GUIDEWIRE

zensar

Guidewire Testing for the **Modern Insurance Enterprise**

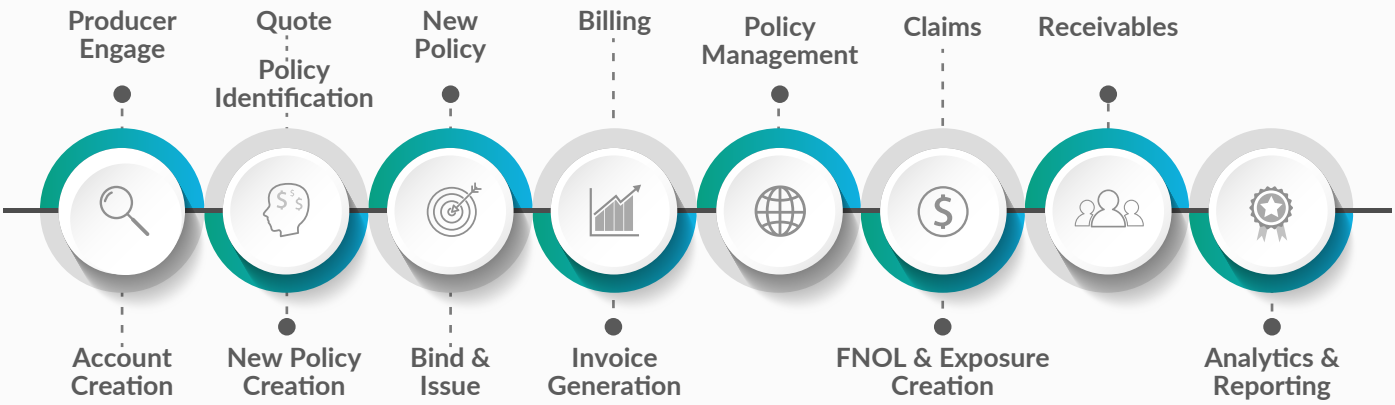
White Paper

Introduction

The insurance sector is widely known for its reliance on legacy practices and outmoded technologies. It's only recently that insurers have started their journey to a digitally-empowered operating landscape, backed by next-gen applications. Solutions like Guidewire (GW) mark a 360-degree overhaul from existing systems, owing to its packaged nature. It offers an end-to-end set of applications, covering underwriting, policy administration, billing, and claims in the property & casualty (P&C) sector. Guidewire is recognized as a leading insurance provider, and acclaimed by industry analysts such as Gartner.

This instills deep trust for insurers who have been leveraging Guidewire for efficiency and productivity gains. However, implementing Guidewire is not a simple process. Testing, specifically, takes up a major portion of the timelines and efforts, delaying time-to-value. Insurers who rely on out-of-the-box testing tools soon run into integration roadblocks, unable to meet the unique requirements of their business. That is why a fresh approach to Guidewire testing is required, which balances flexibility and convenience with a high degree of customization. This, we believe, can only be achieved via differentiated testing frameworks, designed for specific business needs.

Insurance Value Chain



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The increasing popularity of Guidewire and why Testing is so critical

It's interesting to note that Guidewire faces severe competition from other, much larger companies catering to the insurance sector. But it is Guidewire's narrow industry focus that has helped it retain a stable position in today's dynamic technology market. For both 2017 and 2018, Guidewire InsuranceNow™ was mentioned in Gartner's Magic Quadrant for P&C Core Platforms, North America, standing out against 15 different vendors. It is noteworthy to mention, that the company's subscription revenue is currently at a 69% YOY growth curve.

Whether insurers are looking to update their Guidewire capabilities or embrace Guidewire as a replacement for current legacy systems, testing is a key parameter. Owing to its platform-based, packaged nature, the testing procedure becomes exceptionally complex, particularly if the enterprise has a large legacy footprint. In our experience at Zensar, insurers have many decades of legacy data housed in their existing systems. This requires a complete refresh before migrating into Guidewire. The longer one puts off Guidewire implementation, the more legacy dependencies are added, leading to severe long-term implications. This is why we found that making testing an important factor right at the platform adoption stage can stave off significant teething troubles.

Interestingly, Guidewire isn't a single product which can be tested at one go a typical implementation involves discrete platforms like ClaimCenter™, PolicyCenter™ and BillingCenter™ with customizations unique to the Property and Casualty (P&C) environment at hand. Along with customizations, there are also a number of integrations with upstream and downstream systems and applications to account for in a typical GW implementation/transformation initiative. Given the sensitive nature of the insurance landscape and the frequent regulatory changes that it undergoes, Guidewire will see multiple upgrades over just one or two years. This implies shortening release cycles and intensifying the pressure on the testing team.

To gain from the many benefits of a one-stop platform in insurance, insurers need specialized testing services that address key challenges to Guidewire implementation.

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Challenges in Guidewire implementation

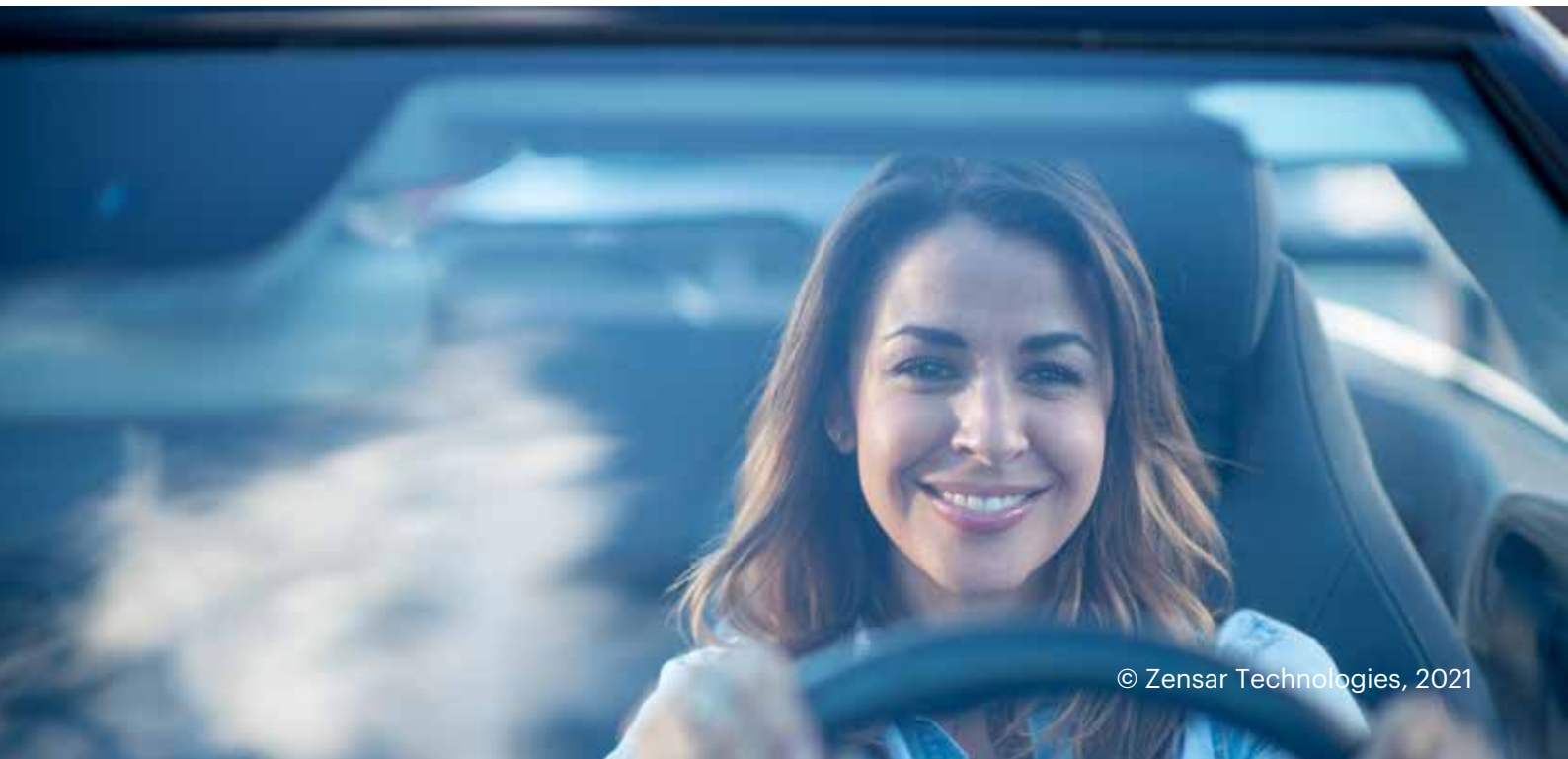
In many ways, the problems of adopting Guidewire are shared by all projects looking to replace homegrown systems with next-gen application suites. As the platform introduces a complete overhaul of existing systems, insurers need to approach every project like a greenfield implementation.

With the technology landscape transforming so rapidly, it's often difficult for enterprises to keep up. Guidewire is focused on strengthening its market position and obtaining a leg-up against competitors. To do this, it must regularly deliver fresh updates and improvements to its customers. This is also becoming an industry mandate, given the intense regulatory pressure faced by insurance. Geopolitical events, the rewiring of trade barriers, and economic parameters have led to a multi-layered library of regulations that must be met by every insurer. This has a direct impact on any insurance platform's release frequency.

As a result, insurers must contend with the following challenges:

1 The packaged nature of Guidewire

Guidewire is architecturally very different from the legacy tools used by most insurers. It aims to upend existing workflows, introducing sophisticated automation, workflow modernization, and technology-driven efficiency. Consider the transition from pre-digital era marketing to modern-day digital marketing using Salesforce. Guidewire brings the same level of innovation and new possibilities to the insurance sector. But this inevitably causes an architectural dissonance that must be addressed at the testing stage.



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2 Large volume of integrations

Depending on the scale and size of the insurer's operations, there can be any number of integrations that need to be carefully tested for performance. We found that an insurer will experience anywhere between 50 to 200 integrations when implementing Guidewire. This is because Guidewire's one-stop solution replaces point systems across the P&C insurer's value chain, right from customer engagement, quotes, and new policy creation to billing and claims, as well as ongoing analytics.

3 Complexities in data transformation

This is where Guidewire implementation stands out from other platform adoption projects. The insurance sector relies on a variety of customer, market, and regulatory data sets, informing key processes such as underwriting, claims validation, and fraud detection. These require robust datasets that have been built up over many years of operations. Unfortunately, the format of data collection and storage is out of sync with Guidewire needs – we came across instances where there were over 50 years of data stored in legacy systems, waiting to be transformed before being integrated with Guidewire. This makes generating and managing test data a highly challenging process.

4 Scaling agile for Guidewire

This is both a challenge and an opportunity. By following the agile model of testing, we can accelerate implementation and dramatically reduce the time taken to start generating value. However, Guidewire implementation typically occurs at a massive scale, making it difficult to synchronize with agile requirements. This is why we attempt to address this with a differentiated testing methodology where multiple testing tracks are executed simultaneously.

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How a customized testing framework can help insurers

Testing must reinvent itself to meet the unique needs of Guidewire, as well as the industry as a whole. A commercial tool that follows a one-size fits all solutioning approach cannot meet these unique and multi-dimensional requirements. Implementations will vary across enterprises, and even between two departments within the same enterprise, which is why any commercial testing tool would require a lot of configurations/customizations before being ready for deployment. ***We believe a managed testing journey, custom-selected as per business goals,*** can help ensure successful implementation and measurable outcomes.

In our years of experience of working with insurance providers, we found that a customized testing framework is the best possible solution for companies who are live on Guidewire applications or are working on their first core transformation to Guidewire. Such customized framework, helps reduce costs and time-to-market, while also meeting the high quality-benchmarks as set by industry leaders. As the framework is custom-built for Guidewire, the chances of first-time-right are far greater.

By leveraging a framework like this, enterprises can achieve the following benefits:

Gaining from the cloud

Testing Guidewire can be an extremely resource-intensive process, requiring computing power, disk space, and on-demand memory. This adds to implementation costs, often exceeding the overall project budgets. Needless to say, the impact on long-term ROI is quite severe. We replace the traditional testing infrastructure with a cloud-based model, allowing enterprises to scale up or scale down on infrastructure, based on demand. This ensures optimal resource utilization and as-per-expectation returns.

Consolidating many licenses

Insurers would need separate testing tools for multiple applications included in the Guidewire suite. A customized framework consolidates the licensing process under a one-touch umbrella, thereby removing the complexities and costs of managing several licenses. Further, a singular licensing structure will continue to apply as the insurer expands into multiple regions and areas of business, supported by new Guidewire implementations.

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3 Standardizing the testing process

This is probably the biggest advantage of choosing a customized framework, as it standardizes all the tools, techniques, templates, and processes across multiple testing tracks. Despite following an agile project delivery model, standardization helps maintain testing quality and accuracy. This is critical if insurers are to overcome a challenge as discussed above and achieve the sheer scale of transformation as demanded by Guidewire.

4 Ease of maintenance

Scriptless automation with a Behavior Driven Development (BDD) testing approach, makes sure that test scripts are easy to maintain after the implementation is over. There are no complex the scripts that require constant intervention from IT teams. Further, future releases are streamlined as business analysts can be empowered to create test cases without technical assistance. It is possible to quickly create and execute test cases across multiple release cycles at minimal efforts this has the added benefit of combining the unique business understanding of expert analysts in the insurance domain, with optimal testing efficiency.

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Unraveling a possible solution and its measurable results

Our expert team has developed Guidewire test automation framework as part of Zensar's unified test automation platform - "OneTouch" which is a BDD automation platform that enables continuous testing processes, speeding up implementation without compromising on quality. The testing journey involves rigorous assessments, testing framework setup, executing of tests, and the establishment of a stable state for Guidewire. This would look something like this:

Pre-transition
At this stage, the insurers' current level of testing maturity is assessed to understand their unique SLAs. Based on this, a track wise Guidewire roadmap is created, defining the transition requirements, schedule, and integration needs.

Transition
Next, we conduct workshops with different stakeholders at various points of the P&C insurance value chain. This leads to a detailed transformation plan, prioritizing Guidewire projects depending on their criticality to the business.

Transformation
This forms the crux of the testing journey, leveraging a managed services approach to deploy multiple testing tracks at once. Automation plays a big role here, reducing the need for technical expertise and enabling business and user acceptance for testing personnel to cover a wide range of test cases.

Steady-state
The final stage of the journey looks at ensuring SLA adherence and measuring transformation outcomes. The operating model is realigned to meet business requirements, while the Guidewire solution is continually improved and optimized using tailormade levers.

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An illustration of customer-focused Testing Framework

Pre-transition

- Baseline current test maturity, SLAs and metrics
- Prepare Guidewire trackwise transition roadmap
- Establish target model Digital/ Integration
- Identify transition requirements and prepare transition plan
- Define testing strategy
- Plan and schedule workshops

Start of Transformation Journey

Transition

- Trackwise set up of target model
- Conduct workshops with stakeholders
- Baseline parameters for new target model (gaps-analysis and mitigating actions)
- Detailed transformation plan mapping activities to priorities (Automation, Non Functional Testing, Regression suite realignment)
- Establish onsite-offshore model

Transition Complete

Transformation

- Evaluate / Establish Managed Testing Services (MTS)
- Core Flex model for resourcing
- Deploy automation framework to drive productivity
- Measure and revise parameters
- Establish effective feedback loop
- SLA based delivery

Transformation Complete

Steady-state

- Outcome based delivery
- Establish robust delivery model for projects
- Continuous improvement and optimization using established levers
- Flexibility in operating model aligned to busines evolution
- Innovation to meet & exceed productivity of the testing team

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Our successful Guidewire implementation journey

This solutioning approach is geared to unlock measurable benefits in about 10-20 weeks, as per business expectations. For example, we determined that 16 weeks would be the best-fit solution timeline for one of our customers implementing Guidewire ClaimCenter™. We started with a 2 weeks pre-transition, and established a steady-state in sync with business evolution. Given that the OneTouch framework requires a limited dependency on technical skills from our customer resources, the insurer could quickly ramp up their testing capabilities with minimal hardware investments. This unlocked a 30% shorter testing cycle and a 20% faster time-to-market.

We helped a US-based organization to move its home-owners line of business from legacy to Guidewire, spanning a vast suite of applications and capabilities. The new solution would have to support policy variance like homeowners broad/special, mobile homeowners broad/special, condo and renters. This is a highly business-specific requirement, one that cannot be met with out-of-the-box testing tools. We deployed a custom-built framework that would address complexities in data generation and the risk of build failures. There's also a unique instance of 100+ forms that needed to be tested in two months. Owing to a our customized framework, this organization was able to save over 20% of its efforts and achieve significant projected savings in stabilization.

Benefits like these indicate how a customized framework, combined with specialized insurance expertise, can drive seamless Guidewire implementation, regardless of project scale or complexity. In our experience, this has always been the case, especially for insurers who are focused on futureproofing their business against dynamic market requirements.

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How we are making strides in Guidewire Testing modernization

We understand that the rules of engagement are completely different when it comes to testing Guidewire. That's why we ensure that our insurance clients don't have to invest in additional products for different types of testing. A single, all-inclusive dashboard helps to monitor execution and generate reports. Even business analysts can get started with testing, using our scriptless testing feature. Ideas like these are critical for enterprises looking to leapfrog into the future, without massive investments or unprecedented delays.

We are trusted Guidewire PartnerConnect™ consulting partner, focused on innovation across implementation, testing, upgrades, and digital experiences.

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- Guidewire Analyst Day Presentation, http://ir.guidewire.com/static-files/b5d0c4e9-7499-4242-8f85-82967e37f5b9

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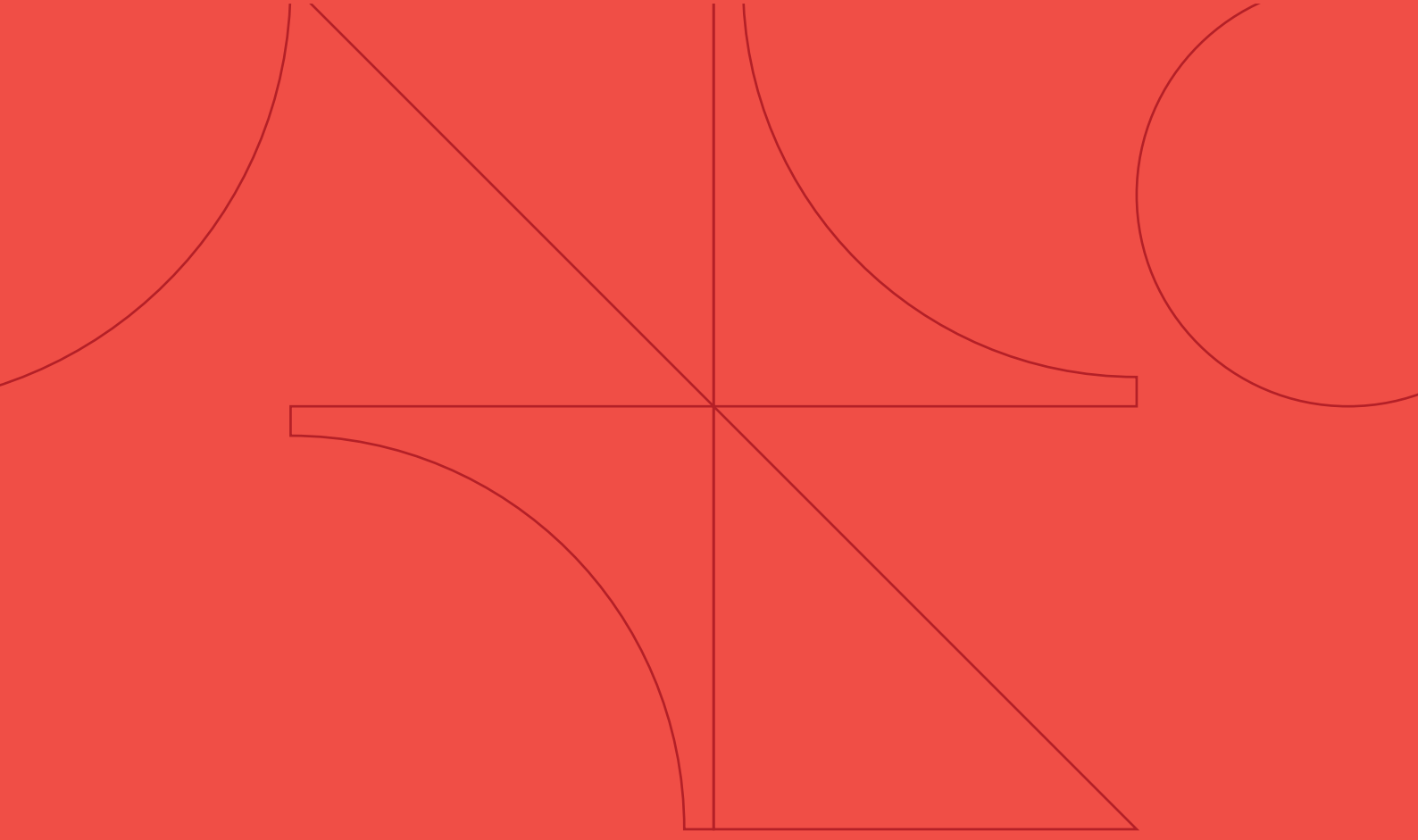

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