Sumitomo Life Insurance Uses NEC's Cloud Infrastructure Service to Standardize IT Environments across the Entire Group and Strengthen IT Governance

As threats to data security become more diverse and more frequent, businesses and organizations around the world are redoubling their efforts to protect themselves against potential risks. For Sumitomo Life Insurance Company (hereinafter referred to as Sumitomo Life), this means overhauling its entire network and fortifying IT governance. A critical aspect of this effort involves is standardizing the IT environments among the various companies that make up the Sumitomo Life Group. To achieve this goal, Sumitomo has chosen to integrate its systems in NEC's Cloud Infrastructure Service, "NEC Cloud IaaS". By having all companies share the same standardized service, Sumitomo Life is confident it can reduce the total cost of ownership (TCO), while enhancing security measures and reducing operation/management loads, which each Group company had previously been handling separately. Underway currently is the development of groupware and terminal security services that are the initial targets of standardization, but Sumitomo Life plans to maximize the benefits of standardization by gradually expanding its scope into enterprise systems.

Customer profile

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Independent Operation and Management by Group Companies Poses a Challenge to IT Governance

Under the brand message "Empowering Your Future," Sumitomo Life offers a wide range of insurance products to meet the diverse insurance needs of its customers. The company's most recent business plan - the "Sumitomo Life Medium-Term Business Plan 2016 - Three-Year Plan for Brand Evolution and Establishment of a New Growth Path" - outlines a strategy aimed at establishing Sumitomo Life as the insurance company most recommended by customers.

This medium-term business program contains multiple policies to enhance brand power and reinforce sales and service structures. Also included in this program is a plan to optimize IT, the most important theme of which is further reinforcement of IT governance.

"Due to the recent increase in advanced persistent threats, the importance of information security is increasing more and more. We have compiled guidelines to ensure solid security levels that are required for financial institutions. While bring-

ing home these guidelines to our Group companies, we are implementing monitoring and reporting as to their coping situations," says Kiyonaga Tanaka of Sumitomo Life.

However, the Sumitomo Group has traditionally taken a *laissez-fair* approach to IT, letting its companies build and operate systems independently. Some of the Group companies, have found it difficult to acquire dedicated IT personnel, resulting in the creation of security and governance systems of varying quality and effectiveness from one company to the next. Naturally, this also resulted in unnecessary duplication and wastefulness, raising costs and undermining efficiency.

Integrating all Sumitomo Life Group companies in a single, standardized IT environment in the cloud

Determined to better serve its clients by strengthening and homogenizing its IT security, as well as by increasing overall efficiency of IT operation and management Group-wide, Sumitomo Life realized the key to achieving its goals was to standardize the IT environments in all its companies. As Mr. Tanaka makes clear, "We thought we would be able to solve the problems by integrating the systems of the Group companies based on a standardized IT infrastructure that would provide common services."

NEC's Cloud Infrastructure Service "NEC Cloud IaaS" was chosen as the basis for Sumitomo's new standardized IT infrastructure. The initial items targeted for transition were the various groupware applications used by the other Group companies, Internet connectivity functions (mainly web browsing), official web pages, and enterprise systems capable of transitioning to a virtual environment.

Explaining their decision to go with NEC's Infrastructure, Ryohei Okada of Sumitomo Life emphasizes the technology firm's experience, "NEC has had success building and operating the backend systems for Medicare Life and Izumi Life Designers, both of which are members of our Group. They also have a lot of experience in providing technology and support for companies in the financial industry, so we are confident that they are well versed in the security levels and system requirements requisite for life insurance companies."

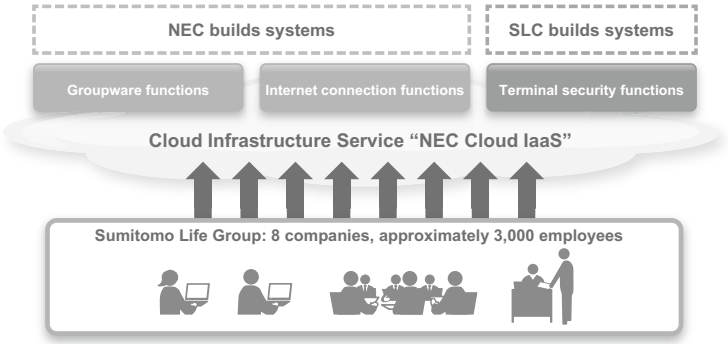
A further incentive was that Medicare Life's backend system already operated in the housing environment at NEC's data center. "It was necessary to link this backend system with the systems that would be turned into clouds after the transition of our groupware and web pages into the NEC Cloud IaaS," says Yukio Ikezaki of Sumitomo Life Information Systems (SLC). "Using the NEC data centers would ensure rapid and reliable communication between data centers as the exclusive networks between those data centers would be utilized. That fact also gave impetus to our decision to adopt the NEC Cloud IaaS."

A cloud infrastructure service capable of handling the stringent requirements of financial institutions

Working together, NEC and SLC will jointly develop the systems that the Group will run in the NEC Cloud IaaS (**Fig.**).

The transition to the NEC Cloud IaaS and the development of the systems will be implemented in stages with cutover planned for April 2015. In preparation for this, NEC will develop groupware functions provided with mail security (mail archiving, proper approval when sending mail with attachments outside the company, etc.), which is even suitable to financial institutions, and Internet connection functions including URL filtering. At the same time, SLC is building terminal security functions including terminal authentication and virus detection. When these tasks have been completed, SLC will provide the new systems as a service to Group companies.

The NEC Kanagawa Data Center, which offers the NEC Cloud IaaS, is compliant with FISC Security Guidelines on Computer Systems for Banking and Related Financial Institutions and has obtained SOC 2 certification. As these certifications make clear, the Kanagawa data center is able to meet the



In order to strengthen IT governance, the systems used by the Group companies have been integrated in the NEC Cloud IaaS, where they can be freely accessed by users at any Group company.
System construction is being implemented jointly by NEC and SLC. Services are integrated and provided by SLC.

Fig. Conceptual diagram of NEC Cloud IaaS at Sumitomo Life.

requirements for strict security and internal control regarded as critical for financial institutions, providing, safe, secure, and reliable services. The center is also capable of flexibly increasing and decreasing server resource usage as and when required, meaning that it provides an environment where it will be easy to cope with the increase of users who access to the server resources, improve system functions and expand the scope of the systems which will be transited to the standardized IT infrastructure.

Security measures for the whole Group can be standardized thanks to the transition to a unified IT infrastructure

Once construction of the system has been completed and operation has begun, the standardized service in the NEC Cloud IaaS will be available to roughly 3,000 users spread throughout all the Group's member companies.

What this means, according to Naoharu Yajima of SLC, is that "our Group companies no longer need to independently build and operate systems such as groupware, which allows us to totally conform to the security levels based on the guidelines specified by Sumitomo Life."

And, adds Mr. Ikezaki, simplification and standardization of systems and services also dramatically reducing the Group's overall IT costs. "We estimate that the cost of system construction can be reduced by roughly 15 percent compared to what it would otherwise cost were it to be dealt with individually by each Group company."

Mr. Ikezaki is full of praise for NEC's project structure. "They have brought together personnel who already have experience in projects for financial institutions including members of the Sumitomo Life Group, so they understood exactly what we wanted. We are very confident in them."

Expanding the scope of IT environment standardization to include on-premise systems

Utilizing the NEC Cloud IaaS, Sumitomo Life is planning to further accelerate the standardization of the services provided by the Group companies' systems.

Outlining the Group's plans, Mr. Tanaka says, "We will continue to look at ways of maximizing benefits like enhancement of IT governance and reduction of operational loads and TCO as and when required, while at the same time keeping our eye on the timing for renewal of enterprise systems used by our Group companies. Ideally, the IT environments of all the systems in the Group, including Sumitomo Life, will be eventually be standardized. At that time, it will be important to link the systems in the NEC Cloud IaaS, which is a private cloud system environment, with any systems that must be operated on-premise, and also to find ways to further automate standardization and operation."

The NEC Kanagawa Data Center, which offers the NEC Cloud IaaS, also provides a housing service, so both the systems in the NEC Cloud IaaS and on-premise systems can be operated within the same data center. By taking advantage of this feature, NEC can address the unique needs of Sumitomo Life. Specifically, NEC can facilitate coordination and smooth inter-operation between systems in the cloud infrastructure services and those that are more difficult to transit to the virtual environment. Moreover, NEC will more easily be able to coordinate improvements in automation and efficiency.

"Integrating the IT environments of all Group members is a crucial issue for us," says Mr. Yajima. "We are confident that NEC will come up with an optimum proposal for the Sumitomo Life Group while making it possible for us to catch up with standard technology and leading-edge technology."

NEC is committed to fulfilling expectations like this by taking full advantage of the proprietary technology and business know-how it has acquired over many decades as a leader in Japan's information technology industry.

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* This article was written in November 2014 and is based on the interview to Sumitomo Life Insurance.

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