

Path to
Cloud & SaaS

Organizational Agility with Guidewire

White Paper

Prepared by Zensar Technologies, this paper has been written to assist enterprises using or considering using Guidewire. Guidewire Cloud Platform is gaining momentum and improving by the day and new major version launches are happening once every 6 months. This has necessitated enterprises to prioritize reconsidering the operating model and execute frequent upgrades higher up in their agenda. This paper is Zensar’s attempt to create a structured framework to simplify the otherwise daunting approach and ensure a smooth and successful journey.

Our approach is to take a holistic approach and will classify all considerations into 2 broad dimensions with defined focus areas underneath each:



1. Enterprise Level Dimensions

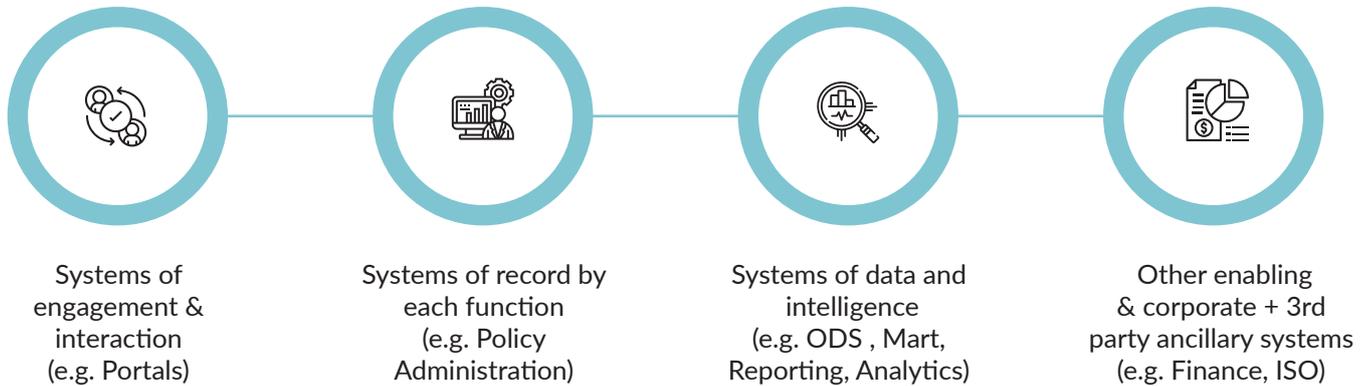
- a. Cloud Strategy – Enterprise operating model
- b. Organization change management for distribution, customers, partners, vendors and other impacted stakeholders

1a. Enterprise – Cloud Strategy

Most companies try to solve this puzzle at a siloed application/platform level. Although there are platform-based (e.g. Guidewire) nuances that need to be solved for, we recommend that the cloud strategy must be owned, defined and managed at an enterprise level. The enterprise strategy then must be adopted and extended for each technology/platform cluster. The strategy will require continuous retrospection and adoption.



We recommend the first step is to create an inventory of applications and platforms by business function:



Second, each application in the catalog must be scored for:

- Business sensitivity
- Compliance and regulatory sensitivity
- In house / COTS Product
- Current state (On prem, Self-managed Cloud, SaaS, BPaaS)
- Operating model options (availability of COTS products, cloud hosting, cloud native and SaaS options)
- Level of customization for COTS Product
- Technical debt
- Integration gravity (score in a scale of on-prem systems to digital surround systems heavy)
- Infrastructural requirements criticality (BCP/DR, SLAs/SLOs, etc.)
- Engineering practices and SDLC requirements

Based on these parameters, an enterprise strategy and recommendation must be in place which should drive a backlog and prioritization process for each portfolio to adopt and execute.

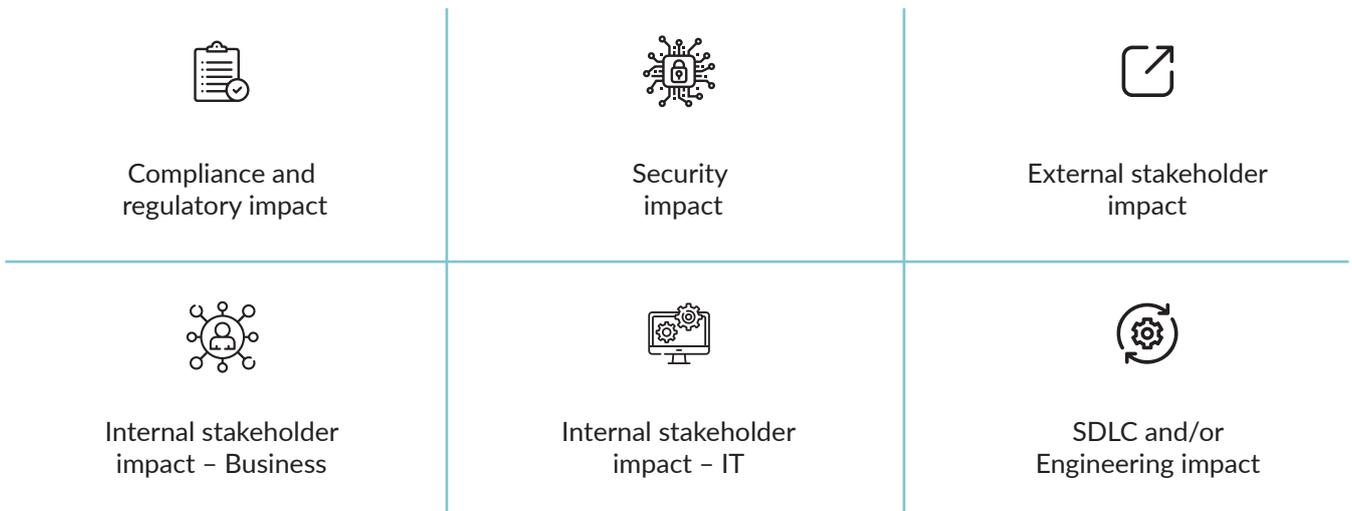
Portfolio level strategy and operating model should then be finalized at a portfolio level with additional analysis and considerations such as the below example for Guidewire:



1b. Enterprise – Organization change management

In the fast-paced world that we live in, the only constant is change. Most cloud providers release changes on as frequently as a daily basis while Guidewire Cloud Platform publishes new changes once in 2 weeks. There is a new major XCenter version release from Guidewire once in 6 months. Having the right level of agility with people, process and technology is crucial for any enterprise to reap the most optimal benefits. Be it constantly trying to reduce loss and/or expense ratios or improving customer experience or being disruptive in the marketplace by partnering with InsurTechs requires enterprise agility. This requires a full-blown organization change initiative at the enterprise level involving both internal and external stakeholders. The goal is to establish quick and efficient change management processes for constant changes. Processes needs to be balanced enough to protect the organizations interests and at the same time agile enough to not become an impediment for fast change.

To manage the constant change quickly and efficiently, one framework is risk assessment matrix to help assess the risk and follow a predefined standard operating procedure for the risk segment. Each risk item should be scored for:



2. Guidewire Level Dimensions

- Guidewire products
- Enabling ecosystem
- Engineering practices
- Security and compliance
- Dependencies and other organizational initiatives
- Talent

2a. Guidewire – Products

The Guidewire products in the ecosystem plays a critical role in ensuring that the right portfolio level strategy is adopted and executed. The level of customization in each product is a crucial deciding factor. We recommend having a scoring mechanism which will provide the teams with the latest and accurate quantification of the level of customization (product conformance). This also becomes the basis of “functional debt backlog” which can be prioritized and constantly acted upon. In addition, the cloud strategy should be different for the following Guidewire application groups:



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The screenshot shows the Guidewire Documentation website. The header includes the Guidewire logo, the text 'Guidewire Documentation', a search bar, and a 'Select version: 2021.01' dropdown with a 'Log out' button. The breadcrumb trail reads 'Guidewire Cloud Standards > Guidewire Cloud Standards > Overview > Welcome to Guidewire Cloud Standards'. The left navigation menu lists various topics under 'Guidewire Cloud Standards', with 'Welcome to Guidewire Cloud Standards' highlighted. The main content area features three sections: 'Welcome to Guidewire Cloud Standards' (introducing the standards as proven principles for a successful implementation journey), 'How to Search for Guidewire Cloud Standards' (providing instructions on using the search bar and listing search criteria like product code, category, and standard title), and 'The Role of Guidewire Cloud Standards in the Journey'. A right-hand sidebar titled 'On this page' contains links to 'How to Search for Guidewire Cloud Standards', 'The Role of Guidewire Cloud Standards in the Journey', and three sub-questions: 'What are Guidewire Cloud Standards?', 'Why do Guidewire Cloud Standards matter?', and 'How are Guidewire Cloud Standards different?'.

Insurers should take Guidewire’s help and execute a Cloud Readiness Workshop (CRW). Through this exercise insurers should be able to understand the following and have a backlog ready for prioritization:

- All anti-patterns and remediations needed in order to become complaint
- Fixing all database consistency check errors
- Options and roadmap for upgrade and/or cloud transition
- Inputs to finalize the cloud operating model
- Cloud readiness assessment for enabling interfaces, technology, infrastructure, level of configuration, software development and Gosu best practices, integrations and release management

2b. Guidewire – Enabling ecosystem

It is important that all infrastructural components as well as integrating interfaces follow the most optimal design patterns. Each anti-pattern must be identified, assessed and included in a “technical debt backlog”. There must be a defined prioritization process for teams. In addition to the business-as-usual items we recommend prioritizing Debt Removal items in the backlog. One way is to also classify debts as defects and enhancements which can be prioritized using a business value-based framework.



Critical product defects



Medium priority user enhancements



Timebound regulatory and compliance changes



Medium severity production defects



High severity production defects



Low priority user enhancements



High priority user enhancements



Low severity production defects

It is also very important that there is business and IT alignment at every step of the journey which is key to managing all stakeholders including brokers, partners and customers. Lessons learnt and best practices from prior initiatives within the organization always comes in handy which provides the agility that the organization needs to seamlessly take the most benefit from the newer available software versions and offerings.

2b. Guidewire – Enabling ecosystem

Having the most agile and efficient DevOps processes, environment management, quality and release management practices are a critical success factor. Specifically – Continuous Integration and Continuous Deployment process followed in terms SCM, code review, automated testing and automated deployment processes must be fully compliant with Guidewire recommended practices and toolsets. In addition, there should be an automated monitoring and dashboards to visualize all relevant pipeline metrics must be present. Some of the aspects that must be analyzed and planned for are:

- Periodic delivery assessment for compliance with design and coding standards and engineering practices
- An easy-to-use framework to decide on technical upgrade vs functional upgrade
- How to catalog and manage the backlog and prioritize the backlog
- A defined pruning, purging and archiving/retrieval strategies (this must also include step to complete a data model analysis and create a plan for entities/fields that needs to be retired and later removed)

- A clear mechanism to justify and manage all custom functionalities and components
- Alignment with internal CoEs and/or internal organizational operating procedures
- A clear and concise test quality assurance strategy
- Development methodology and team structure
- A defined and practiced back-out / rollback plan

2d. Guidewire – Security and compliance

Every geography has its own set of security and compliance requirements to be taken care of. It is critical that each enterprise understands the requirements that they must comply with and then assesses the Guidewire specifications and release notes.

2e. Guidewire – Dependencies and other organizational initiatives

The usual recommendation (irrespective of GWCP or On Prem) is to take one Guidewire major upgrade every year for insurers who are on v10 and beyond. This ensures that the insurer gets to take the benefit of research and investments made by Guidewire on their product stack. In the SaaS model the heavy lifting of the upgrade is done by Guidewire, however this needs to be planned for keeping other dependencies in mind. Every enterprise will have various initiatives on going and it is important that the dependencies are assessed, and the Guidewire upgrades are timed appropriately.

2f. Guidewire – Talent

With the fast-changing world of technology it is important that enterprises adopt a right talent strategy which must include a supporting upskilling strategy. The strategy must include a plan to manage the ratio of insourcing and outsourcing. This ratio must be by role and by the type of need. A core and flex talent model is an extremely efficient way to manage this. In addition, it is important that insurers choose a partner who has the right capability, right focus on Guidewire, the right resources available to be deployed for you, a solid and proven track record, is a Guidewire partner and culturally fits with your organization.



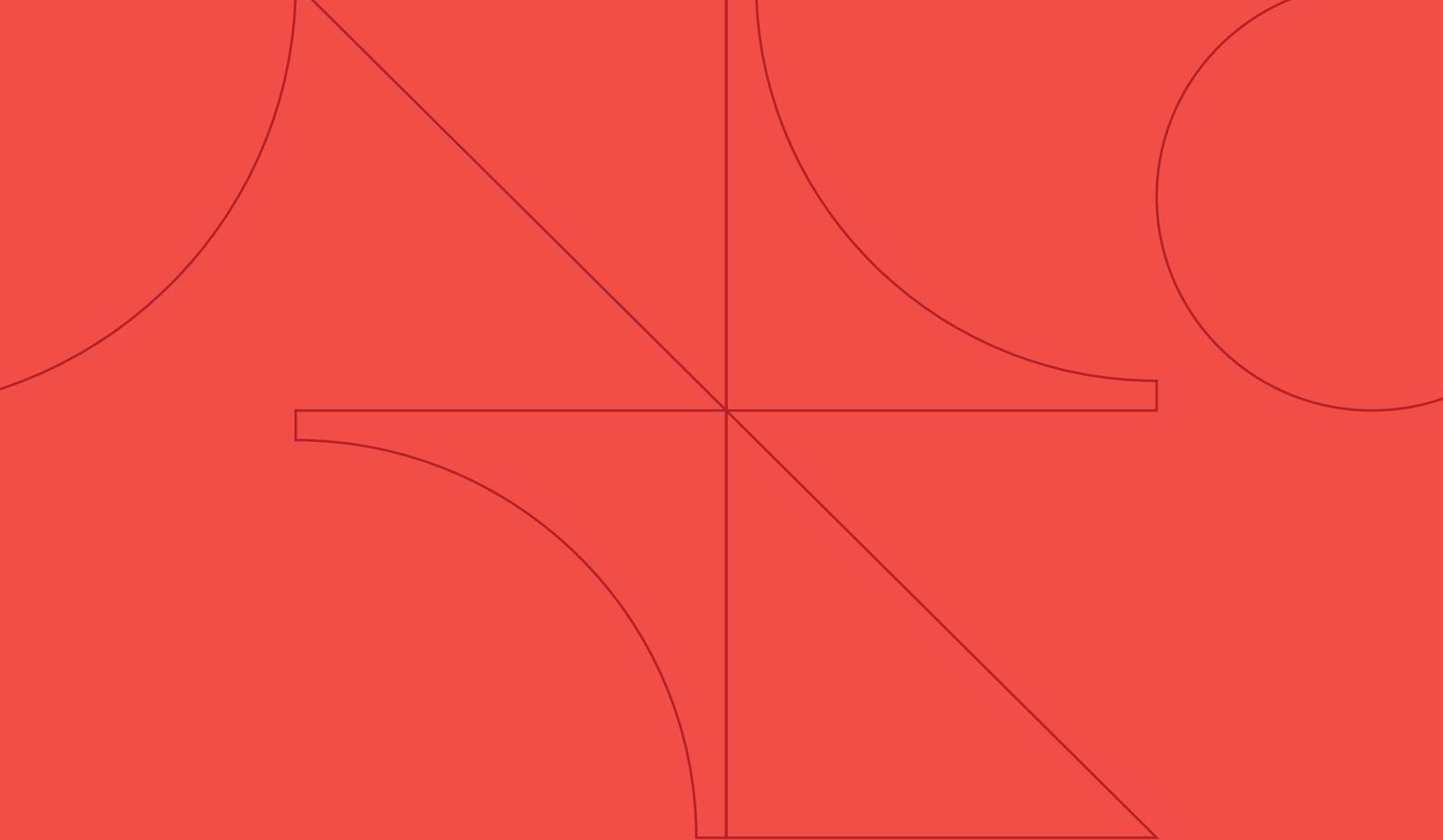
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