



With Transition to Managed Services Model, US Insurance Provider Reduces Run-Rate Costs by 20%

Client overview

The client is among the top 10 U.S.-based insurance providers of life, annuity, retirement and group protection products doing business across 50 states. They are a leader in product innovation and distribution with over 10,000 producers across retail and wholesale channels.

The Challenge

The client's IT platforms are largely organized and supported along lines of business. Typical of many insurance carriers, the client grew through a series of acquisitions and mergers over the last 50 years. As a result, their IT setup comprised a mix of a mainframe environment, legacy systems, custom platforms and niche technologies. The challenge before the client was to control the disproportionate spend that was going toward lights-on, doors-open maintenance to keep the business running.

With newer competitors in the marketplace embracing leaner IT operations and acquiring more digitally-enabled capabilities, the client needed to rationalize costs and acquire capabilities to avoid exposing its technical debt to the market. It needed to rapidly reduce costs in Application Maintenance and Support (AMS) and Quality Assurance (QA) which, in turn, would free up capital for investing in the digital capabilities and IT initiatives needed for transformational growth.

Executive Summary

A top U.S. Insurance provider transitioned more than 90 applications in one year to a managed services model managed by Mindtree. The result was an increase in efficiency and approximately a 20% reduction in run-rate costs. With this, the insurer has been able to free up funds for investment in digital capabilities imperative for keeping pace with competition.

Mindtree's Solution

The client needed a strategic approach to tackling its cost and technical debt issues, addressing its complex mix of legacy technologies and processes. Competing against a slew of Tier 1 IT Services providers, Mindtree differentiated itself with a creative and aggressive services model to reduce costs and improve delivery across AMS and QA. We set up a hybrid model – a mix of onshore and offshore delivery – thereby significantly lowering operational costs. We also committed to deliver multiple long-term improvements to the client's service portfolio as detailed below:

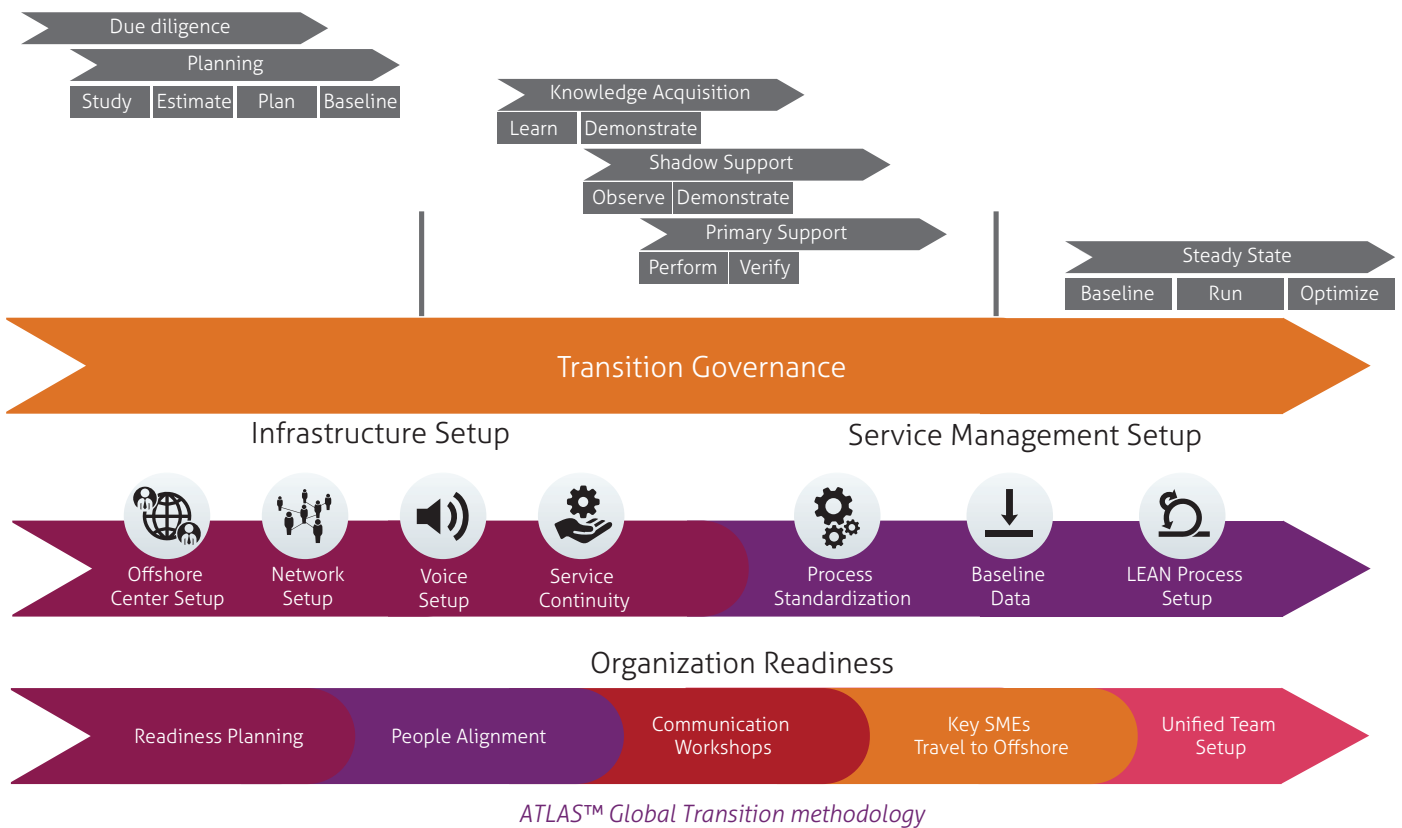
- **Robust, industry-standard processes** for day-to-day operations using metrics and analytics. These processes helped identify opportunities for additional efficiencies including focus areas for improving long-term stability.

- **Transitioning the Target Operating Model (TOM)** from a line-of-business model with teams working in siloes to cross-functional teams with specific areas of expertise based on technologies or business functions. This shift drove standardization of common processes leading to a further reduction in support costs.
- **Committed benchmarks for on-going improvements** involving the elimination of repetitive incidents, service

requests, and manual processes. The result was in increased percentage of effort moving toward system enhancements and improvement in the end-user experience (value-added services).

- **Increased automation of routine tasks** including prioritization of incidents and service requests, data management, and administrative tasks for increased efficiency.

Over the course of 12 months, Mindtree delivered a seamless and painless transition from AMS and QA service areas managed in-house and using scattered offshore vendors to a managed services model managed by Mindtree. We used our ATLAS™ Global Transition methodology to undertake the transition. The ATLAS™ Portfolio Analysis Framework is a unique and best-in-class Two-speed transition methodology that is used to design and steer transitions towards a successful outcome. Mindtree believes that in a complex transition such as that of the client's, the selection of waves is critical to a successful outcome. We drew from our experience of running 160+ successful transitions to design the client's Master Transition plan. As a result, more than 90 applications were transitioned with zero disruption to business and without visible impact on internal or external stakeholders.



During the year-long transition process, Mindtree grew its team to 300, demonstrating the ability to rapidly scale to meet aggressive timelines. The client was impressed with the quality of the team servicing them. The team was knowledgeable about the client's technology and the business processes and products as well.

Business Benefits

- Immediate cost reduction in AMS and QA allowing the client to reinvest in urgently needed digital transformation activities.

- Cost reduction of more than \$10 million over 5 years representing approximately a 20 percent reduction in run-rate costs.
- Improved application availability and performance as a result of the transition to a managed services model.
- Increased velocity of software development using a DevOps approach to continuous integration and continuous delivery.

Learn more about our [services and solutions in Insurance](#).

Questions? Please write to us at info@mindtree.com

ABOUT MINDTREE

Mindtree [NSE: MINDTREE] delivers digital transformation and technology services from ideation to execution, enabling Global 2000 clients to outperform the competition. "Born digital," Mindtree takes an agile, collaborative approach to creating customized solutions across the digital value chain. At the same time, our deep expertise in infrastructure and applications management helps optimize your IT into a strategic asset. Whether you need to differentiate your company, reinvent business functions or accelerate revenue growth, we can get you there. Visit www.mindtree.com to learn more.