



Markel transforms financial planning to maximize growth and profitability in a fast-changing economy

With an end-to-end financial planning solution that spans underwriting, expenses, allocations, consolidations, and more, this diversified financial holding company is poised for the future

Customer Story

SOLUTIONS: Finance

INDUSTRY: Financial Services & Insurance

PARTNER: VUEALTA



To ensure sustained growth in a rapidly changing operating environment, Markel—a Fortune 500 diverse financial holding company principally focusing on specialty insurance but also owning a portfolio of product- and service-based businesses—created an end-to-end financial planning environment on the Anaplan platform. Markel has dramatically increased the efficiency of its finance department, enhanced its ability to adapt and grow as its business environment evolves, and established a foundation for an engaging, diverse, and flexible workplace.

60%
reduction in time taken to complete the planning cycle—down from 18 weeks to seven—means plans are converted to action sooner

6,000
hours saved annually by the finance department are now available for high-value work

Increased
transparency of financial plans enhances and accelerates strategic decision-making

Anaplan



As one of the leading insurance holding companies, Markel is focused on assessing, predicting, and reducing risk.

In a dynamic global economy, Markel's finance team must analyze key performance metrics—revenues, losses, expenses, cash flow, and more—for its insurance businesses and the other non-insurance interests that it holds. Robust, accurate, and flexible financial planning is essential for Markel and its over 300 finance professionals to navigate an increasingly volatile business environment and support continued growth.

"Timely, reliable, driver-based financial plans that can be updated quickly and easily are critical to running our business," says Jeremy Noble, Senior Vice President and Chief Financial Officer at Markel. "But with forecasts for operational and legal entities taking up to 18 weeks to build, it was clear that our existing financial planning solution could no longer meet our needs."

In addition, Markel's prior solution offered limited flexibility and a complicated user experience. Spreadsheets outside of the system were required for complex calculations and reporting, limiting real-time capabilities and introducing the possibility of human error.

"We recognized that refreshing our financial planning solution presented an opportunity to redesign our entire financial planning processes for greater efficiency and improved business performance," comments Alex Martin, Senior Vice President of Finance at Markel. "Specifically, we looked for a solution that would allow us to establish standardized processes across our operations globally, while still accommodating local nuances for each of our unique businesses."

Building the best platform

In its search for a flexible and future-proof financial planning solution, Markel invited Anaplan to conduct a proof of concept (POC).

"The exercise enabled us to see the Anaplan team build the solution in real time, so we could assess how easy it would be to adapt as our needs evolve," says Meredith Albright,

Managing Director of Financial Planning & Analysis at Markel. "We were impressed with the rich functionality of Anaplan, its intuitive interface, and the high degree of flexibility that it offers."

Following the successful POC, Markel enlisted the help of Anaplan Partner Vuealta to support a best-practice implementation. "Vuealta's consulting acumen, extensive insurance industry knowledge and subject-matter expertise were key in Markel's decision to partner with us," says Irfan Ozaltin, Managing Director of Vuealta Americas. "Over and above Vuealta's specialist Anaplan knowledge, we have delivered a clear channel to embrace The Anaplan Way. Markel knew this DNA would be fundamental to its onward success as a business."

Transforming financial planning

Markel's Anaplan ecosystem integrates data from their general ledger, human capital, and data relationship management systems to support multiple planning processes. To align with best practices, Markel leverages an Anaplan Data Hub as a central data repository. The Data Hub feeds downstream operational models with cleansed data that is aggregated at the appropriate level of detail. The operational models in Markel's end-to-end financial planning environment are organized into five groups, all of which allow for planning and reviewing results in multiple currencies due to the global nature of the company:

- **Underwriting models** are used by insurance underwriters to build gross written premium (GWP) projections using drivers such as rate, renewals, or new business. This is also where earnings patterns (revenue recognition) are calculated and acquisition costs (variable expenses) are layered on.
- **Controllable expenses** are where items like office space, travel, professional fees, and—most importantly—workforce costs are managed. "As a service organization, our workforce is our largest controllable expense," Albright explains, "so we plan at the associate level." This is also where Markel's corporate accounting team inputs information centrally for expense items such as depreciation and restricted stock.

- **The allocation model** is where all of the corporate, shared service, and divisional expenses are allocated down to the applicable businesses, products, and legal entities. These drivers become the basis for Markel's actual allocations as well.
- **The consolidation model** is used to bring together all of the information to produce a full income statement. This is also where Markel plans their unique businesses such as Markel's insurance-linked securities (ILS) business—the company is a global leader in ILS management—investment earnings, and income from Markel Ventures, its non-insurance businesses. The consolidation model is also where the corporate accounting team inputs information centrally for items such as interest, amortization, and income taxes.
- Markel's newest model, the **capital model**, contains detailed legal entity information used for capital planning and analysis purposes. Given the granular level of detail, Markel recently split this out into a dedicated model to optimize size considerations.

Across the five categories of models, Markel builds operational plans and legal entity plans for each of their businesses. "All plans are created concurrently and are directly linked," Albright says. "This way we have granular detail for both regulatory and capital planning purposes."

All maintenance and development is owned by Markel's Anaplan Center for Excellence. This business ownership model further enables the company to rapidly adapt to the changing needs of the business.

Albright calls the Anaplan platform a game-changer for Markel. "Because the solution is so user-friendly and supports Markel's entire business, Anaplan has helped us streamline FP&A and improved our productivity dramatically," she says. "We save 6,000 working hours a year with Anaplan, most of which had been spent collecting data, performing calculations, and reporting in spreadsheets."

Anaplan also supports Markel's vision for global processes. "Anaplan has enabled us to establish standardized, global financial processes while offering the flexibility for us to adapt to the unique needs of each business," Albright says. "As a result, we have been able to better serve the needs of each of our internal customers while streamlining the user experience."



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**Meredith Albright, Managing Director,
Financial Planning**

Establishing the Future of Finance

In addition to helping financial analysts work more efficiently, Anaplan has enabled the company to reduce the time needed to create its annual financial plan from 18 weeks to just seven, while also increasing the value of work completed. In Markel's old process, the 18 weeks focused on the mechanics to create the forecast. Now, the seven weeks include three to four weeks of collaborative driver-based assumption inputs and three to four weeks of analysis and review with company leadership.

"By cutting the time taken to complete our financial planning cycle by more than half, Anaplan helps us to be much more responsive to unexpected changes in market conditions," says Noble. "In an uncertain economy caused by the COVID-19 pandemic, having the ability to spot potential issues and adapt our plans on the fly puts us in a much stronger financial position."

On a strategic level, meanwhile, the Anaplan solution is an element of a corporate Future of Finance objective that will enable Markel to remain an industry leader. "We're exploring future ways of working," Noble explains. "Markel is intentional about creating a diverse and flexible workplace. We're investing meaningfully in technology and digital capabilities, because solutions like Anaplan drive productivity, create a better customer experience, increase employee engagement, enhance business insights, and facilitate growth."

About Anaplan

Anaplan (NYSE: PLAN) is a transformative way to see, plan, and run your business. Using our proprietary Hyperblock™ technology, Anaplan lets you contextualize real-time performance, and forecast future outcomes for faster, confident decisions. Because connecting strategy and plans to collaborative execution across your organization is required to move business FORWARD today. Based in San Francisco, we have 20 offices globally, 175 partners and more than 1,800 customers worldwide.

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