



publicis
sapient

NEXT-GEN DIGITAL INSURANCE PLAYBOOK

Strategies for rapid and effective
modernization of your organization.

+ + + +

The case for core modernization



Insurers are at a crossroads:

- **Customers** expect more value for less
- **Colleagues** demand instant access to actionable data
- **Partners** seek seamless, data-driven solutions

Meanwhile, the explosion of data and mounting regulatory pressures are fueling the rise of agile digital competitors—leaving insurers with slow, siloed, expensive and inflexible legacy systems behind.

In this high-stakes environment, modernizing technology isn't just a choice—it's an opportunity.

Your call to action

This playbook dives into how embracing new methods of modernization—as proven by other industries—can significantly enhance your insurance firm's speed, capability and cost efficiency.

At Publicis Sapient, we adopt these modern ways of working to help you build next-generation technology and data platforms, so that you can drive down costs, increase agility and innovation, and delight customers.

The case for core modernization



Current hurdles for insurers

- Slow launch of new propositions
- High and unpredictable costs of change
- Fragmented and slow digital transition
- Difficulty in converting data into meaningful insights
- Challenges in shifting call center traffic to digital channels
- Struggles with implementing innovations like Gen AI
- Increasing competition from digital-native companies



Core reasons behind the challenges

- Legacy complexity: processes, tech debt and costs
- Platforms nearing end of life
- Skills gaps in modern technology
- Limited experience with modern ways of working
- Siloed and fragmented data
- Organizational structure misaligned with tech-driven operations



How technology is powering solutions

- More affordable and accessible modern tech and data platforms
- Abundance of inexpensive, real-time data
- Enhanced ability to personalize experiences with data
- Advanced analytics and AI providing rapid, deep insights
- Gen AI boosting speed and reducing costs of tech delivery
- Low-cost assembly models proven by other industries
- Tools offering transparency in delivery

Game-changing benefits to modernizing your core systems



Customers

- Tailored products that meet emerging needs
- Enhanced, personalized experiences
- Scalable and reliable digital services

Colleagues

- Happier, more productive teams
- Developing future-ready skills
- Modern tools and AI at their fingertips
- Trusted, accessible data for informed decisions

Financials

- New revenue streams unlocked
- Lower cost to serve
- Leaner, more efficient change and run teams

Risk

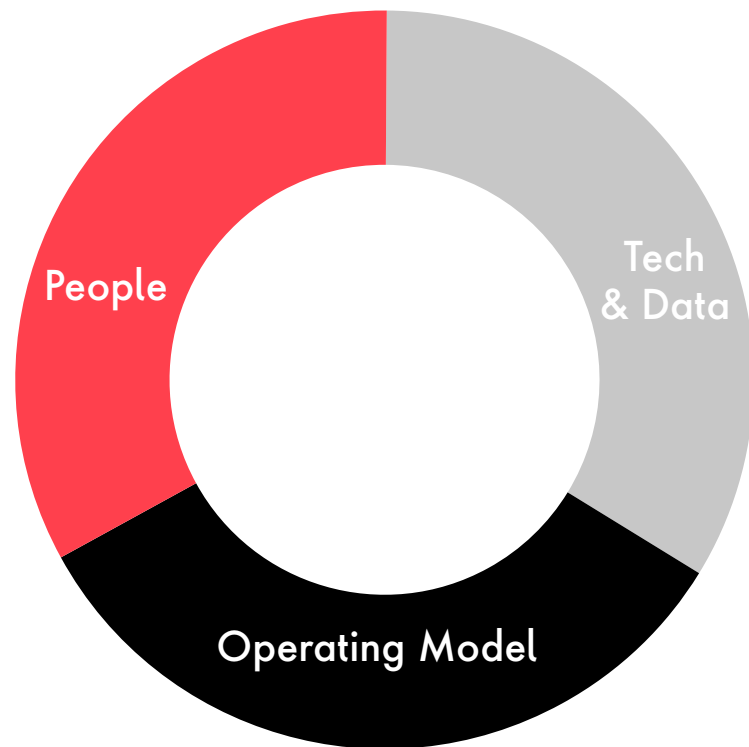
- Rapid response to market shifts
- Improved risk management with compliance as code
- Seamless adaptation to regulatory requirements

Change

- Freedom to create new, differentiated offerings
- Faster, more cost-effective BAU changes
- Affordable, rapid testing, learning and adaptation
- Digital-first efficiency
- Greater resilience and adaptability to change



A successful modernization hinges on three critical elements working simultaneously to deliver results



Operating Model

- Shift from a project-centric to a service-centric view
- Align delivery teams with shared business and technology OKRs
- Implement practical governance, accountability and risk management grounded in data to eliminate friction
- Transition from centralized enterprise data teams to decentralized data ownership

People

- Hire multi-skilled teams dedicated to specific business goals
- Increase the ratio of change-makers to change managers
- Invest in current colleagues to support their growth and journey
- Hire and partner strategically to bridge skill gaps

Tech & Data

- Adopt cloud-native, utility-based infrastructure
- Integrate best-in-class components to build a robust and flexible system
- Develop domain and state models for enduring clarity
- Implement a domain-led, API-first design for seamless integration
- Create data products that support real-time BI, reporting and AI training
- Utilize event-driven architecture to rapidly respond to changes

Operating Model: Next-generation insurance solutions are built around four cohesive business layers



Governance and leadership

Data-driven accountability and risk management

▼ *Holds accountable*

- Sets direction and sponsors delivery
- Agrees and service OKRs
- Coordinates across services
- Manages risks

Business service

A defined area of the business (e.g., property quoting)

▼ *Informs*

▼ *Informs*

- Ongoing, dedicated investment for each business service
- Delivers incrementally against OKRs
- Drives a shared understanding of business & IT by domain
- Autonomous decision-making within boundaries

Delivery & change organization

Efficient execution and agile transformation

Owns ►

Software

Robust and scalable technology solutions

- Makes data-led decisions
- Requires minimal team hand-offs
- Reacts to change quickly
- Empowers teams to make decisions

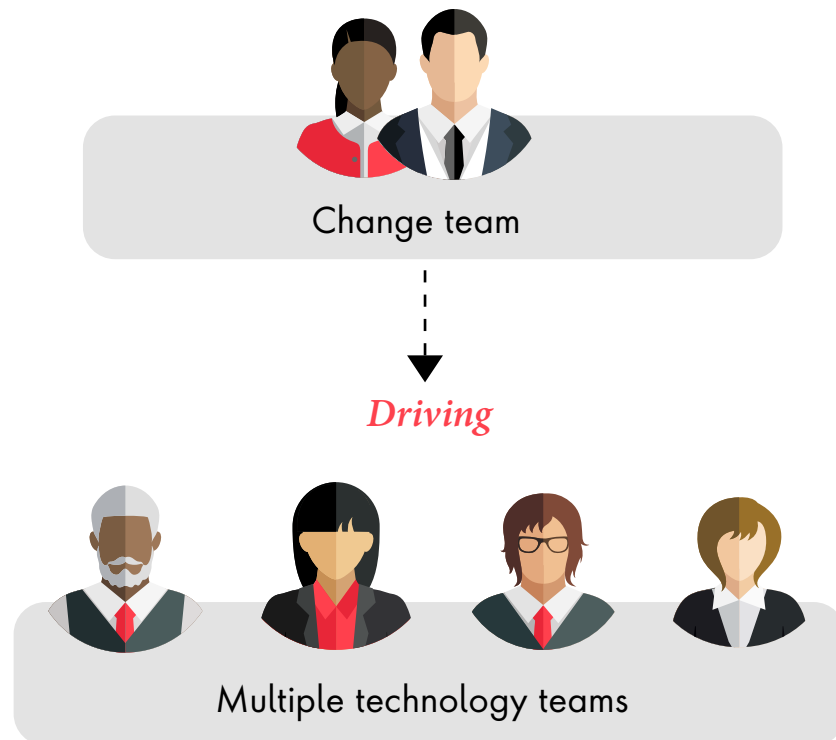
- Delivers frequently against business goals
- Provides an adaptable, prioritized roadmap
- Offers flexible, automated processes for testing, integration and deployment
- Provides modern AI tooling across the entire software development lifecycle



People: Modern solutions are built by agile, autonomous and empowered teams with the right skills

+ + + +

Move away from project-led change
where the focus is delivering projects on time and to budget



Shift to dedicated domain teams
where the focus is improving agreed measures on a weekly basis

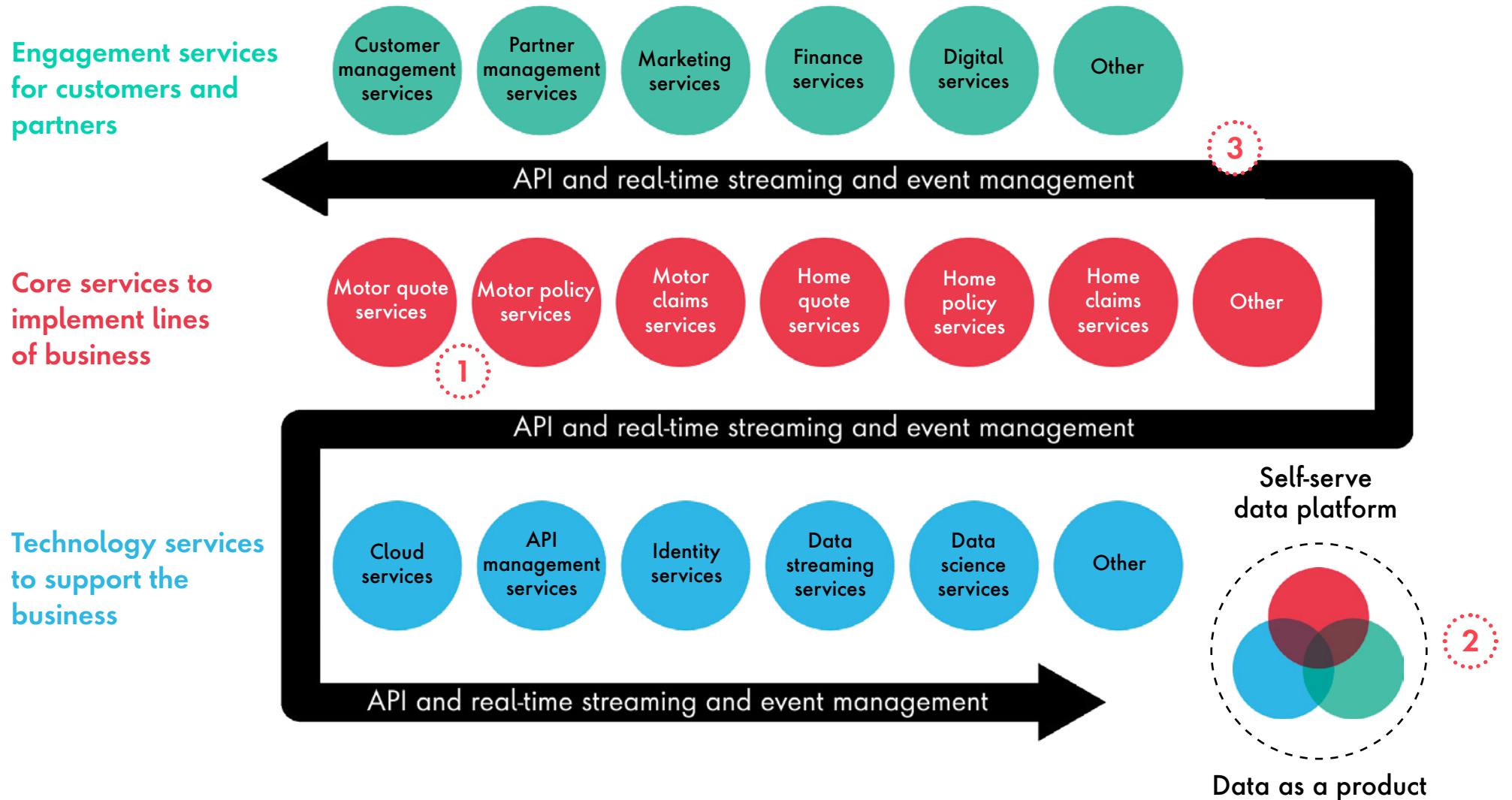


<i>Who</i>	<i>Cares about</i>
Product owner	The team and their outcomes
Domain architect	The architecture and its costs
Domain teams	Building the right solutions

These teams require a balanced mix of domain knowledge and technical skills, enhanced by training and strategic partnerships.

Tech & data: Microservice architecture with data are at the heart of the insurer

++++



Tech & data: Microservice architecture with data are at the heart of the insurer

+ + + +

1

Self-Contained Microservices

- Performs a specific business task with a clearly defined owner
- Capable of evolving its technology stack without disruptions
- Maintains full control over its own data
- Supplies APIs, events and data products to consumers
- Integrates seamlessly with other services

2

Single Data Platform

- A data marketplace that facilitates an integrated view across all services
- A single source of truth, organized by customer for consistency and accuracy
- Enables owners to publish data easily and frequently
- Supports powerful analytics and comprehensive reporting

3

Rapid Data Flow

- Data is central to all business operations
- Event-driven and real-time, with batching as an exception
- Available for self-service across all levels of the insurer
- Adaptable APIs support each service and seamlessly integrate its data

Delivering modernization with minimal risk



Common modernization pitfalls

Long delivery timelines with no visible value until late in the roadmap

Transformation happens in name only, with teams adhering to outdated delivery practices

Poor visibility for business and executives, leading to uncertainty about deliverables and timelines

Higher-than-expected costs and extended timelines resulting in worse outcomes

Numerous projects initiated but rarely completed, with benefits perpetually 1-2 years away

Proven technology, tooling and approaches also reduce cost and time to value.



How to mitigate pitfalls

Work to deliver innovative “steel thread” that brings product to market quickly and generates revenue, followed by rapid incremental releases

Set ambitious goals and invest in a dedicated shaping effort to align objectives and rally support for transformation

Implement data-driven governance to bring transparency across all functions and levels, with the business an equal partner in delivery

Employ modern tools throughout the software delivery lifecycle to accelerate production and scaling

Define clear criteria for completion at each interim transition state, with a strategic approach to migration and decommissioning from the outset

A proven approach for **platform modernization**



STEP 1

Case for change

Confirm the **urgency for modernization** and ensure **leadership commitment to address the most critical challenges**



STEP 2

Foundations & proof points

Establish **no-regret foundational elements** while validating key elements of the new modern platform



STEP 3

Iterative releases

Build and expand the new platform with internal and public releases to mitigate delivery risks and accelerate benefits



STEP 4

Scale & sustain

Scale and sustain the new platform by progressively transitioning capabilities from legacy onto new solutions

Step 1: Case for change

+ + + +

Platform modernization efforts fail when the ambitions are poorly defined or misdirected.



Critical success factors:

A clear case for change that fully unlocks potential and gains commitment from the full leadership team

Understanding key success factors or lessons from similar transformations.

Clear principles and guidelines to steer the approach



Your guide to action



Shape the case for change:

- Define how modernization enables your long-term vision and articulate the urgency for modernizing now
- Bring to life how modernization will transform your customers' and colleagues' experience
- Evaluate the return on investment (ROI)

Confirm the changes required:

- Agree on key principles guiding your approach (e.g., modular assembly, agile delivery)
- Identify the key services that modern capabilities will enhance
- Clarify the gap between current and target tech & data architectures
- Understand the organizational impact of modernization
- Identify key factors to deliver required changes and mitigate risks

Secure leadership commitment:

- Ensure senior leadership buy-in
- Recruit or select the right leaders
- Secure sign-off for the investment needed to mobilize the program

Checklist:

- Compelling case for change
- Buy-in from the full senior leadership team
- Clear understanding of major shifts required
- Agreed-upon principles to guide design and delivery
- Confirmed investment to initiate the program
- Appointed delivery leadership team

Step 2: Foundations & proof points

+ + + +

Without the right preparation, modernization programs cannot succeed.



Critical success factors:

- | A delivery roadmap with surefire early value to return on high initial investments
- | A modern architecture that doesn't recreate the issues inherent in the legacy platform
- | Essential elements like cloud and strategic data capabilities implemented from the start



Your guide to action



Mobilize the program team:

- Confirm accountable leadership
- Establish governance forums
- Ensure broader organizational engagement
- Onboard delivery partners

Detail the product roadmap:

- Detail target customer, partner and/or colleague services
- Align requirements with data, technology and operational needs
- Outline launch sequence and technical milestones
- Confirm delivery pod structure and align on agile delivery methodology
- Tie critical milestones to the investment case and benefits

Confirm the architecture:

- Agree on best-practice architecture principles
- Select priority vendors for critical components
- Map existing capabilities to platform domains
- Plan integrations and migration to mitigate risk

Fast-track critical enablers:

- Build no-regret enablers (e.g., cloud and data foundations, DevSecOp tooling)
- Validate elements of the technical solution (e.g., combinations of target solutions)

Checklist:

- Program team established
- Foundational enablers in place
- Roadmap confirmed
- Critical milestones set and linked to benefits case/OKRs
- Teams established with strong momentum toward initial launches

Step 3: Iterative releases

+ + + +

The first release is pivotal to proving the modernization program and learning for subsequent releases.

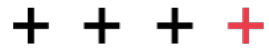


Critical success factors:

- Launch essentials such as an accurate delivery model, complete go-live requirements and an achievable roadmap
- Reducing integration complexity, often with non-technical solutions like product rationalization



Your guide to action



Accelerate delivery:

- Mobilize cross-functional teams focused on outcomes
- Adopt enterprise agile methodologies
- Onboard prioritized solution providers
- Implement training and capability building
- Establish robust communication plan and governance
- Confirm the iterative release plan

Launch an initial release:

- Detail new service design, including major value unlocks
- Outline revenue-generating steel thread for initial delivery
- Deliver major requirements via cross-functional teams
- Establish a model office for business and readiness testing
- Integrate legacy capabilities and establish coexistence
- Automate reconciliation and ensure data quality
- Address risk, control and regulatory requirements

Expand the platform through iterative releases:

- Conduct retrospective to refine future iterations
- Adjust post-MVP delivery roadmap for scalability
- Continue to optimize tactical operational workarounds
- Manage coexistence of old and new environments
- Monitor key metrics to prioritize further platform enhancements
- Explore new elements for incorporation (e.g., based on changing market conditions)

Checklist:

- Innovative “steel thread” launched to prove the architecture and delivery model
- Iterative release approach confirmed and proven through initial launches
- Mechanisms in place to transform existing operations as the new platform expands
- Value assurance mechanisms in place to track achieved vs. target outcomes
- Sign-off for continued investment

Step 4: Scale and sustain

+ + + +

Ensuring the safe shift from legacy to modern platforms is a real challenge. It's critical to prepare appropriately and use a full spectrum of levers to mitigate risks.

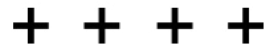


Critical success factors:

- | Accurate migration sequencing to reduce risk and avoid disruption for customers and colleagues
- | Building and maintaining organizational understanding and support



Your guide to action



Expand the new platform:

- Prioritize new features based on value, speed and quality
- Accelerate release pace with continuous feedback loops
- Continuously explore new opportunities for competitive advantage
- Maintain momentum with transparent communication

Scale the progressive modernization 'factory':

- Establish the guiding principles for transitioning from old to new platforms
- Confirm the migration approach, including technical patterns and risk mitigation
- Establish a modernization factory to manage the transition from old to new platforms
- Accept a limited dual-run period, building data scaffolding to enable cross-platform stability while systematically optimizing processes as the platform matures
- Detail plan for decommissioning old solutions as the platform expands

Sustain the change:

- Transition modernization from 'program' to 'BAU' mode
- Develop capabilities for continuous improvement
- Implement modernization metrics as standard management tools

Checklist:

- Progressive modernization mechanisms established to de-risk migration
- Majority of insurer services now operate on the new platform
- Modernization has achieved its target ambitions
- Organization can sustain change and in particular is more adaptable to changing market conditions

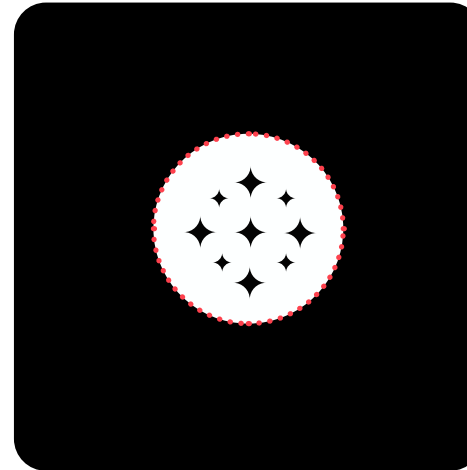
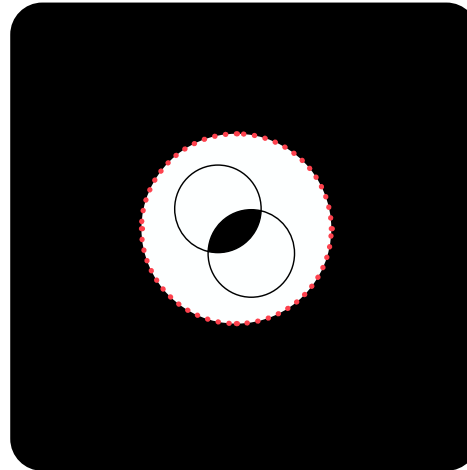
Where are you on your **insurer journey**?



▲ + Investment committed

Misaligned, requires unlocking

- High defect rates
- Nothing feels “finished”
- Large investments not yielding benefits
- Some modern tech with outdated practices

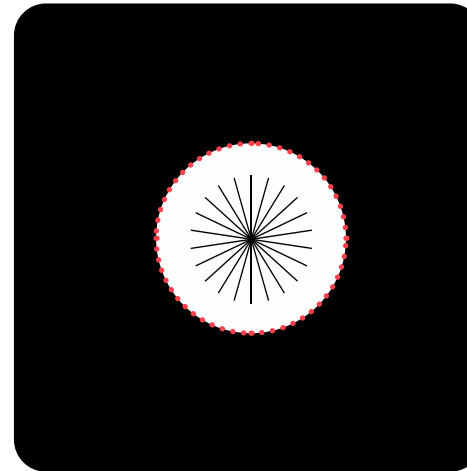
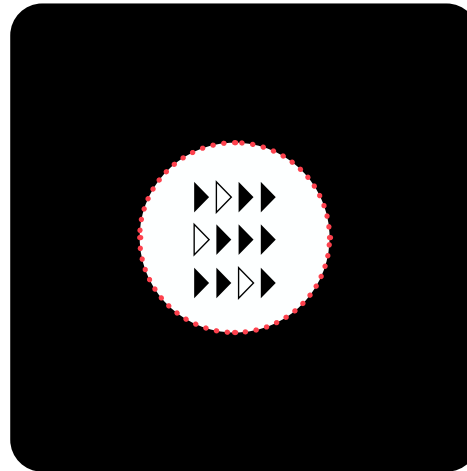


Mature, requires supercharge

- Modern platform transformation
- Digital benefits felt by colleagues and customers
- Numerous expansion opportunities
- Ongoing process transformation potential
- Desire to leverage data & AI fully

Feeling the pain, opportunity to leapfrog

- Legacy system pains
- Slow change
- Difficulty launching new propositions
- Competitive position concerns

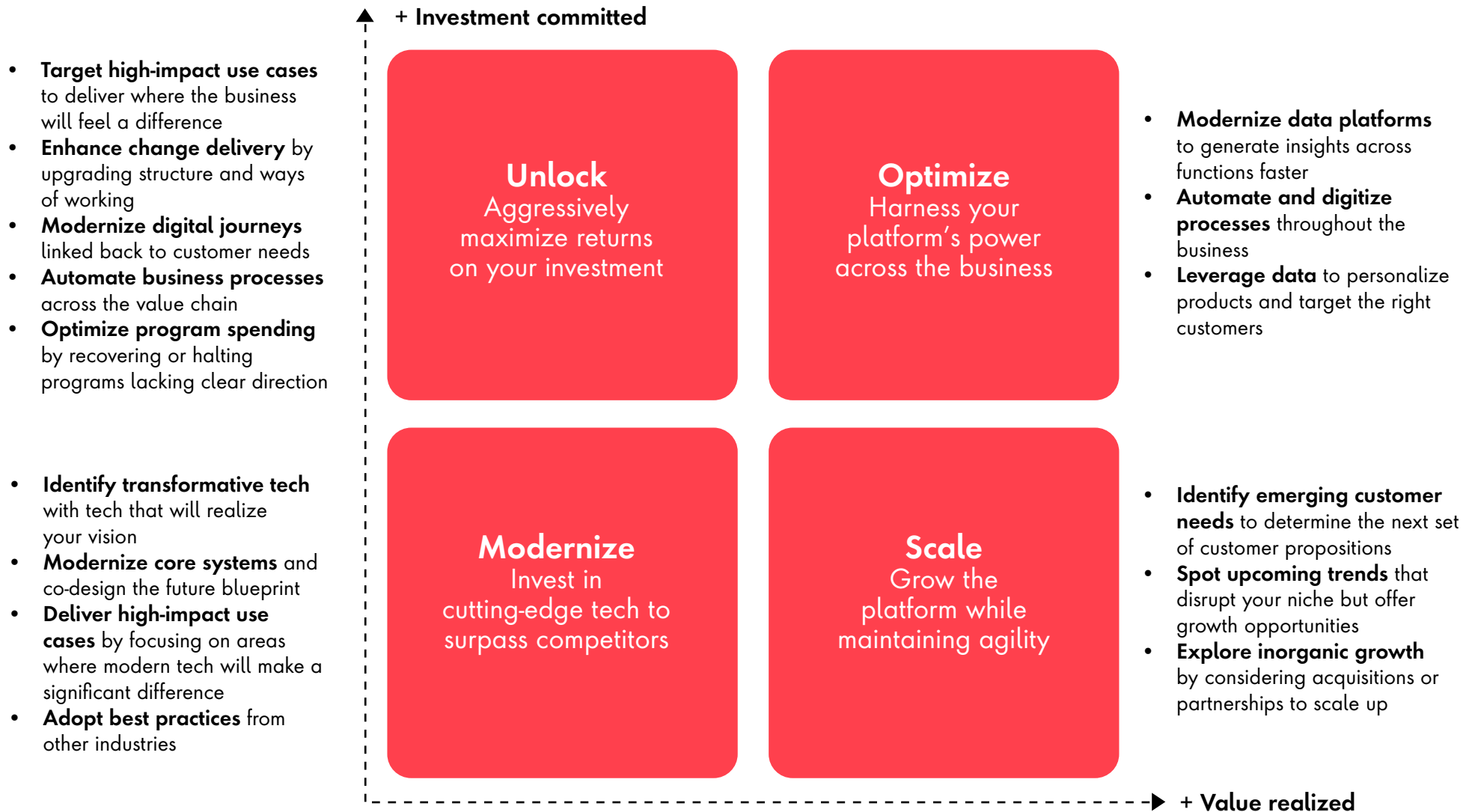


Great progress, but needs to scale

- Limited product suite on modern platform
- Efficient digital services and processes
- Small customer base size

▶ + Value realized

How we'll support your modernization journey



Publicis Sapient is here to help

Modernizing your insurer's platform can be challenging, but with the right planning and partnerships, success is within reach.

Choosing an experienced partner in modern platform solutions is crucial. They can help you set goals, accelerate your journey and avoid common pitfalls.

While embracing digital transformation unlocks innovation, automation and personalized services, true transformation requires a holistic view across data, people, and ways of working.

Publicis Sapient is here to help you explore platform modernization. With our deep insurance expertise and **unique SPEED capabilities**, we support you in navigating challenges, accelerating delivery and realizing value—always keeping your customers in focus.

Whether you're just starting or struggling with modernization, we're here to help.

S

Strategy

Confirming the value potential and the shifts required to unlock

P

Product

Evolve propositions at services at pace and scale

E

Experience

Create differentiated services for customers and colleagues

E

Engineering

Build modern solutions to achieve your ambitions

D

Data

Put 'data-at-the-center' of how your bank operates

Get In Touch



Dan Cole

Senior Managing Director, EMEA & APAC
daniel.cole@publicissapient.com



Abhishek Bhattacharya

Group Vice President Technology,
Financial Services
abhishek.bhattacharya@publicissapient.com



Vandana Ohri

Senior Director of Technology
vandana.ohri@publicissapient.com



Ben Ruddle

Senior Principal, Insurance
ben.ruddle@publicissapient.com

Publicis Sapiient is a digital transformation company. We partner with global organizations to help them create and sustain a competitive advantage in a world that is increasingly digital.

Our clients and their customers derive value and impact from our combination of expert SPEED capabilities—Strategy and Consulting, Product, Experience, Engineering and Data—and a culture of curiosity and deep industry knowledge. This holistic, agile, and data-driven approach empowers our clients to reimagine their products and experiences and embrace change by putting digital at the core of how they think, organize and work.

As the digital business transformation hub of Publicis Groupe, with 20,000 people and over 50 offices worldwide, we connect our clients to an extensive network of customer data, media and advertising services, and more.

For more information visit www.publicissapient.com.

© 2024 Publicis Sapiient Corporation.

publicis
sapient