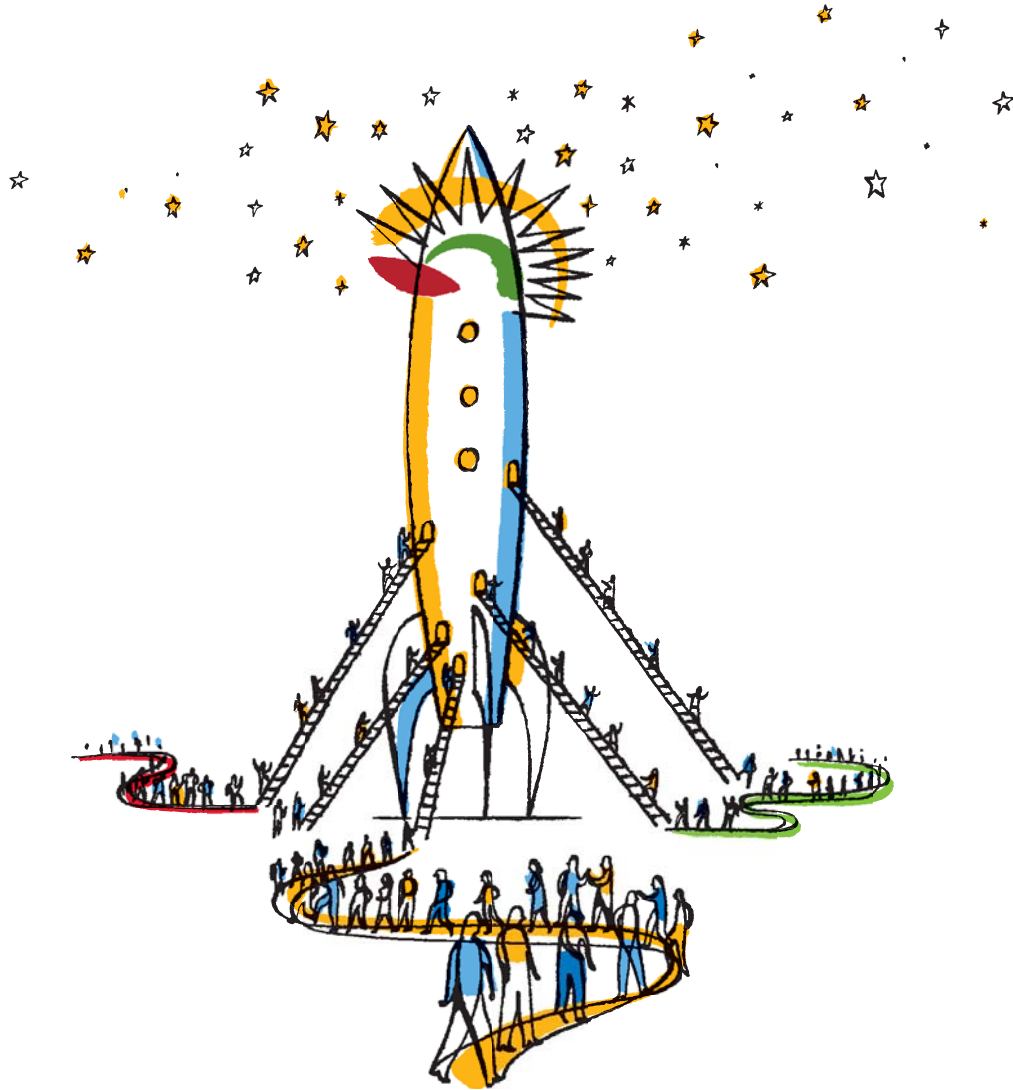


Launching a Cultural Transformation Through IT

The story of how Suncorp turned a cost center into a companywide enabler of innovation



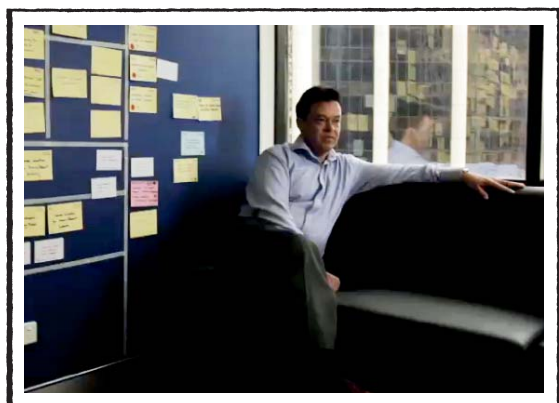
Innovative cultures are built on **NetApp**[®]

This is one in a series of stories told by NetApp customers that demonstrate how a company's storage architecture has a direct impact on business success. In the case of Suncorp, IT played a leading role in accelerating the pace of business and instituting a new culture of innovation.

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Creating a culture of innovation is hard work. In fact, very few companies can claim that distinction. And of those that can, a large percentage are start-ups. So how did a \$15 billion conglomerate with 16,000 employees, five divisions, numerous brands, and set ways of doing business make that happen?



A CEO's Perspective

"There has been a big shift in focus from IT being required but expensive to it being our absolute strategic asset."

Jeff Smith
CEO, Suncorp Business Services



1. Executive Summary

This is the story of Suncorp—a company that grew its innovation department from 9 people to 16,000. This is a company that chose to look at technology and its role in business in a materially different way, resulting in materially different outcomes and real competitive advantage. A company where the technical systems were asked to scale at the speed of thought and social systems were designed to unlock the untapped human capital that lay within. A company that broke the mold to act with the agility of a start-up while physically operating as a conglomerate. And a company whose people have gained the confidence to believe anything is possible and ideas can come from anywhere.

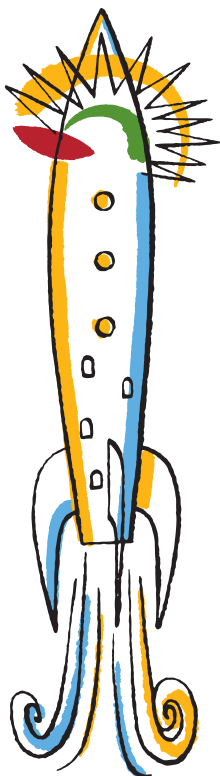
The transformation started in the unlikelyst of places: the IT department. Suncorp turned what had traditionally been a cost center into an enabler of innovation by migrating 80% of its entire IT environment onto a NetApp® shared IT infrastructure, creating a large, virtualized private cloud. This shared infrastructure, coupled with new agile methodologies and processes, provided a foundation that had significant effects on the flexibility, efficiency, velocity, and success of Suncorp's business.

2. Responding to Market Changes

Following a series of major corporate transactions, Suncorp's executive team realized that incremental change was not going to be good enough to position the company well ahead of the competition for the future. They wanted to dramatically improve the way they did business so that they could project confidence

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Jeff Smith
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and establish credibility quickly. So they made a bold move. They decided to change the pace of their business by creating a culture of innovation, and they made a strategic bet on IT to be the catalyst for that transformation.

But Suncorp faced the new IT reality that is confronting many organizations today—complex infrastructures and technologies that are increasingly inefficient to manage. For Suncorp the problem was compounded by the acquisition and integration of more than 50 businesses, including a merger with insurance giant Promina. The result was an IT infrastructure that was unsustainable given the dynamic pace of business, the exponential growth of data, and the increasingly complex demands for a shared virtual world.

3. Rethinking the Role of IT

For Jeff Smith, newly arrived CEO of Suncorp Business Services, it was the perfect time to break the mold and fundamentally rethink the role of IT. “We had a DNA of high cost, low speed, and high complexity, and we wanted to switch it around and go to simple, low cost, and high value,” said Smith. “We set a target and aspiration that we didn’t want to measure ourselves against other insurers or banks. We wanted to measure ourselves against the best companies and see if we could materially change how things were done here.”

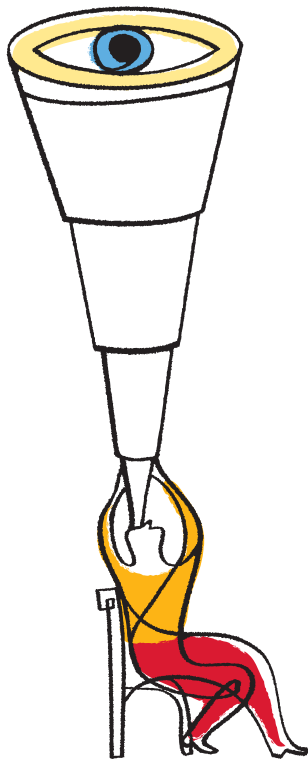
Smith started by implementing a set of agile methodologies—new practices and processes designed to stimulate collaboration and innovation in the workplace. “Traditional methods didn’t have a lot of velocity to them and actually spread out accountability like peanut butter, so we developed our own,” he explains.

Although crucial, that was only half of the equation. As Smith points out, “Even if we had the smartest people and the best methods, the technology constraints alone would have kept us from doing what we needed to do.” Thus began a search for a technology partner that understood the value of social change coupled with technical change. For Suncorp, NetApp provided the ideal fit.

4. Partnering for Success

“We looked to NetApp not only as a partner for the technology and to lower our costs, but to help us materially change the way we do work,” Smith recounts. “We have a strong belief that, in terms of partnerships, we want to work with companies we aspire to be like, not necessarily like ourselves.” NetApp’s founders built the company from the start on a culture of innovation. NetApp has always believed in pushing the boundaries of what’s possible with a single goal in mind: customer success. This collaborative culture and “go beyond” approach was what attracted Suncorp.

NetApp helped Suncorp migrate 80% of its entire IT environment—thousands of disparate storage systems—onto a single shared infrastructure, creating a large,



“We can deliver products faster. We’ve set people’s expectations higher. We’ve transformed the way we deliver technology into services.”

Paul Cameron
Head of Enterprise Services,
Suncorp Business Technology

virtualized private cloud. Seven data centers were consolidated into two, and 300 servers began doing the work that previously required 4,000. Suncorp was able to decrease total IT costs by 30%—which, as Smith points out, “gave us money to go start more development projects.” Suncorp achieved a secure, single view of customers, employees, claims, financials, and pricing that became a launchpad for their success. “Our net IT costs have come down, yet we are producing three times as many business capabilities,” says Smith.

5. Building an Innovative Culture on NetApp

Because of the efficiencies and flexibility Suncorp gained thanks to its new NetApp shared storage infrastructure, the company was able to achieve its goal of creating a culture of innovation that is changing the pace of business. One example is Suncorp’s mobile banking application. Empowered by the new agile methodologies to bring fresh thinking to the table, a recent graduate developed and launched the product in mere weeks for zero incremental dollars. The new application handled more than \$250 million in transactions in its first month.

Other innovations have led to equally dramatic results. An augmented reality ATM finder was developed and rolled out in three weeks. And a new Internet banking platform that was created, end to end, for significantly less than industry averages of \$150 to \$300 million has been growing at 20% per year. Additionally, Suncorp has been able to increase the level of insurance business done online from 10% to 40%, thanks to product innovations in the Internet and mobile channels that were developed on the shared infrastructure.

6. The Bottom Line

Building a culture of innovation and developing the confidence that every problem is solvable has become Suncorp’s real competitive advantage. The speed and agility of the NetApp shared storage infrastructure and the processes that drive innovation have completely reset expectations of what is possible. Ideas now truly come from anywhere, innovation comes from the bottom up, and the employees are bullish on the future. IT has gone from a department of “No, I don’t think that is possible” to “Yes, let’s figure out the best way.”

“IT is not just a piece of the business,” Smith observes. “It is very integral to the business success.”

About Suncorp

The Suncorp group of companies offers a range of financial products and services in banking, general insurance, life insurance, superannuation, and investment products across Australia and New Zealand. The Suncorp group has more than 16,000 employees and relationships with over nine million customers, and is a top-25 ASX-listed business with over \$95 billion in assets. Suncorp has five operating divisions managing various brands supported by corporate and shared services divisions.

About NetApp

NetApp creates innovative storage and data management solutions that accelerate business breakthroughs and deliver outstanding cost efficiency. Discover our passion for helping companies around the world go further, faster at www.netapp.com.

Go further, faster®



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