

SCENARIO EXERCISE

On the strength of your experiences at the 2004 Cyprus InfoSec conference your team has set themselves up as an independent consultancy. A friend has gained you an opportunity with a large European insurance company. Get this right and your consultancy is made!

You will need to answer specific questions on the attached sheet and hand them in towards the end of the exercise for the 'post-mortem' discussion.

You have:

- ◆ A briefing letter.
- ◆ A Question sheet from Cyprus Universal
- ◆ A "Bid Assessment" Sheet from your company
- ◆ Some Press-cuttings about the company.
- ◆ A 'Technology Report' prepared for the Board Last year.
- ◆ The opportunity to question Mr Nice, Herr Nett and Mijnheer Aardig, respectively the IT Directors of Cyprus Universal, Lichtenstein Life, and Gee-Whizzz.

We'll use the rest of the afternoon for the exercise. Timings are expected to be:

- 10-15 minutes, painting the scenario, and splitting you into groups
- 45 minutes groupwork to prepare answers – the IT Directors will be available to answer questions: They will be circulating the groups, strict 10 minute timeslots though!
- Coffee break – you may want to use this time to work up your arguments!
- (16:10) Hand-in. You must return both the Cyprus Universal Question Sheet and the "Bid Assessment" sheet
- Wrap-up / Post Mortem: 30 minutes.

CYPRUS UNIVERSAL

10th October 2004

[Your Name Here]
[Insert Company Name Here]
Some Street
Nicosia
Cyprus

Dear [Your Name Here]

Identity Management Strategy

I would like to invite [Insert Company Name Here] to undertake some preliminary work on an Identity Management Strategy for Cyprus Universal.

You will be undertaking a very brief preliminary survey to understand where Cyprus Universal could most benefit from the establishment of modern Identity Management practices. This work will be undertaken with a view to [Insert Company Name Here] consultancy moving on to the management of a full implementation. Before the major phase can be commissioned I first need to understand in which areas(s) of the business Identity Management could make most difference and:

- The main benefits
- The major pitfalls to implementation
- Your overall approach, say, limited to the 5 major steps to success.

Unfortunately I will not be able to meet you myself, but our IT directors will be available in Nicosia on the afternoon of the 20th to talk to you. In the meantime, I hope that the enclosed information is sufficient to allow you to form a preliminary impression.

You will understand that in the current regulatory climate, Cyprus Universal is obliged to pass this work past a number of consultancies, therefore a certain amount of standardisation is required. Therefore, please return the results of your deliberations, on the attached question sheet, no later than 16:10 on Wednesday 20th October 2004.

Yours Sincerely

M Lichtenstein

Manfred Lichtenstein
Global Financial Controller

CYPRUS UNIVERSAL

Board Technology Briefing

Your Consultancy Name:

Project Scope/ Brief Description:

Which area are you going to propose that ID Management will make most difference?(e.g. Across Group, Cyprus Universal, Lichtenstein Life, Gee-Whizzz – Front Office, Back Office, Mail, O/S etc etc)

Technology / Systems to be included

Main Benefits are:

1)

2)

5 Steps to Implementation are:

1)

2)

3)

4)

5)

PRESS CUTTINGS

Insurance Sector Brief, May 2003

Who is who in insurance?

Continues our occasional series of mini-pen-portraits of the players in our industry. This month we look abroad to Cyprus Universal.

Cyprus Universal is a General Insurance company based in Nicosia, but with regional presence. It has small trading arms in London and New York, branch offices in many European capitals and representatives in many more cities across Europe.

Cyprus Universal has built a very successful business selling Home and Car Insurance through independent brokers and small financial institutions right across Europe. Most of this business is written under their own brand, but they have a number of successful partnership ventures under other brand names. In particular they have been quick to capitalise on the opportunity to sell insurance under supermarket brands. To quote colourful Chairman Helios Bigbadbos: "We're not proud, we'll go where the money is. We aim to get there first and stay cheapest."

Cyprus Universal, only 10 years old, has enjoyed phenomenal growth. It currently employs approaching 1,000 staff Europe-wide, 400 of which are at their HQ in Nicosia. Helios Bigbadbos, has described this to the press as "a bit shabby, but

serviceable and cheap. We are in the business of insurance. We spend our money making money, not building palaces." This pretty much sums up Cyprus Universal culture.

Until recently Cyprus Universal was a private company owned by the Bigbadbos family. Recently it floated on the capital markets to fund expansion. The family now retains 38% of the voting stock.

Helios Bigbadbos, states that his "commandments" are:

- Rationalisation
- Exploitation of economies of scale
- Further acquisition of suitable companies
- Increasing the share price and investor return.
- Reducing the time to find, develop and bring to market new products
- Control and management of the company as a single entity
- Globalisation
- Selling through new channels
- Seamless integration with suppliers and customers
- Sharing and using information between all elements of the organisation

Insurance Sector Brief, June 2003

Helios Bigbadbos' Cyprus Universal is on the acquisition trail

After this spring's surprise announcement that Helios Bigbadbos had managed to bring enough of the famously feuding family on board to go ahead with floatation, the exciting insurer has announced that it is spending some of its cash mountain. The Target? Gee-Whizzz, the Dutch on-line specialist brokers.

Gee-Whizzz, based in Zondberg 50 K east of Amsterdam, is one of the survivors of the dot-com bubble. Last year it even turned in a decent profit, and according to Minjheer Aardig, IT Director, a founder who stands to make a cool 4 million euro out of the deal, "There is more to come, we've definitely turned the corner".

The FT ranked Gee-Whizzz as one of the most interesting technology stocks of 2002, observing

that it had at the same time one of the most recognised internet brands *and* some of the brightest technologists around." The FT rounded the report off with a note of caution though: "However, Gee-Whizzz still represents a high risk stock as rumours imply that with 2 million clients they may be losing track of a few"

For those readers unfamiliar with the high-tech world, the Gee-Whizzz portal allows people to register their insurance requirements in toto. Gee-Whizzz technology then splits these into 'Delen' then uses "unique algorithms and spidering technology to find the customer the cheapest mix of products that meets their requirements." Gee-Whizzz either rakes back a commission from the vendor, or customers can sign up for the service on a fixed-fee basis.

The 20 Million Euro purchase fits well with Cyprus Universal's current strategy of becoming a major regional player through flexibility, some would say

opportunism. Helios Bigbadbos has stated: "Not only does it give us access to an amazing technology, a client base of what could be 3 million, but the analysis capabilities built into Gee-Whizzz technology will allow us to leverage our products into new niches. All in all, a very exciting prospect. Watch this space"

The Brief sees this as an interesting development in the bumpy journey on which Helios Bigbadbos has been taking Cyprus Universal on of late. We would

suggest some caution to readers intent on buying Cyprus Universal stock. There have been rumours that all is not well at Gee-Whizzz. Its technology may be innovative and exciting, but it is largely proprietary and they have surpassed their original business predictions in a big way. Our sources in Holland suggest that it may be bursting at the seams, and that some control issues regarding customer data have been well hushed up.

Insurance Sector Brief, July 2003

This month saw the announcement of another step on Cyprus Universal's expansion plans, a deal with Zurich Based Lichtenstein Life, the Life Assurance and Pensions company, serving the high net worth individual market. Established in 1906, with 'prestigious offices in New York Tokyo, Paris, Hong Kong, Sydney and Shanghai' (according to their prospectus) this traditional Swiss company should make interesting bedfellows with new-kid-on-the-block Helios Bigbadbos' Cyprus Universal.

The deal with the clan-like Lichtenstein-Nett Trust is reputed to be a part-cash, part-stock one. Certainly the Trust now holds some 28% of Cyprus Universal's voting stock.

The question that is puzzling analysts is who is now in control?

- The Bigbadbos family remain the biggest shareholder by far with 37% of the common stock. They are represented on the board by colourful chairman Helios and his Aunt Sophia. However, whilst Helios Bigbadbos successfully pulled the family together to float Cyprus Universal and to drive through this deal, there are rumours of a revival of the family feuds that

so dogged the family in his father's day. Without family support, Helios can only count on his own, 7½% holding, his wife's 5% and, possibly, Sophia's 10%.

- The Lichtenstein-Nett holding by contrast may only be 28%, but it is held within a single trust. A trust that has a history of unified action and, further, one that may now have the cash to buy a bigger stake if it wants to. The family are not only represented on the Board of the new Cyprus Universal by the new Financial Controller, Manfred Lichtenstein, but by various members throughout the senior management in Zurich.

Although the talk so far has been of Helios Bigbadbos' triumph in building this deal, this journal reserves judgement. Lichtenstein Life is a much more established company, whilst the two head offices will remain in place, the Swiss have a much more unified infrastructure. This journal wonders whether the Swiss are simply biding their time, and that Helios might have bitten off more than he can chew. Only time can tell

CYPRUS UNIVERSAL

Board Technology Briefing

Cyprus Universal

User-Base

- HQ, Nicosia – 450 users, including Data Centre, Development team 55, support 45
- Trading Centres – London 15 (Co-located with branch), New York, 20.
- Branch Offices, (sales centres): Paris 55, Marseilles 35, Madrid 48, Amsterdam 75, London 103, Geneva 35, Berlin 45, Warsaw, 50
- Minor Offices (Reps) across Europe: 45, average 12 users per office

Total User Base: c 1,400.

Strategy

- IT strategy based around IBM, Dell, HP-UX, Windows 98/2000/2003, Linux, Solaris, Pentium PC's and Apple Macs.
- Networks use 'appropriate technologies' e.g. Locally sourced LAN equipment and a mixture of leased line, ISDN and Internet based VPN for the WAN.
- Software development is done in-house mainly based around Oracle Technology but with the same turnkey applications, the development group employ a variety of RAD approaches.

Systems

Area	System(s)	User Profile
Sales/Policy Management	<i>Pan</i> – main sales tool, built around a number of COTS products held together with bespoke add-ins. PC front end, HP-UX & Linux back-end.	HQ 480. Paris 75, Marseilles 80, Madrid 96, Amsterdam 125, London 235, Geneva 30, Berlin 40, Warsaw 96, + c 1,000 Reps.
	<i>'Pans Pipers'</i> - small local sales systems running on a variety of kit that allow local offices to respond to local market conditions.	Unknown.
Claims	<i>Zeus</i> – AS400 back-end, Terminal emulation front end.	HQ 250. Paris 63, Marseilles 57, Madrid 59, Amsterdam 81, London 153, Geneva 10, Berlin 91, Warsaw 130.
	<i>'Nymphets'</i> – small, local sales systems that allow local offices to manage claims whilst meeting local regulations	Unknown.
Email	MS-Outlook, mostly used in major offices, MS-Exchange elsewhere.	C 4,500.
Investment	<i>Poseidon</i> – main treasury system, HP-UX based, plus of course a variety of Market Data Feeds (Bloomberg, Reuters, Quick etc. managed locally)	89 users of which 5 in HQ. MDF's average 35 users per centre.
O/S	Windows Unix variants i5OS	C 3,200 (excluding local accounts) C 750 C 950
Minor/Specialist Systems	Total Systems c 76, varying from 2- 130 users. Average 53.	

Lichtenstein Life

User-Base

- HQ: Zurich 332, dual-site data centre, development team 35, support 15
- Investment Arm: (Trading/Back Office/Branch staff) Zurich 20 / 25 /included above, London 15/ 20 /60, New York 12 / 22 / 18, Tokyo 9 / 12 / 6
- Branch Offices: Paris 125, Hong Kong 80, Sydney 45 and Shanghai 30.

Total User Base: 831.

Strategy

- Centralised IT Department with state of the art data centre in Zurich and backup centre in the heart of a Swiss mountain.
- A fairly loyal IBM shop. Have a Mainframe and SNA / APPN environment
- Desktops (IBM) are tightly controlled with a standard build rolled out across 90% of the company. Exceptions are to be found in the dealing areas and on the laptops of some high-ranking staff.
- Such software development as happens is based around DB2 but the normal approach is 'why can we not use off the shelf'
- IT Department numbers 40, including 8 support staff. InfoSec is part of the Risk Management Function.

Systems

Area	System	User Profile
Sales/Policy Management	SPM – IBM mainframe based system, RACF controlled access	HQ 131, London 54, New York 15, Tokyo 4, Paris 111, Honk Kong 72, Sydney 41, Shanghai 27
Email	Lotus Notes	876
Investment	FO – IBM AIX COTS Front Office system. Prime machine in Zurich, locally replicated servers. (Back Office is outsourced through Pershings)	HQ: 3, Zurich: 20, London 15, New York 12.
	Market Data Feeds – managed through Finance Dept in Zurich	17 Bloomberg 15 Reuters Exchange feeds 'off the books' through 'soft' arrangements with brokers.
O/S	Windows	892
	z/OS	412
	AIX	50
Minor/Specialist Systems	Total Systems c 15, varying from 5-15 users. Average 12.	

Gee-Whizzz

User-Base

- HQ, Zondberg: 104, 65 of which are 'technologists' who divvy up such support as is needed.
- Call-Centre: Zondberg: 36 Staff.

Total User Base: 140.

Strategy

- IT is the business and to the culture heavy investment right across the board.
- Main System, is proprietary, using Java front end, (JBOSS) Horizontally scaled Linux back end with MySQL Database back end, interfacing with CLIPS Expert System.
- Call Centre, COT call management software and access to their main management system. Management are actively investigating outsourcing arrangements.

Systems

Area	System	User Profile
Front Office	<i>Wonder Of the Web (WOW) Vn 4.57</i> – the customers web experience, internal accounts are mostly for maintenance and reporting.	Internal – 95 External – in the region of 2,750,000
Back Office	<i>Gee-Whizzz Internal Information Management System (GWIIMS) V.5.63</i> – home-grown code, tightly integrated with WOW, provides e-ordering, PDF Policy Generator, Management reporting and General ledger functionality.	41
Email	Mailman engine, Thunderbird clients	146
O/S	Linux – Debian.	164
Minor/Specialist Systems	Total Systems 4, varying from 4-50 users. Average 28.	

BID ASSESSMENT SHEET

Before answering Herr Lichtenstein's Questions - answer this!

Your Consultancy Name:

Why have you been appointed?

(e.g. What is Herr Lichtenstein up to, and by implication what does he want from you)

Given your project scope who are going to be your:

1) Major Friends

2) Opponents

3) People who want you to do their job for them