

First American Title Insurance Company

Success story



Leading title insurance provider saves millions by increasing processing efficiency with help from HP Integrity Superdome servers running Microsoft® Windows® Server 2003, Datacenter Edition

As one of the nation's leading title insurance underwriters, First American Title Insurance Company constantly seeks ways to deliver innovative products and services to customers while increasing efficiency. The company provides timely and accurate information that protects real estate property buyers and lenders from problems that might affect title ownership. Today more than ever, mission-critical IT systems that streamline title and escrow closing procedures play a key role in serving customers better and faster.

"To enhance customer service, improve business performance and reduce costs, First American Title needed a system that would decrease the overall processing time of title and escrow closing procedures," explains John M. Hollenbeck, senior executive vice president, First American Title Insurance Company.



*First American
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Accommodating business growth

First American Title traces its history to 1889 and delivers services through 1,500 offices and an extensive network of agents throughout the United States and abroad. The company was previously decentralized, growing largely by acquisition. By the late 1990s, First American Title had more than 50 different title and escrow systems running on a number of operating systems: MS-DOS, Novell, UNIX®, and Microsoft Windows. Some of these systems were standalone applications running on a single desktop computer, while others were server-based and supported dozens or hundreds of users.

Having a widely distributed and highly heterogeneous IT environment presented several disadvantages for the company. With 50 disparate systems, First American Title could not realize economies of scale in IT infrastructure costs, data processing, and system administration. Financial and performance data had to be rolled up manually—a full-time job for several people. By the time data reached upper management, it was three to four weeks old. And, because there were so many platforms, applications, and data centers to address, IT projects were complex and costly.



Contributing to millions in annual savings

One of First American's most urgent priorities—one that it has made substantial strides toward—is centralization of operations and processes. In an effort to consolidate disparate systems, the company deployed First American Software Technology (*FAST*), a unique, integrated title and escrow system running Microsoft Windows 2000 Datacenter Server (32-bit). When First American Title began to roll out *FAST* in late 2001, the system's central database ran on a server with eight Intel® Xeon™ Processors MP and 8 gigabytes (GB) of RAM—the maximum that it could support.

Unanticipated business growth increased the workload on the new system faster than expected—due partially to the refinancing boom that began at about the same time as the *FAST* rollout. In mid-2002, before the rollout was even halfway finished, the database server had run out of capacity. CPU utilization was at 90 to 95 percent, and users were complaining about slow system response. First American Title completed the rollout of *FAST* by moving the database onto a server with 32 Intel Xeon processors and 32 GB of RAM, running Microsoft Windows 2000 Datacenter Server with IIS 5.0 and SQL Server 2000.

This solution served the company well; but, again, the company's growth began overwhelming its *FAST* infrastructure, as CPU utilization exceeded 80 percent. An even more powerful infrastructure was needed. Because *FAST* is mission-critical, the company needed an immediate and enduring solution.

The move to HP Integrity Superdome

After evaluating price-performance of several alternatives for a robust hardware foundation and mission-critical support, First American Title decided to upgrade *FAST* to HP Integrity Superdome servers with 32 Intel Itanium® 2 processors. The Superdome servers run Microsoft SQL Server 2000 Enterprise Edition (64-bit) and IIS 6.0 running on the Datacenter Edition of the Microsoft Windows Server 2003 operating system.

"We've had a positive experience with HP from the beginning based on exceptionally reliable hardware and skilled, responsive mission-critical support personnel—an ideal combination for our mission-critical *FAST* application," says Larry Godec, vice president and chief information officer for First American Title Insurance Company.

By moving its *FAST* Transaction System to HP Integrity Superdome servers, First American Title is becoming an Adaptive Enterprise, significantly improving processing performance and streamlining business processes. CPU utilization has dropped to 35 percent on average, and the new hardware and operating system will scale to meet future demands. As a result, the company has greatly increased efficiency and can now anticipate and respond to customer and market demands better than ever before.



"With the deployment of the *FAST* Transaction System on the HP Integrity Superdome servers, our efficiency has improved considerably, contributing to \$5 million in annual IT savings and a total of \$100 million in annual savings to The First American Corporation," says Hollenbeck.

These cost savings can be attributed to several factors. By running the *FAST* application on HP Integrity Superdome servers, First American Title has been able to centralize the bulk of its back-office title and escrow processes. Centralization, in turn, has enabled the company to standardize and enhance its core business processes, streamline job functions, and increase productivity, resulting in substantial bottom-line benefits.

Rapid time to market, reduced implementation risks

First American Title worked closely with HP to implement the Itanium 2–based Superdome servers, which offer a considerable performance advantage over the Unisys ES7000 systems the company chose to replace. In addition to using HP Integrity Superdome servers for its business-critical data-processing needs, the company uses industry-standard HP ProLiant servers for the FAST transaction system and other mission-critical applications.

The upgrade to HP Integrity Superdome servers had to occur in record time. Just when the company desperately needed a boost in performance, year-end close was rapidly approaching. First American Title set an aggressive rollout schedule of one month to have the FAST system up and running before the looming crunch. “We knew year-end close would be a huge issue that could negatively affect customer satisfaction because we had run out of processing power,” says Goddec. “Thankfully, HP met our tight deadline.”

HP performed a proof of concept for First American Title with the HP Solution Center in Cupertino, California, before implementation of the Superdome servers. To facilitate the transition from a 32-bit to a 64-bit architecture, consultants from HP Services at the HP Solution Center rebuilt First American Title’s FAST database running on the HP Integrity Superdome. Then, to verify functionality, the HP Consulting and Integration staff simulated real-life scenarios of the First American Title production environment. “Using consultants from HP Services and an HP Solution Center to test prior to implementing reduced our risk and decreased deployment time by weeks or even months,” says Goddec.

The FAST solution

The HP Superdome running Windows Server 2003 and the 64-bit version of SQL Server 2000 provides all database services for FAST. The database exceeds 1 terabyte and grows by 4 GB a day. The largest single table is 72 GB, with more than 120 million rows. An archive database that is roughly 100 GB also resides on the server.

The FAST database server supports roughly 130 other servers, including 48 Web servers, 60 document-delivery servers, six check-printing servers, and three fax servers. To maximize availability for its FAST solution, First American Title maintains a second, identical infrastructure at its Dallas, Texas, data center.

Improved business intelligence

Since upgrading to the HP Superdome platform, First American Title Insurance Company is enjoying a number of benefits, including increased business agility, lower IT costs, faster performance, a 25 percent reduction in database maintenance time, a better user experience, and support for growth and changing business processes.

The company built a data warehouse that receives a feed from the FAST database server and aggregates 32 days of detailed history for each of the company’s 1,500 offices—approximately 700 GB of data in total. Every night, First American Title builds online analytical processing (OLAP) cubes against the data warehouse to generate daily reports on business performance—reports that are updated with all the previous day’s data and are waiting on the managers’ desktops when they arrive for work in the morning.



Business decision makers have consistent and accurate information on the company's performance—with information updated to include all of the previous day's transactions. By consolidating 50 systems into one, First American has also consolidated operational measures such as productivity, financials, and human resources into a single data warehouse. The company can now easily gauge productivity and track the number of title orders from each office or region.

Being responsive to the marketplace is critical to First American, because the housing market and refinance boom could dry up as fast as it exploded. With *FAST* and the data warehouse that it feeds, the company has near real-time insight into how the business is operating. There is only one system to change when the company must address a new business need or a change in market conditions. Executives can make better and faster business decisions, because the data that they require is immediately available—and in a consistent format across all offices and regions.

"Executives can spot trends and perform analytics on the data in near real-time, whereas before it took us several weeks at the end of every month to consolidate data into a comprehensive report," says Godec. "Now, we can watch trends on a daily basis, from market shifts to increasing interest rates or environmental issues that might affect title orders. The new HP Integrity Superdome servers running SQL on Microsoft Windows enable us to respond to market factors much faster than we ever could in the past."

Streamlining business processes

Microsoft SQL Server and the Windows operating system take advantage of the HP Superdome's advanced memory-addressing capabilities for essential resources including caches, thereby reducing the need to perform multiple input/output (I/O) operations to bring data in and out of memory from disk, slashing processing time. The increase in system memory has been crucial to giving First American the fast, efficient, and sustained application performance it required for *FAST*. In fact, end users benefited from an immediate 30 percent improvement in response times upon switching over to the HP Superdome servers.

Scalability has also improved. Since implementing the HP Integrity Superdome servers, *FAST*'s user base has grown by several thousand people. At the same time, CPU utilization on the HP Superdome has been holding at just 40 percent during peak usage. This additional processing headroom is enabling First American to sustain ongoing business growth.

"Everyone wants to close on their mortgages at the end of the month, because it makes their first payment far lower," says Godec. "As a result, the *FAST* system gets hit hard at month-end, generating 700 closing documents per minute and handling up to 20,000 mortgage closings in a single day. With HP Integrity Superdomes, we have dramatically increased our hardware scalability. And, in the future, we can easily scale to 128 [Intel] Itanium 2 processors."



The HP Superdome servers provide First American with a scalable and reliable platform, backed by world-class support services. Windows Server 2003 Datacenter Edition support, provided through a partnership between HP and Microsoft, complements the server and operating system with a mainframe-style support model that helps First American keep its mission-critical solution up and running. First American is also using HP Mission-Critical Support to enable the *FAST* solution to be available around the clock.

"We've been pleased with HP Mission Critical Support and the excellent responsiveness it affords," says Godec. "Without the *FAST* system, our business grinds to a halt. Consultants from HP Services help us rest assured of ongoing business continuity. Our 'prime time' availability is better than 99 percent, and HP helps us keep it that way."



Lower IT costs

Consolidating 50 systems down to one significantly decreased First American's IT costs. System administration and software upgrades are now done in one location and are immediately available to users across the country.

"Consolidating to one system significantly increases our operational efficiency," says Godec. "We'll save 100,000 hours of IT effort per year—equivalent to 50 full-time people. Total IT cost savings are expected to be at least \$5 million per year."

Faster performance

Performance had been a continuing problem with the earlier hardware and software infrastructures supporting FAST. CPU utilization frequently exceeded 80 percent with earlier solutions, slowing responses to unacceptable levels.

"During peak hours, we have about 13,000 concurrent users," says Sue Binks, vice president of Application Development at First American Title Insurance Company. "Slowdowns would reach the point where help-desk calls were generated. Windows Server 2003 and the 64-bit version of SQL Server allow us to take full advantage of the 64-bit HP Superdomes. Performance is no longer an issue, not even at month's end when users remain logged on to FAST for hours at a time."

25% faster database maintenance

The direct addressability of the HP Superdome's 512 GB of memory has enhanced throughput on the operations side and also reduced database maintenance time. It previously took 12 hours for the company to run database maintenance. It now takes just 9 hours—at least a 25 percent reduction in maintenance time since moving to the HP Superdome servers. This time savings is important, because the company estimates that it is losing \$1 million for every hour that FAST is down.

Consolidation for one-time and ongoing savings

The company reports additional savings from consolidating Web servers. "We've been able to achieve a 40 percent consolidation, reducing the number of our servers hosting IIS from 80 to 48," Binks says. First American estimates that the server consolidation provided a one-time savings in hardware and software of \$640,000, and provides an ongoing savings of \$9,000 a year in reduced maintenance costs.

Better user experience

FAST helped make front-office employees more productive, allowing them to spend more time focusing on clients and generating new business. Unlike the previous situation, in which employees worked with multiple escrow applications, employees serving corporate customers no longer need to rekey data into multiple systems when a deal they are working on spans more than one geographic region.

At a glance

- **Industry sector:** Financial services
- **Name:** First American Title Insurance Company
- **Headquarters:** Santa Ana, California
- **Founded:** 1889
- **Telephone:** (800) 854-3643
- **Number of employees:** First American Title has a total of 19,000 employees.

Technology highlights

- 3 Itanium 2–based HP Integrity Superdome servers
- Microsoft Windows Server 2003 (64-bit) operating system
- Microsoft SQL Server (64-bit)
- Intel Itanium 2 processors
- FAST transaction system

Business process change for additional savings

In addition to upgrading its FAST infrastructure, First American is reengineering business processes, an ongoing effort that will save the company an additional \$100 million per year. These initiatives—which include consolidating back-office processes, such as order processing and billing, instead of having each office maintain its own resources—will reduce space and personnel requirements across the company's 1,500 offices.

First American also plans to move back-office production sites offshore to reduce costs and compress time to completion for title deals by enabling work to be done in multiple shifts. In addition, the company is consolidating IT resources across the country to take advantage of technical knowledge and experience while reducing costs.

Godec credits the feasibility of these initiatives to FAST. "The entire business now operates on a single system—with all data maintained on a single server," he says. "This makes supporting business initiatives like consolidating back-office processing far less costly and complex."

Performance, stability, and scalability for future growth

As First American has learned, the FAST system could not function without a reliable, scalable, stable, and high-performance foundation: the HP Integrity Superdome, backed by mission-critical support from HP.

"We view technology as a means to enhance our competitive advantage, and we chose HP Integrity Superdome, Microsoft Windows, and HP's exceptional support services—because the combination gives us better performance and more stability and reliability in our mission-critical systems," says Godec. "HP Integrity Superdomes deliver the cost and flexibility benefits we were looking for, while providing a proven path to scale these systems as our customer base and data volumes continue to expand."

Why HP?

- Strength in high-performance enterprise computing
- Extensive, 24x7 support resources
- HP Solution Center services
- System performance and reliability for mission-critical applications

Challenges

- Attract more customers to grow the business
- Consolidate from 50 title and escrow systems down to one
- Increase performance and improve user experience
- Improve business intelligence capabilities
- Reduce costs and handle more business by decreasing processing time and streamlining procedures for title and escrow settlement

Solution

- Itanium 2–based HP Integrity Superdome servers
- Microsoft Windows Server 2003 for Itanium-based systems
- Microsoft SQL Server (64-bit)
- FAST transaction system
- HP Consulting and Integration Services
- Mission Critical Support
- IT infrastructure consulting
- HP customer support services

Results

- Increased business agility
- Lower IT costs and consolidated Web servers
- Faster performance
- 25 percent reduction in database maintenance time
- Better user experience
- Support for changing business processes
- Contributed to \$100 million in annual savings due to increased efficiency and reduced processing time

To learn more, visit www.hp.com

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