

5 Features of Fast and Effective Digital Transformation

An all-or-nothing approach to digitization comes with high costs and risk. A more nimble method can help insurers achieve their automation goals while getting to market faster.

By: [OneShield Software](#) | October 2020

Digital transformation remains a buzzworthy phrase in the insurance industry, mostly because the process never truly ends. As insurers seek to leverage the latest technology, get products to market faster, and meet evolving customer demands for speed and convenience, they must continually reevaluate their systems and look for opportunities to adapt and scale.

No two insurance companies approach this process the same way, but a few best practices are emerging that help carriers reduce the total cost and risk of the transformative journey.



“Previously, companies approached digitization with an all-or-nothing attitude that may check off every item on their wish list, but not without high upfront costs, complex project planning, and a multi-year implementation effort,” said Leah English, SVP of Sales & Program Consulting, OneShield Software.

“This approach exposed the project to scope creep, project fatigue, and budget overruns. The inability to see the finish line is often the biggest barrier for insurers when it comes to digital transformation.”

There is, however, a more flexible way to implement new platforms that meet the immediate needs of the business while allowing room to add and tweak features without interruption to core functions.

Here are five key features of a faster and more effective digital transformation journey:

1) “MVP” Methodology

Rather than trying to digitize or automate every function at once — known as the “Big Bang” approach to



**Leah English,
SVP, Sales &
Program Consulting,
OneShield Software**

software implementation — insurers should begin by defining the minimum viable product (MVP) that they need to go to market.

“The MVP will be different for each insurer, but in general, it is how we identify the must-have functionality that translates to a strategic advantage for that business,” English said.

Ideally, these features are identified in consultation with the service vendor and software developer. Front-end alignment on the goals and objectives of the project helps to define a clear roadmap — with a finish line in sight.

“By focusing on speed to market, this approach accelerates project momentum and keeps the stakeholders engaged. At the same time, it leaves room to add on more automation products and distribution models down the road,” English said.

“It’s a more moderate approach that optimizes total cost and risk, while still delivering the digital capabilities that insurers want.”

2) Pre-Built Insurance Functionality

The MVP approach relies heavily on pre-built insurance functions like billing, policy administration and claims handling. These processes are basic insurance transactions that can be digitized more easily than complex functions like relationship management and business intelligence and reporting.

“There’s no need to re-invent the wheel, and I think there’s more recognition for that now than previously,” English said.

“Carriers realize that the nuts-and-bolts of transaction processing are not their differentiators. Things like quick quoting, first notice of loss, payment processing — it’s just as easy for an insurer to stand those up as defined in the vendor system and adjust their processes accordingly, rather than change the system.”

Leveraging pre-built functions eliminates the cost and risk of building from scratch and allows the project management team to focus their efforts on designing custom elements more specific to their line of business or target market.

3) Streamlined on a Single Platform

Some carriers take a “best of breed” approach to digitization, adopting the best solutions out there for each function and piecing them together, hoping to create a fully digital system with no compromises. But this

method requires integrations between each of those disparate functions, which leaves room for error and can create a disjointed experience for users.

“Those additional integrations would elongate implementation and add complexity to maintenance going forward,” English said.

A single platform with end-to-end billing, policy admin, claims and business reporting functions not only avoids the cost and labor required to configure separate solutions but also provides insurers a more holistic view of the customer.

“The details and definition of your customer, given that its architected in the same platform is carried across every interaction uniformly. Every user on the insurer side, whether it’s underwriting, finance, customer service or claims, can get access to all aspects of that customer through every step of a transaction,” English said.

“That ensures more streamlined communication internally and produces a cleaner experience for the broker or client on the other side, with the ability to deliver on a full omnichannel strategy.”

4) Cloud-Hosted Software as a Service

In early digital transformation iterations, insurers were focused more on the underlying technology stack, with the objective of ditching the legacy system and building a more modern and agile infrastructure in its place. However well-intentioned, a focus on infrastructure often overshadowed the real purpose of the project — improving operations.

“IT departments would tell the business that process optimization would come after, but that after most of the time didn’t come. Or even worse, they would focus so much on keeping their processes the same, that they ended up implementing a new legacy system,” English said.

A cloud-based SaaS model takes away the burden of infrastructure design and management. By leveraging cloud services, the timetables to procure and set up infrastructure drops from months to days.

“Cloud-based platforms deliver the same tools and functions, but with improved performance, reporting, and scaling across the stack,” English said. “As long as the cloud services vendor can show that their system can scale, the underlying infrastructure isn’t the biggest concern anymore.”

5) Phased Implementation Managed with Governance

A phased implementation plan — beginning with the identification of the MVP — establishes small but

achievable milestones that not only keep the project on track but ensure transparency on the progress being made.

“Phased implementations provide opportunities for small but meaningful wins to keep up morale and eliminate some of the implementation fatigue of large transformations,” English said.

But even this step-by-step method can go awry if a project lacks clear leadership. Part and parcel of any implementation plan is a strong governance model.

“We help to establish the governance structure at the very beginning of a project,” English said. “That structure typically consists of a steering committee and a group of domain experts that provide insights into the business functions. It’s a small but empowered team whose job is making sure the project doesn’t deviate from the MVP approach.”

The governance team serves as an intermediary between the insurer and software vendor, facilitating communication around deviations from the defined roadmap.

“We have a process we created around customization alerts – a way we flag early and often if there’s something that could potentially impact the scope of the project. We alert the governance team and work together to determine if we need to change our plan. Staying aligned on our objectives is key,” English said.

The Power of a Consultative Approach

OneShield has the benefit of expertise both in technology and insurance, which enables the company to fill a consultative role through the implementation process. They understand the needs and challenges of the industry and can help to steer the often-overwhelming process of a technology overhaul.

Using bundled insurance functions on a single platform and a phased implementation approach, OneShield helps insurers shift away from their legacy systems without taking on the stress and risk of eliminating it. An iterative approach leaves time to fine-tune functionality without delays in bringing new products to market.

“I think our biggest differentiator is that we don’t rely on outside system integration partners. Our program consulting team facilitates the roadmap by listening to our prospects and clients and collaborating on a plan that will meet their goals and manage the total cost of implementation,” English said.

OneShield offers two primary products for insurers: OneShield Enterprise is a cloud-hosted policy, billing and claims suite for mid-size P&C carriers with over 50 lines of business and thousands of use cases ready to use for implementations; and OneShield Market Solutions is a comprehensive SaaS offering designed for smaller commercial specialty insurers and MGAs.

Of course, project methodologies are better articulated by those insurers that have used and can validate OneShield's implementation practices. And if any metrics can demonstrate the success of OneShield's nimbler approach to digital transformation, it's these: 100% of OneShield's clients rated OneShield's Project Management team's understanding of project goals as better compared to other vendors they have worked with and 100% of OneShield's SaaS customers realized a return on investment within 12 months of go-live.

To learn more about OneShield's offerings, visit <https://oneshield.com/>.



This article was produced by the R&I Brand Studio, a unit of the advertising department of Risk & Insurance, in collaboration with OneShield Software. The editorial staff of Risk & Insurance had no role in its preparation.