

## Regional Insurer aligns IT organization with its high-growth business goals

### CLIENT PROFILE

This insurance carrier needed to establish strong IT Governance to manage the planned implementation of a new IT strategy and facilitate the significant growth which was planned over the next several years. Inside the organization, there were differing opinions regarding top business priorities, compounded by weak processes, outdated infrastructure, and poor controls. For future plans to be successful the insurer needed to ensure that IT was properly aligned with the business priorities, that new initiatives were managed well, and that the IT organization would be able to operate efficiently and effectively in the planned environment.

### INDUSTRY

Financial Services and Insurance

### KEY INFORMATION

- Privately held
- \$50 million in revenues
- 80 employees

### BUSINESS NEEDS ADDRESSED

- Risk Scalability Growth

### OwlPoint SERVICES

- IT Governance

### OVERVIEW

After years of operating in state-run receivership, a New England-based insurance company emerged with \$200 million dollars in venture capital and a business plan centered on high-growth.

Years of neglect left the IT organization limited in its ability to support the current business demands. The insurer turned to **OwlPoint** for help in aligning IT with the new business goals. **OwlPoint** delivered services and solutions that resulted in the insurer meeting the demands of investors.

### BUSINESS NEED

With plans for aggressive growth and expansion over the next three-to-five years, this company needed to prepare for all of the technology improvements that were anticipated to ensure the success of the new strategic plan. This would be a huge undertaking for an IT organization that lacked documented processes, consistent project management capabilities, and well defined IT financial controls.

Because of stagnant growth in the years leading up to the new investment, the insurer did not have a system in place to manage long-term projects. Moreover, there

was internal conflict within the business over which projects should get top priority. The IT department was frequently overwhelmed by day-to-day operations due to understaffing, outdated equipment and lack of current IT knowledge. As a result, the company experienced frequent service outages to insurance agents, who acted as end-users for the policy system. The IT department's internal reputation suffered as a result and through no fault of their own.

With change being one of the biggest threats to an IT environment, the new organization focused on its need for IT governance. It needed to eliminate risks and errors and provide a consistent and reliable environment for the end-users, both employees and customers. It also wanted to ensure that the organization was running efficiently and effectively all of the time and needed standard operation procedures. Furthermore, the organization needed to address IT security and ensure that information was properly secured to protect customer information, corporate intellectual property, and employee information.

This company turned to **OwlPoint** for assistance with its IT Governance needs.

## SOLUTION

**OwlPoint** conducted a current-state assessment of the IT organization and crafted a strategic roadmap for improvement. **OwlPoint** was able to identify immediate and long-term risks and incorporated risk mitigation into the IT Strategy that was being developed

**OwlPoint** then assisted the company implement their IT Governance needs. The first order of business was to establish an IT Governance group. This group was created with a charter to manage four major areas within the IT Organization: IT Processes and Policies, Project Management, Vendor Management and IT Security. To ensure the success of the new IT Governance organization and demonstrate how this group should function, **OwlPoint** provided a consultant to act as the interim IT Governance Director and assisted in the identification and selection of a full-time employee to fulfill the roll for the long-term.

**OwlPoint** created a process framework for implementing an IT Service Management approach for managing IT. A two-year roadmap was created and initial processes were developed. **OwlPoint** created a Change Management process and formed a weekly Change Advisory Board to review and manage the large amounts of changes that were occurring in the environment due to the significant enhancements being made.

**OwlPoint** also helped establish the first set of IT policies. This included a computer-use policy and a password policy. These were the first few steps in enhancing IT Security. Additional IT Security activities were performed which included the review of the firewalls and network device configurations, procedures for managing and changing password for critical devices, and implementing new anti-malware software. **OwlPoint** also reviewed and redeveloped the business continuity and disaster recovery plan. This incorporated new backup and restore procedures and a building-wide disaster management and incident response process.

As part of the project management responsibilities within the IT Governance group, a formal Project Management Office was created. This group established a formal project management methodology which included the management of all IT projects from inception to completion. This also included how to report on projects, how to manage project financials and the creation of all project management templates.

Simultaneous to the creation of the IT Governance Group, **OwlPoint** also helped form an IT steering committee that included representatives from each internal business organization and the executive board. **OwlPoint** initially lead this monthly meeting to bring all business representatives together without there being perceived bias by one organization or another. **OwlPoint** was also able to leverage its experience in managing a committee of this type by providing a clear charter and bylaws, managing appropriate agendas for a meeting of this importance, and setting expectations. This was the first step in ensuring alignment between the IT strategy and overall business goals and ensuring that all projects and initiatives were being performed for the greater good of the organization.

The first outcome of the IT Steering committee was the consensus and formal approval of a new IT Project approval process. Working with the CFO, **OwlPoint** developed new financial approval procedures and incorporate them into a new formal process that evaluated and appropriately approved or rejected proposed IT projects. After approval by the Steering committee, this process was incorporated into the new project management processes managed by the IT Governance group.



## BENEFITS

By instilling effective IT Governance, the insurer was able to effectively align the IT organization with the future needs of the business. No longer was IT working on “rogue” IT projects that did not contribute value to the business or set priorities that clashed with other internal business organizations. With a clearly defined vision, the IT Organization was properly aligned and able to garner support from the rest of the business as a true partner, reversing the trend of being viewed as just a support organization. By defining IT Service Management processes, the insurer was able to increase customer satisfaction among its internal employees, as well as gather and report on the key metrics necessary to facilitate the improvement of future services. Key external agency customers were excited by the prospect of doing business with a now customer-focused organization.

## PAYBACK TO THE BUSINESS

**Reduced Risk** - The implementation of formal governance processes, a new business continuity and disaster recovery process, enhanced IT security technologies and policies, well-defined project management methodology, and the completion of several infrastructure projects allowed the business to significantly reduce the risk that IT posed to business operations.

**Enhanced Strategic Planning and Analysis** - By focusing on future goals outlined in the **OwlPoint** ITSM roadmaps, the IT management team was able to move quickly from reactive firefighting mode to a proactive, predictable organization.

**Increased Application Availability** - Following the completion of several technology upgrade and stabilization projects, coupled with the introduction of standardized processes, the client was able to effectively assess risk and analyze the impact of planned changes before they occurred. The end result was improved service levels, reduced downtime, and the ability to effect change more efficiently.



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