digital insurer
for tomorrow's world

Digital transformation will enhance customer experience, deliver innovation, save costs, and maintain competitive advantage for major Dutch insurer

A leading Health, Life and Non-life insurance company in the Netherlands is transforming its operations with a digital business strategy. The aims are to maintain market advantage with improved customer experience, innovation and agility; deliver significant indirect cost savings; and create the nation's most trusted insurer.

The digital strategy represents a fundamental change from the company's traditions of human interaction with customers, developed during its 200 year history. Digital transformation is a deliberate response to trends in insurance markets, where more and more web based entrants are operating lean infrastructures, and offering customers and business partners greater flexibility and more services than traditional insurers.

As a long term business partner, Atos is working with its insurance client to achieve its digital objectives by the year 2020. The partners have together investigated the key enablers for the transformation, and created a blueprint for strategy execution. A step by step roadmap will deliver new levels of agility, flexibility, and operational speed, enabling the insurer to retain market supremacy as the transformation program develops.

Atos

New landscape: new user experience

At the core of the digital strategy is a new approach to IT delivery, called 'Standardization on the inside /Differentiation on the outside'.

'Standardization on the inside'

This represents a move away from tailor-made solutions, and dedicated or separate IT environments for the insurer's different lines of business. Instead, it will operate with standardized, always secure and compliant processing and data management, based on technological building blocks from partners SAP, Microsoft, HP and Pega.

This flexible provisioning will provide virtual components that can be reconfigured as needed, and required capacity can be easily added or released through a virtualized environment.

With a standardized, agile infrastructure, the insurer can provision and support services through all channels and for all brands, reducing its cost base significantly. This approach will make the user experience simpler and faster for business partners, and employees. It will enable reduced complexity, risk and costs, fewer technology partners, and faster time to market for its products and services.

The operational landscape will have:

▸ Standardized business process enablement
▸ Limited sets of certified IT solutions
▸ Continuous innovation, based on industry practices
▸ Sustainable low carbon footprint processing.

'Differentiation on the outside'

By contrast with its standardized internal operations, the insurance company's commitment is to present highly customizable interactions to customers, so it can trade via different brand identities, and fine tune their appeal to targeted and specific user groups.

The aim is to provide the kind of choice and flexibility of access that the connected consumer is increasingly demanding, encouraging loyalty through confidence in an innovative provider, and enabling new business to be won – particularly amongst younger generations of customers.

The insurer will achieve differentiated customer service excellence through:

▸ User-centric support and processing anytime, anyplace, anywhere
▸ Secured mobile device access.

Cloud

Also key to the digital strategy is planned transition to cloud. The insurance company wants to leverage the principles of cloud models to gain ease of provisioning, flexibility in scalability, and pay-per-use facilities. A private, dedicated cloud solution will also avoid any compliancy and privacy issues, and supports its ambition to become the nation's most trusted insurer.

By 2020, more than 50% of the company's infrastructure services will be delivered through a cloud architecture delivery model.

The company aims to become an 'on-line insurer in 2020'. To achieve that ambition it is changing its internal processes and systems, supported by an IT infrastructure that delivers new levels of agility, flexibility, and operational speed.

IT landscape in 2020
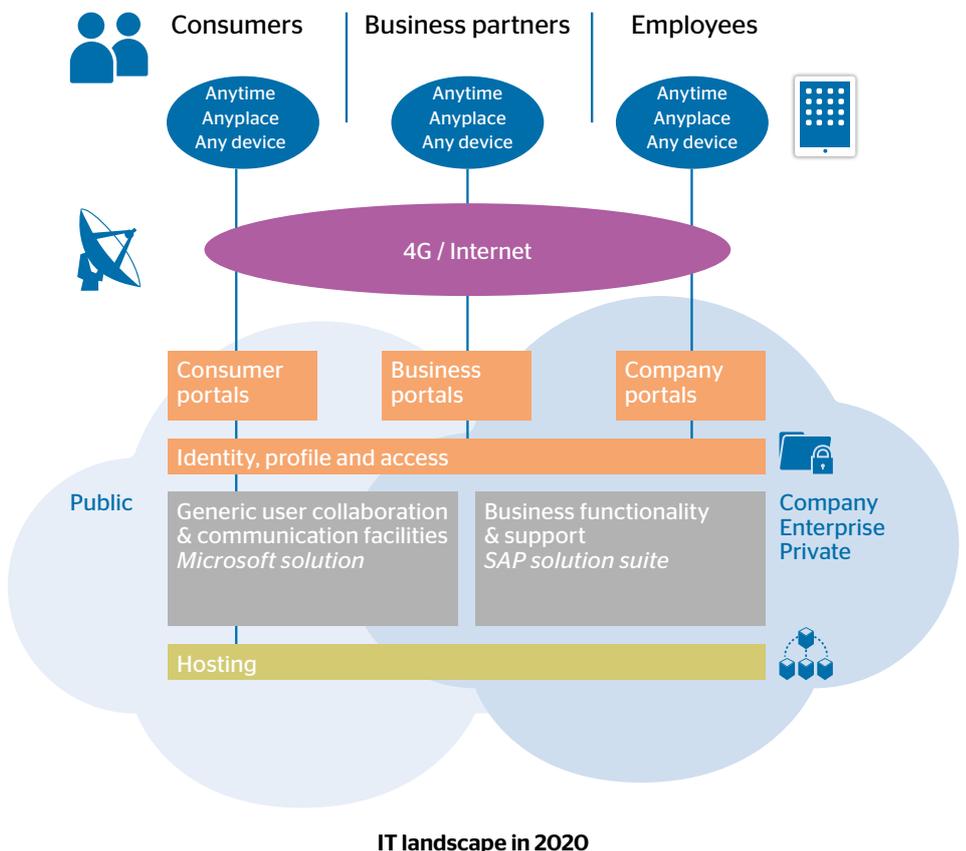
Roadmap ahead

In the three years since the program was launched, Atos has prepared the existing IT environment to enable a fast start to transformation. The digital strategy change program is being carefully managed by Atos and its insurer client on a phased basis to maximize benefits and minimize impact on the business in the run up to 2020.

At the end of the process, the insurer will be less technology driven, and the changing demands of the business will be met flexibly, faster and more cost-effectively.

Phase 1: Tier-III compliant twin data centers

The first phase of preparation ensured future proofing data center provision for hosting state-of-the-art hardware. Compliance is critical for the insurer, and moving to a twin Tier-III data center will achieve a compliant and future proof foundation for its IT operations with back up data centers.

Multiple data centers have been consolidated to a single mirrored pair, enabling rapid fail over for disaster recovery, but ensuring that maximum efficiency is achieved for business as usual operations.

Consolidated data centers are also moving to the flexible cloud-based virtual compute and storage concept at the heart of the strategy, enabling preparatory work for fast provisioning, self service and on demand concepts to be used in practice.

Phase 2: Realization of a dedicated network

A dedicated network was built besides the Atos shared IP Network infrastructure, and implemented at Atos' newly built data center in Eindhoven. Connections between the two networks provide shared services, and access is enabled to the client's enterprise private and public clouds.

The network was designed to meet its rigorous security standards. It supports the online 'always on' model for customer access in the digital age, and delivers resilience. It also reduces the chances of disruptions by eliminating external dependencies.

Phase 3: Migration to cloud services and technology stacks

Cloud is expected to deliver significant benefits: ease of provisioning, flexibility in scalability, and pay-per-use models that potentially enable cost reductions.
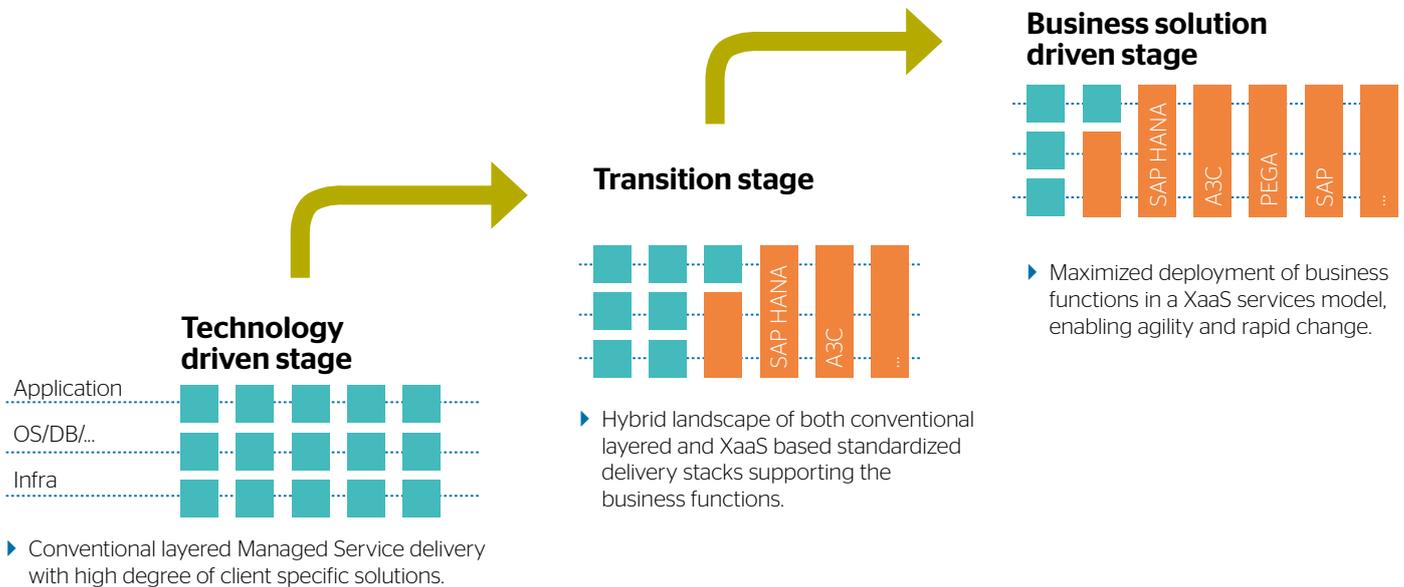
There will be other potential cost savings and greater flexibility from using Infrastructure-as-a-Service, Platform-as-a-Service, and Software-as-a-Service solutions. Moving to subscription-type services enables the insurer to select best-of-breed functions when it needs them. This will provide continuous, technology driven innovation, based on industry standards, without vendor lock in.

Phase 4: Migrating to the workplace of the future

This phase delivers seamless end-user support and controlled access to business applications in order to achieve improved employee and business partner productivity.

It involved transition from the current workplace service provider to Atos delivery, and access to Atos dedicated versions of workplace software. This will result in improved support and savings. The client's employees will also access its new Internet centric, WEB apps oriented, Bring Your Own / Choose Your Own Workplace-as-a-Service solution.

These four phases are summarized in stages of progression in the roadmap.

Technology driven stage

Application

OS/DB/...

Infra

▶ Conventional layered Managed Service delivery with high degree of client specific solutions.

Transition stage

SAP HANA

A3C

▶ Hybrid landscape of both conventional layered and XaaS based standardized delivery stacks supporting the business functions.

Business solution driven stage

SAP HANA

A3C

PEGA

SAP

▶ Maximized deployment of business functions in a XaaS services model, enabling agility and rapid change.

Major benefits from digital transformation

Significant benefits will be accrued as a result of the digital transformation program, including:

Cost savings

Business wide, today's highly customized and inevitably more costly IT solutions will be replaced with a limited and cost-effective set of industry standard infrastructure solutions. Structural efficiency and productivity improvements will also be achieved through the workplace of the future solution.

Cost savings will be achieved throughout IT delivery. Benchmarked analysis of IT costs shows 31% sustainable reductions between 2010 and 2015 (halfway through the project) for aggregated central run, central change, decentralized IT costs and transferred IT cost areas.

Cloud and cloud services are expected to deliver 30-40% cost reductions in the infrastructure landscape, based on a flexible pay-per-use model. This will partly be achieved because expenditure can be more tightly targeted and accountable, and because delivery is flexible and cost-effective – upscaled or downscaled according to requirements.

Compliancy

The program will meet the insurer's rapidly evolving market regulatory requirements. Compliance will be assured through twin Tier-III data center strategy.

Agility

The company's plan is that using the same software component 'building blocks' in multiple business lines will reduce complexity for users. Provisioning will be simpler through cloud and subscription type service.

It will achieve shorter links between its supply chain and customers because of online access. This will enable resource realignment from current telephone based call centers, driving organizational agility and improving customer satisfaction.

'Always on' technology enables business peaks to be smoothed out (particularly from today's business surge at Christmas time – which is encouraged by the Netherlands Government's regulation that permits consumers to switch insurers at year end if new tariffs are published – to a more even business spread across the year). Consumers will be able to compare prices much more easily, and select and complete their health policies on-line.

Relationships and support

The move from multiple competing relationships to strategic partnerships is expected to provide better, more focused support and advice, based on fewer partners' deeper knowledge of the insurer's business.

Competitive advantage and business growth opportunities

Ability to develop and test new concepts quickly in near production environments will deliver faster time to market for insurance products and services.

The company will also have real time data, enabling better customer understanding and targeting ability, leading to more competitive new product offerings. The insurer will also have ability to implement radical initiatives such as behavior based contracts, and minute by minute pricing.

About Atos

Atos SE (Societas Europaea) is a leader in digital services with 2014 pro forma annual revenue of €11 billion and 93,000 employees in 72 countries. Serving a global client base, the Group provides Consulting & Systems Integration services, Managed Services & BPO, Cloud operations, Big Data & Security solutions, as well as transactional services through Worldline, the European leader in the payments and transactional services industry. With its deep technology expertise and industry knowledge, the Group works with clients across different business sectors: Defence, Financial Services, Health, Manufacturing, Media & Utilities, Public Sector, Retail, Telecommunications and Transportation.

Atos is focused on business technology that powers progress and helps organizations to create their firm of the future. The Group is the Worldwide Information Technology Partner for the Olympic & Paralympic Games and is listed on the Euronext Paris market. Atos operates under the brands Atos, Atos Consulting, Atos Worldgrid, Bull, Canopy, and Worldline.

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