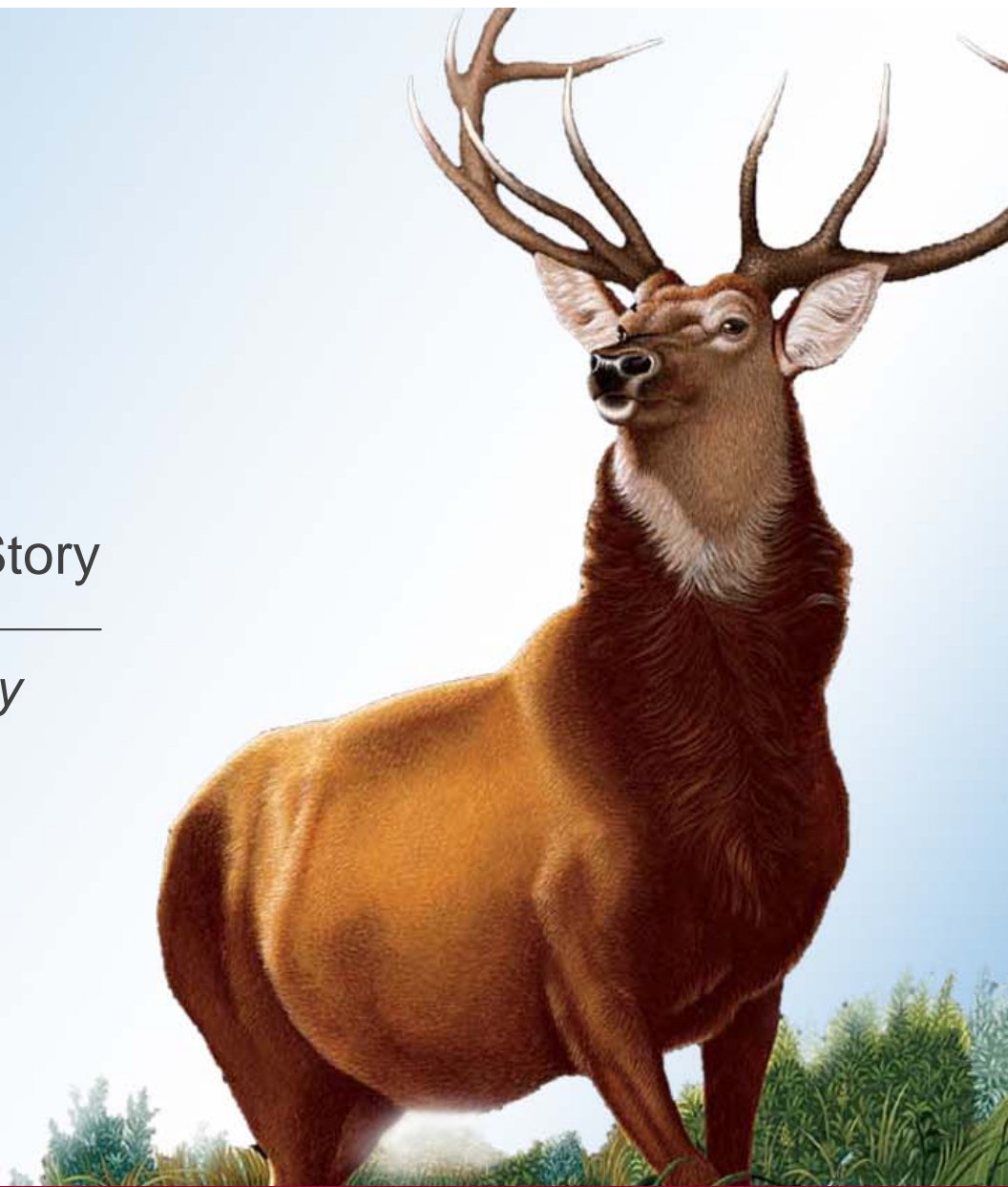


A Multi-Year Business Transformation Story

Keven Busque, VP eBusiness & Technology



Agenda

- Business Problem
- Business Challenges and Constraints
- IT Strategy
- Implementation Method
- Stakeholder Commitment
- Results

Business Problem



Flexibility and speed with new products, new channels and new markets

— *Business Imperatives* —

- Improve market position
- Increase efficiency and speed to market
- Defend against competitive threats

Business Challenges and Constraints



External forces driving the need for change

— *Market Forces* —

- Improving cost structures
- Increasing the opportunities to go to market
- Increasing service quality, client satisfaction and retention rate
- Reduction of business integration costs

Eliminating operating inefficiencies for better market response

— *Challenges* —

Technology



Inflexible systems require substantial effort and time for changes

Process



Inefficient processes create unnecessary work

Organization



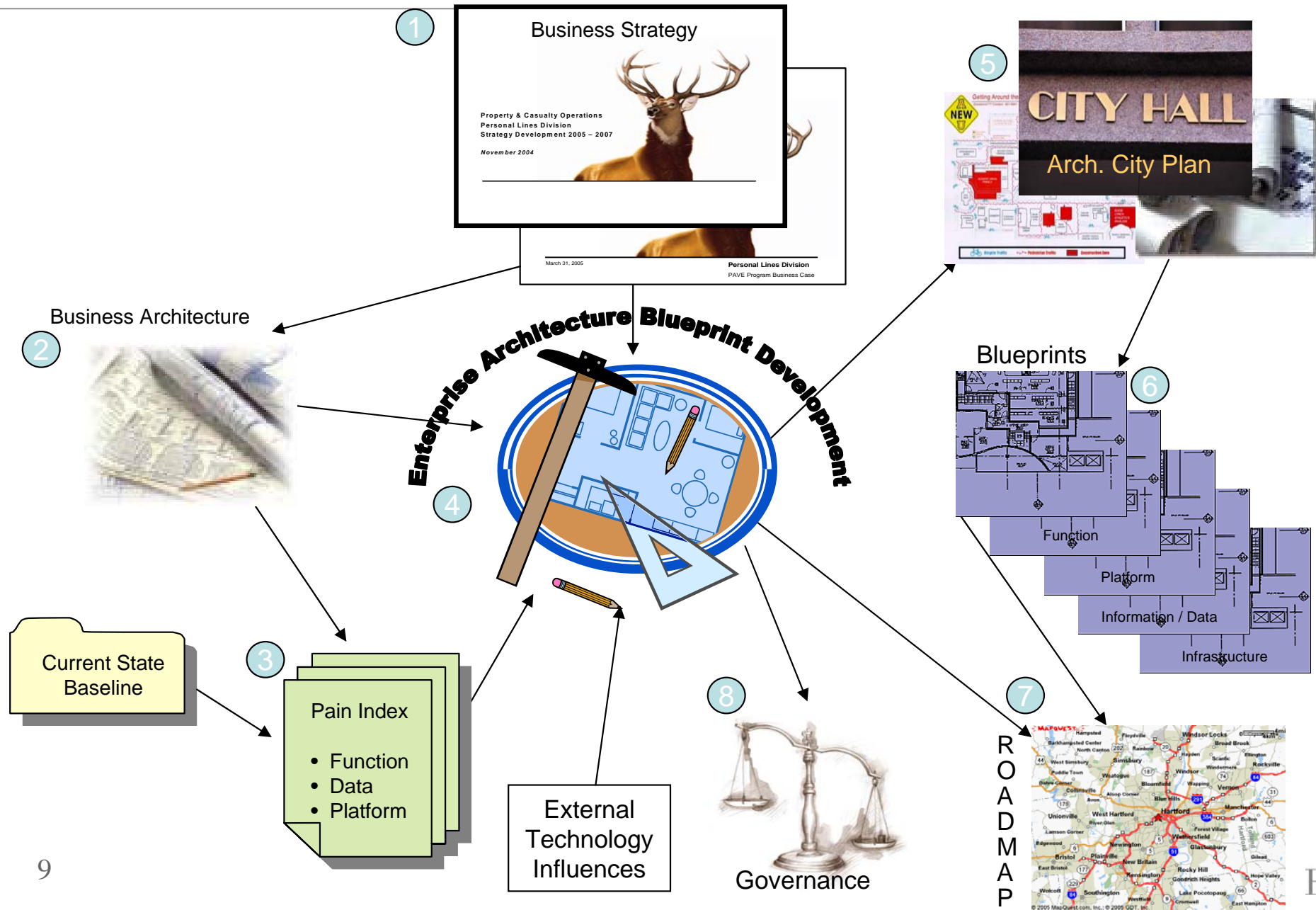
Functionally focused organization inhibits holistic process approach

PL Speed To Market project required New Service Architecture Vision

— *The Path to the New Vision* —

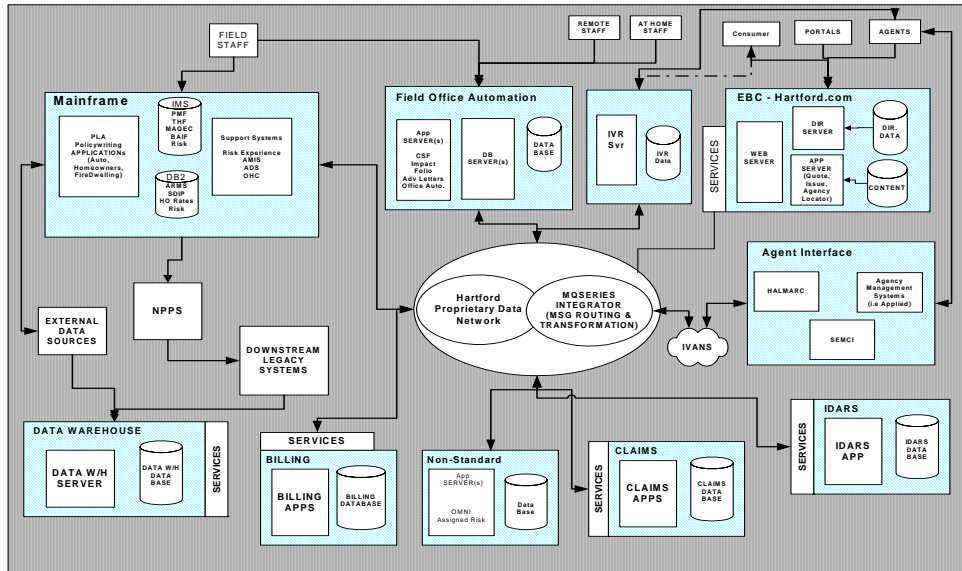
- Architectural Process to Define the Future State
- Speed To Market High Level Vision
 - Personal Lines Functional Representation
- Speed To Market Program

Rigorous architectural process to achieve the vision of the Personal Lines Business

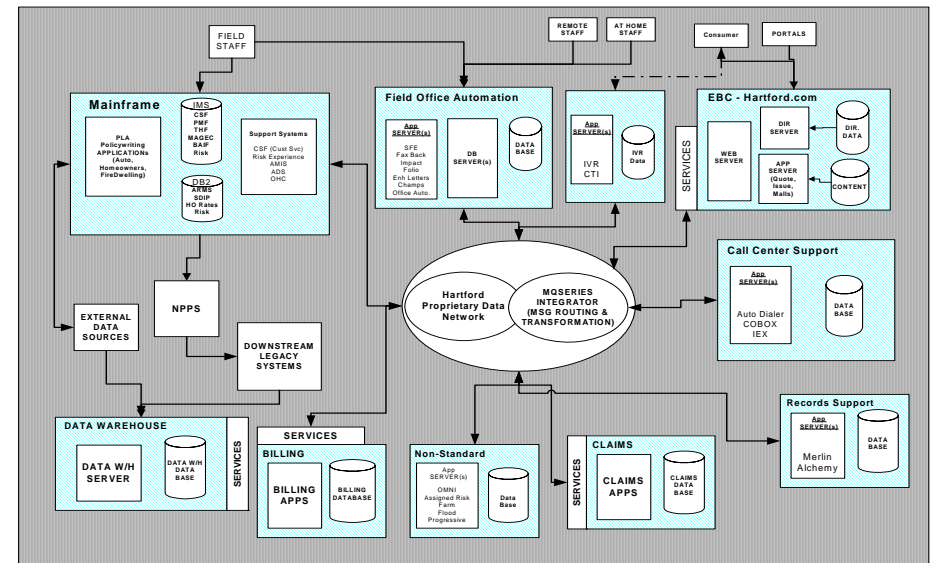


Personal Insurance Operational Application Architecture Pre-STM

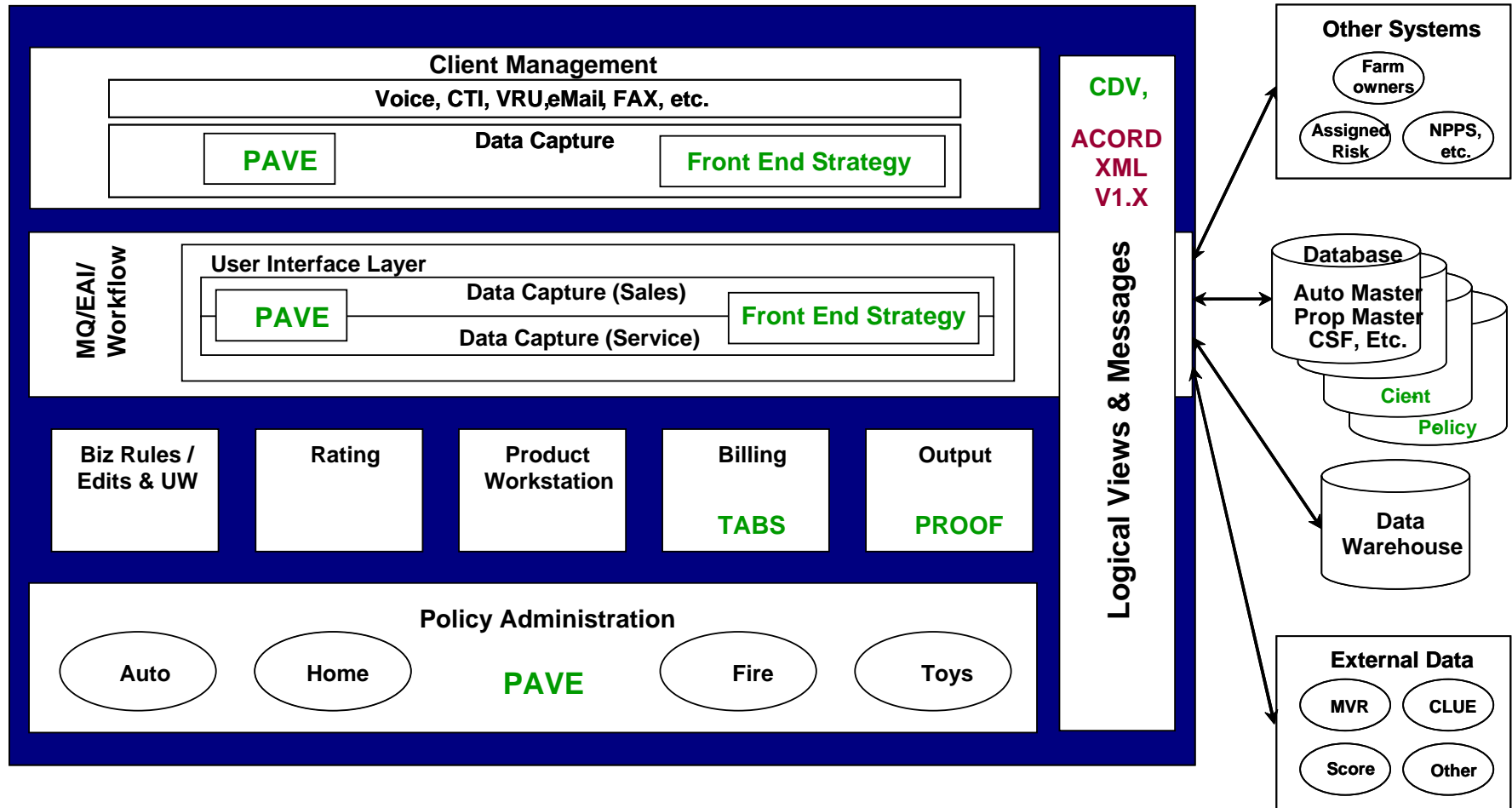
Agency



Affinity



Speed To Market Functional Architecture Vision



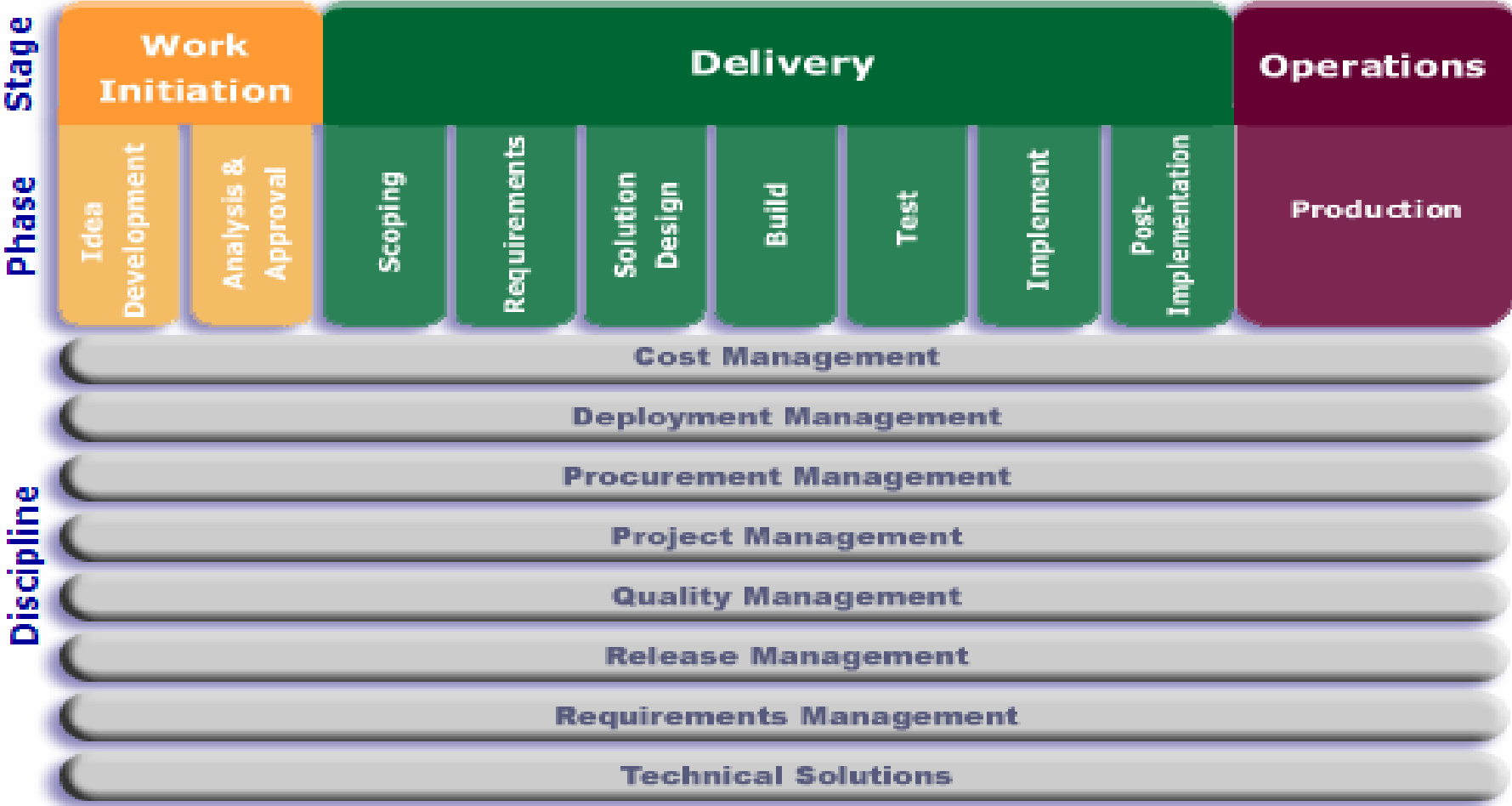
Leveraging Common Data View and ACORD XML messages

- Connected with over 20 personal lines trading partners
- Leveraging 8 ACORD business messages for sales and services
- Internal vs. External
- Interoperability = Increased Flow

Implementation Method



IT Delivery Model



- Portfolio Management
- Project Management
- Framework for Application Development
- Work Process
- Project Tracking
- Release/Delivery Management



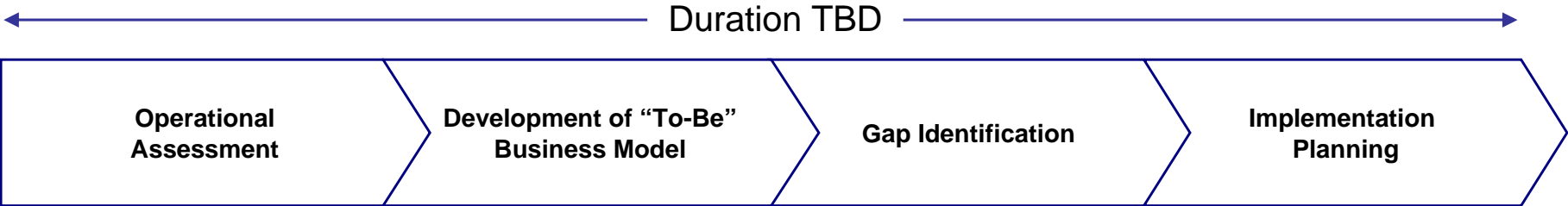
Defining how to improve market positioning, flexibility, efficiency and speed

— *Project Objectives* —

- Assess product manufacturing operations against industry best practices
- Describe “to-be” operating model
- Identify opportunities to improve business operations
 - Information Technology
 - Processes and Organization
- Evaluate and prioritize existing and newly identified initiatives
- Analyze cost/benefit for identified opportunities
- Develop a holistic roadmap for implementation
- Changing people, process and technology – need to address all dimensions

Using diagnostic and assessment approach to achieve objectives

— Opportunity Assessment —



Key activities

- Evaluate system architecture:
- Evaluate business capabilities:
- Review existing initiatives
- Define opportunity areas
- Design processes
- Define high level technical architecture
- Determine high level organizational implications
- Compare existing and goal models
- Redefine opportunity areas
- Complete cost/ benefit analysis
- Define required initiatives
- Prioritize projects
- Identify, evaluate sourcing options
- Develop high level work estimates
- Identify dependencies/ synergies

Deliverables

- Description of existing processes/architecture
- Benchmark key business & technical capabilities against industry
- List potential opportunity areas
- High level "to-be" business model design including:
 - Process design
 - Technical architecture
 - Organizational implications
- List of opportunities and required activities to reach "to-be" model
- High level cost/benefit analysis of identified opportunities
- Prioritized list of projects
- Recommended sourcing options
- High level work estimates
- Integrated program plan



Stakeholder Commitment



The Program Office established communication strategy, coordination and oversight to keep the project on track.

Reporting Process

	<i>Weekly Project Updates</i>	<i>Bi-Monthly Formal Program Update</i>	<i>Monthly Formal Checkpoint Meetings</i>
Objectives	<ul style="list-style-type: none"> Monitor status of the project (e.g, weekly goals and progress made) Identify and discuss up-front potential issues and start resolution 	<ul style="list-style-type: none"> Submit and discuss formal project status report: <ul style="list-style-type: none"> key milestones progress made critical issues staffing summary key decisions made/required 	<ul style="list-style-type: none"> Aggregate and synthesize project status and performance
Benefits	<ul style="list-style-type: none"> Promotes communication within the team Allows management to proactively handle potential issues 	<ul style="list-style-type: none"> Emphasizes project accountability Promotes written communication discipline 	<ul style="list-style-type: none"> Keeps leadership team informed of project issues and progress Provides forum to resolve issue that cross business units
Participants	<ul style="list-style-type: none"> Project Management Business Users IT Representatives 	<ul style="list-style-type: none"> Steering Committee Project Management Business Users IT Representatives 	<ul style="list-style-type: none"> Project Sponsors Steering Committee Project Management Business Users IT Representatives

Results



Speed to Market has developed both technical and business processes that can continue to be leveraged throughout the organization.

<i>Processes</i>	<i>Pre-STM</i>	<i>Post - STM</i>
<ul style="list-style-type: none"> • Delivery Management 	<ul style="list-style-type: none"> o Fragmented implementation planning and deployment o Unclear alignment of business & technology around strategic initiatives 	<ul style="list-style-type: none"> o Defined forum for issues & risk management o Alignment of development & business strategic direction o Direct line to executive sponsorship
<ul style="list-style-type: none"> • Conceptual Design Frameworks 	<ul style="list-style-type: none"> o Custom analysis & design procedures o Inconsistent deliverables & outcomes o Inconsistent capital planning tools 	<ul style="list-style-type: none"> o Repeatable procedures & tools o Deliverable templates & tracking tools o Rigid, structured Capital Expense Modeling and analysis
<ul style="list-style-type: none"> • Estimating Models & Approaches 	<ul style="list-style-type: none"> o Custom tools o Inconsistent deliverables & outcomes o Largely FTE-based 	<ul style="list-style-type: none"> o Repeatable procedures & tools o Clear deliverables & outcomes o Work-unit based estimating – FTE’s are a result of estimated work o Capital Planning Rigor
<ul style="list-style-type: none"> • Testing Tools & Processes 	<ul style="list-style-type: none"> o Custom planning & management tools o Inconsistent, opaque reporting o Inconsistent defect tracking 	<ul style="list-style-type: none"> o Repeatable procedures & tools o Standards o Defect tracking & reporting

Questions & Answers

Keven Busque, VP eBusiness & Technology

Presentation available on [ACORD website](#)

