



Best of breed versus best of suite

A context-based assessment of Guidewire
workflow management and Pega BPM solutions
for insurance carriers

Abstract

Platform modernization is currently a top priority for insurance carriers worldwide. The two critical pillars of modern digital architecture for insurance are core systems (including acquisition, policy administration, billing, and claims management) and workflow and process engines.

There are platforms that insurance vendors offer as a suite of applications. Guidewire is one such platform that provides all insurance core applications and non-core capabilities. There are also standalone best-of-breed business process

management (BPM) platforms such as Pega that provide more advanced workflow capabilities compared to those of Guidewire.

Insurance carriers are in a dilemma to choose the right platform for their business needs, considering the different sets of capabilities offered by Guidewire and Pega. This white paper provides guidelines to help carriers choose the best platform using Guidewire and Pega as references.

Evaluating best-of-breed platforms and suites

In this paper, there are two levels of comparative studies that analyze and understand the nuances required to reach the desired level of clarity in terms of guidance.

Best-of-breed platforms

According to Techopedia, best-of-breed systems are developed to address a specific niche or functional area in the best way possible. The best-of-breed solution for a particular functional area typically becomes the hub for that domain in the entire information technology (IT) ecosystem. The business needs for other functional areas are likely covered by other solutions designed explicitly to address those.



Advantages

Complete flexibility

Best-of-breed systems won't restrict an organization to a one-size-fits-all solution. The carrier will have the freedom and flexibility to look for and implement the best solutions for its business functions.

Business continuity

Independent business functions enable business continuity. If a spoke breaks, the hub can still operate. If the hub breaks, the spokes can still function.



Disadvantages

Enterprise reporting and integration

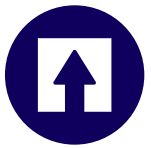
An ecosystem built with the best-of-breed platforms have many point solutions. Enterprise reporting becomes challenging due to the complications in collating data from disparate systems with different data models.

Vendor relationship management

Management and administration overheads are significant due to multiple vendors and platforms involved.

Best of suites

In a suite approach, the insurance carrier deals with one key application provider. While suite-based models may provide solutions for a carrier's business processes or functions, traditionally, almost none of these solutions can address all the carrier's business needs. In most cases, third-party add-ons and accelerators are needed to bridge the gaps.



Advantages

Debugging

Because a suite provides all solutions in one place, it's easier to identify the source of the problem when an application that is part of the suite malfunctions.

Better client and user experience

Suites with process service-level agreements (SLAs) provide better client and user engagement experiences as users don't have to switch between platforms.

Integration

Integration with different business modules is readily available, reducing cost and complexity.

Enterprise reporting

For an integrated model with all business data in a common repository, reporting is often out-of-band (OOB) and more straightforward.



Disadvantages

Limited use of add-ons

Add-ons are designed for integration with the main suite and cannot independently serve as best-of-breed.

High risks

The inherently monolithic construct poses a significant impact when software glitches happen.

Less flexibility

Suite solutions are less flexible than best-of-breed solutions and offer little room for specialized functioning, rapid change management, and innovations.



Comparing the platforms from a BPM capability standpoint

Globally, Guidewire's core insurance applications are best-in-class and have among the highest adoption rates among carriers. However, it is essential for carriers to carefully assess if their workflow management solutions are adequate from a BPM standpoint or whether they should adopt a more specialized BPM such as Pega with additional advanced capabilities to meet their business needs.

While Guidewire's suite-based approach works well for some carriers, it may not be the right strategy for others whose BPM needs are different. For clarity, understanding how a workflow management solution differs from a BPM solution is essential.

Workflow management vs. BPM

Workflow management and BPM are often confused because they address similar business needs.

However, both do it differently.

Workflow management solution

The workflow focuses on people and instructions instead of processes. It describes the role of everyone involved and helps organize daily work processes. It allows coordination of repetitive tasks and procedures to save time and execute work more effectively.

The BPM solution

The focus is on improving efficiency and driving continuous improvement of an organization's processes through a complex and automated approach.



Guidewire's workflow management solution in a nutshell

Guidewire's workflow management solution helps clients digitize core insurance processes and track them via automation. It provides options to organize workflows and help create conditional steps, coordinate processes among automated tasks and human tasks, integrate with other applications, and implement parallel flows among multiple methods.

Pega's BPM solution in a nutshell

Pega is a best-of-breed BPM platform with automation tools. It delivers a much broader picture of all the processes in an organization. It enables clients to design, analyze, execute, monitor, and optimize essential processes to generate competitive advantages through cost reduction, process excellence, and continuous process improvement. With robust workflow features, it also helps organize standard datasets, provide advanced reporting, and monitor the health of all processes across the enterprise from a common dashboard.





Conclusion

Whatever your business strategies and needs are, both solutions are robust, flexible, highly customizable, and geared toward streamlining your business processes and optimally managing workflows. With insights into the two solutions, you can now compare the advantages and decide which one will work best for your organization.

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