Maximising value and avoiding pitfalls

Best practices for Guidewire implementations

Executive summary ⌐

In a rapidly evolving digital era, P&C insurers are facing the need to transform their businesses in order to become more competitive and to differentiate themselves within the marketplace. As a result, core modernisation has become a high priority, as it allows insurers to generate the agility, scalability and efficiency that legacy systems typically do not enable.

As the market leader globally, Guidewire's core platform allows P&C insurers to effectively navigate their digital transformation, boosting innovation and accelerating integration and localisation. This helps them to improve customer service and customer-centricity – a key differentiator in the insurance industry – and to increase operational efficiency and flexibility, reduce TCO and access new distribution channels.

However, to realise these benefits as quickly as possible and to make sure that the solution is providing maximum value, insurers need to follow best practices at all stages of planning, design and delivery and even after go-live. Often, this can mean challenging the business to see things differently, to question processes and to focus on where value really resides.

Active involvement from stakeholders at all stages is vital to make sure that decisions are taken to maintain team focus and velocity, and that the implementation achieves tangible business benefits for the organisation. This level of involvement, along with clear alignment with business objectives, is also critical to overcome any roadblocks that appear during the process.

Following the best practices that we explore here ensures that the project remains within budget, rework is minimised, the goals of all parts of the organisation are realised, and value and adaptability are maximised.

Thanks to the experience accumulated in more than 30 Guidewire projects, GFT has designed a unique project approach covering four phases:

01 **Strategy**
02 **Inception and design**
03 **Implementation and delivery**
04 **Post go-live**

01
Strategy
⌐

Define the vision
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Defining the business drivers behind the transformation of core systems is a vital first step. These drivers are often built on three pillars: innovation and differentiation within the market, improving cost efficiency, and IT modernisation.

These drivers can be drilled down into further, more specific goals. So, cost efficiency might involve streamlining processes and reducing the cost of customer care, while IT modernisation might include accommodating the evolution of the regulatory environment and generating the agility for IT to support a changing business model, for example by moving to a cloud environment.

These pillars underpin the business vision for the project. This vision, often reflected in a Target Operational Model, is central to making sure that the project remains focused on what the business needs, that it delivers a value-added solution which is aligned to the overall strategy, and that it stays within budget.

Get stakeholders on board early
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Identifying key stakeholders at this early stage makes sure that the right individuals and areas of the business are committed to the project, and that they bring the relevant knowledge and expertise to the table.

The pillars help to obtain buy-in from these stakeholders by demonstrating the relevance to each area of the business as well as the organisation as a whole and ensures that the needs of each department are fully represented within the design of the solution.

Manage expectations with a roadmap
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These pillars help to create a short-, mid- and long-term roadmap with realistic timescales for each priority, so that the expectations of different parts of the business can be effectively managed.

For example, the short-term priority might be to modernise the IT environment so it is flexible enough to keep up with local regulations. This does not offer the insurer much business value, but is still essential. Later on in the roadmap, the objective may be to support greater differentiation in other areas of the business, such as multi-channel marketing and faster delivery of more innovative products. By setting out this roadmap up-front, all stakeholders understand what they can expect from the project and when, and why it has been designed in this way.

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02

Inception
and design
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Minimise customisation
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To gain the maximum benefit from
Guidewire's product as cost-effectively
as possible, the insurer should adopt out-
of-the-box business and IT processes as
much as possible unless there is a very
real benefit or regulatory/legal reason
to customise them. For this reason, it's
important for the insurer to understand
why the Guidewire product has been
designed in the way that it has.

Involve change management early on
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Once the insurer has a clear view of their
own target business and IT processes,
it's possible to identify potential gaps or
differences between the company's own
processes and those of the product they
are purchasing — so while the end result
may be the same, the method of achieving
it may need to be changed.

Involving change management at this
stage helps speed decisions about
whether the tools should be customised
so operational teams do not need to
accommodate any changes in process, or
whether out-of-the-box processes should
be adopted instead. Change management
strategy will be significantly driven by this
part of the process.

Employ a target operating model
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A target operating model, with a clear
view of business and IT processes,
informs how the solution should be
designed and prevents major rework at
a later stage or time being wasted on
unnecessary elements or processes.
Avoiding an excessive level of detail at this
stage helps prevent delays and rework too,
since there is still flexibility to adjust the
solution along the way.

This process helps key stakeholders
understand the overarching vision of the
implementation and empowers them
to make informed decisions within the
context of the bigger picture.

03

Implementation and delivery

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Create end-to-end processes quickly

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At GFT, we use an adapted Agile methodology which embraces Guidewire's pre-defined processes and methodologies, but allows these to be modified and fine-tuned to meet the requirements of each individual organisation.

It's important to have a clear idea of exactly what is in scope during each sprint, to make sure time is not spent on anything that does not bring value, that the project stays within budget and on time, and that end goals are reached quickly and without missing any elements.

Following the Agile principle that 20% of the work creates 80% of the results, this adapted methodology identifies the core work that needs to be done by bringing together multiple parallel teams to create end-to-end processes as quickly as possible within a predictable timescale. Incremental value, such as business intelligence, can then be layered on top of the core.

This approach maximises the value of the project within the available budget, and makes sure that if the project's financial situation changes, a viable solution has still been created as opposed to a fine-tuned process that is only partly finished and not yet functional.

Prepare for change management

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Change management should continue to be involved during reviews at this stage to give feedback on the way the project is developing.

Doing so allows the change management team to ensure they are preparing to facilitate the smooth adoption of the solution when it is delivered and to begin to build a strategy to communicate with staff, implement training and manage any other changes that are needed. This avoids delay to the deployment and minimises the risk of change. It also helps ensure that end users buy into the new solution and see the true benefits of it, and that the business is achieving the maximum ROI.

Be proactive with measurement

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At the delivery stage, measuring expected effects or benefits allows insurers to proactively make any adaptations that are needed and capitalise on areas that have been successful.

This accelerates transformation and helps to make sure that the evolution of the solution is focused and productive. It also mitigates risk by providing widespread and immediate visibility of the solution's performance, allowing a quick reaction if it is not achieving the expected goals.

04

Post go-live

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Measure on an ongoing basis

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Measurement continues to be an important element post go-live, to minimise the impact of changes and upgrades, and to ensure that the short-, mid- and long-term vision for the solution is progressing and performing as anticipated. The project vision may need to be adjusted along the way to accommodate unexpected factors such as changes in business strategy or in the market.

Build on the core for additional value

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Once the Guidewire core system is in place, insurers can build on this foundation with specialised systems (such as AI-based fraud solutions) to support other business needs and bring additional value, fostering innovation.

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Success story

Transformation and modernisation of core insurance systems

Implementing core systems for the digital age

One of France's largest insurance companies wanted to be able to bring new products to market faster, so it needed to transform its core systems to cope with the challenges of the digital era, such as enabling omnichannel capabilities, innovation, automation and greater flexibility.

Business and IT transformation

GFT designed and led a full business and IT transformation roadmap which involved multi-disciplinary, Agile implementation teams in France, Canada and Poland.

The insurance company has moved from on-premise legacy systems to a cloud infrastructure, and GFT needed to handle a complex environment of 220+ integration points. GFT built new product models and provided data migration, Business Gap Analysis, functional and technical training and full inception, leading to a staffing and implementation plan of Guidewire InsurancePlatform delivered as a Software-as-a-Service (SaaS) solution.

Enabling greater flexibility and lower TCO

The implementation has given this insurance company far greater business agility to rapidly launch products in response to market demand, using omnichannel digital capabilities and automation. It benefits from greater flexibility around its product offerings depending on the distribution channel being used. Moving to the Guidewire cloud offering and AWS infrastructure, which provides it with a high-performance, highly available solution, has also reduced its TCO.

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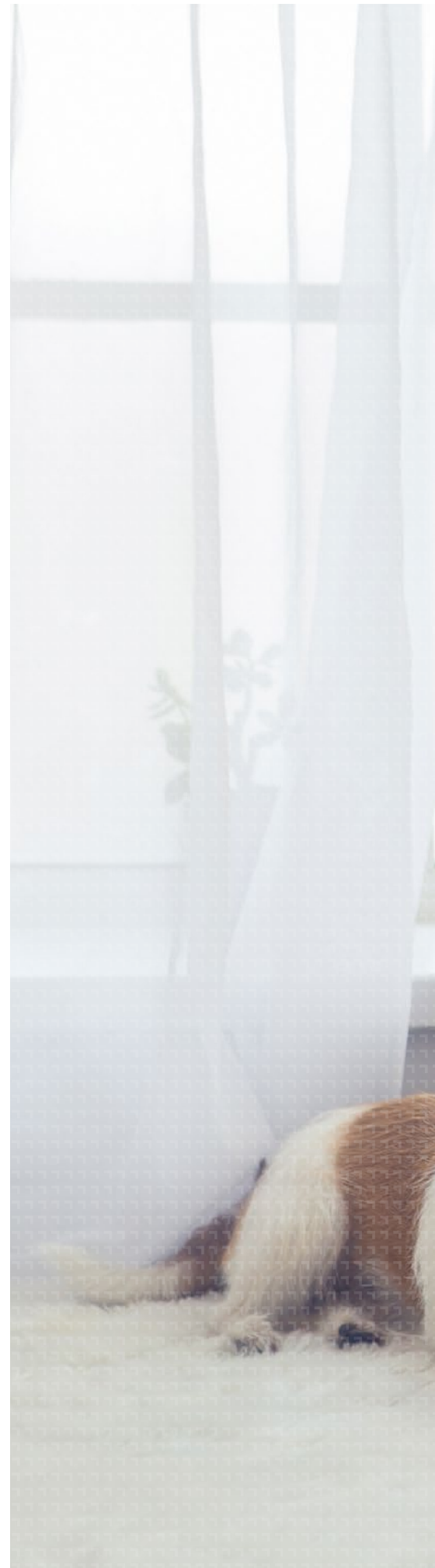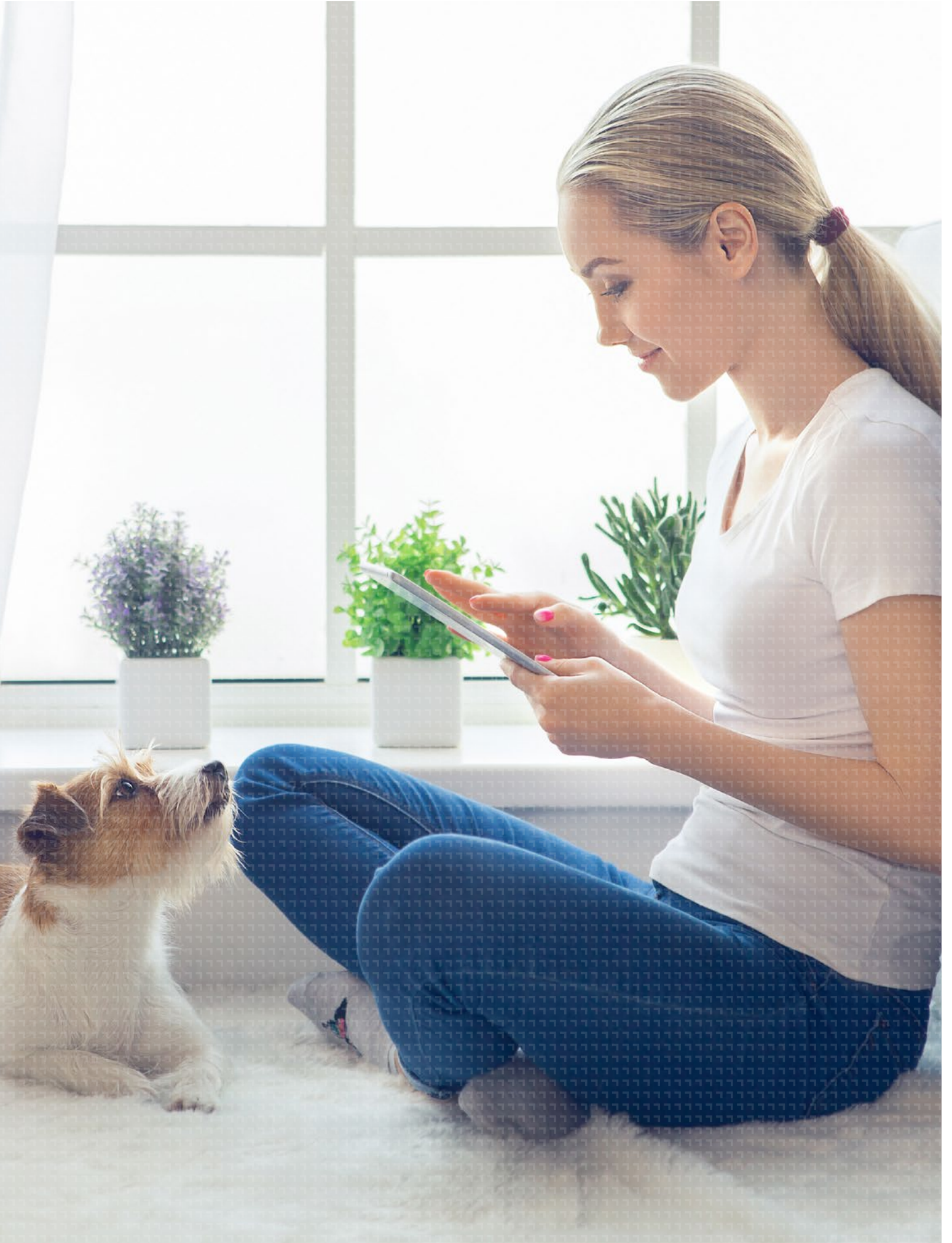
Conclusion

Working with an experienced partner, such as GFT, allows insurers to take advantage of the learnings that come from many years of implementation experience, helping them to realise the business benefits of Guidewire quickly and within budget.

Since GFT's core focus is banking and insurance, we have a deep level of sector expertise and understand the issues that insurers face at both a business and an IT level. Our tried and tested assets have been developed over time and adapted from past experience, enabling us to help insurers save time and money over the course of a project.

We have a strong local footprint in 15 countries, allowing us to design solutions that meet specific local requirements, languages and regulations.

GFT's Guidewire Innovations Awards

Our **2013** business transformation award recognised the benefits we realised for a customer's large project by challenging and adapting the accepted methodology for implementing the Guidewire platform. This meant that GFT was able to deliver the project at around 25% under budget and seven months ahead of time, giving the customer time and money to invest in other activities.

Our **2015** change management award was presented for the creation of a new way of addressing change management, leveraging a gamification approach to training and a new eLearning platform, saving 80% of the cost of this element.

Our **2019** award was based on a 'lift and shift' approach which allowed Aviva to very quickly roll out their new digital platform and enabled a new product to be deployed in record time.

Did you know?

... that GFT has been a Guidewire partner since 2011?

... that GFT leads the largest Guidewire Cloud implementation worldwide?

... that GFT has Guidewire Centres of Excellence in Canada, Italy, Poland, Spain and Costa Rica?

... that GFT has business and IT assets to accelerate insurers' transformation?

... that GFT helps customers bridge the gap between insurtech and Guidewire core systems?

... that GFT spans ten countries and seven languages in its Guidewire journey?

Where next?

If you are looking for an experienced, specialist partner to make your Guidewire journey as smooth and fast as possible, > contact us for an initial discussion about your needs.

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About GFT

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GFT is driving the digital transformation of the world's leading companies in the financial and insurance sectors, as well as in the manufacturing industry.

With its in-depth technological expertise, profound market know-how and strong partnerships, GFT implements scalable IT solutions to increase productivity. This provides clients with faster access to new IT applications and innovative business models, while also reducing risk.

Founded in 1987 and located in 15 countries to ensure close proximity to its clients, GFT employs 6,000 people. GFT provides them with career opportunities in all areas of software engineering and innovation.
The GFT Technologies SE share is listed in the Prime Standard segment of the Frankfurt Stock Exchange (ticker: GFT-XE).

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Our specialist
⌐

Jérôme Isabelle
⌐
Strategy and
Expertise Director

Jérôme Isabelle has more than 20 years of experience in IT, including ten years in the insurance sector. During the last decade he has worked with some of the world's largest insurance companies to develop transformation strategies and implement innovative solutions, particularly those based around the Guidewire software suite.

Jérôme has experience across major digital transformation projects, in both the American and European markets, with multidisciplinary teams. This – along with his high-level management and technology skills, his understanding of the evolution
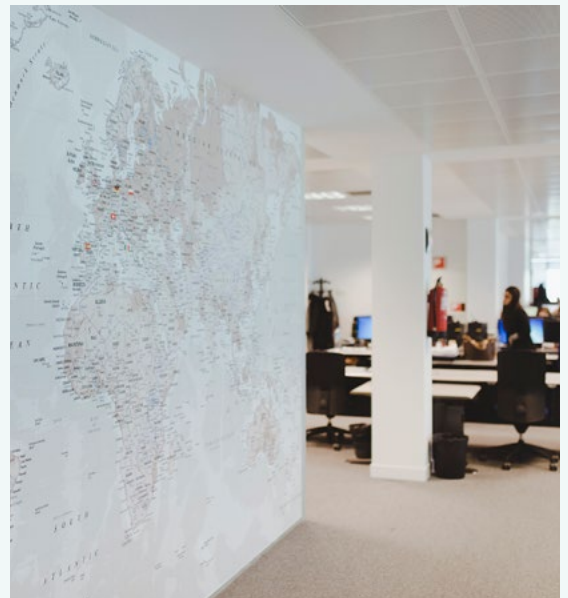
of international markets, his clear vision of each individual organisation's issues and his Guidewire expertise – combine to give him a unique know-how which allows him to help his clients address their own particular business challenges.

**Making innovation
tangible at our
Digital Innovation Lab**

**Teamwork
worldwide**