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Critical Resourcing Decisions that Ensure the Success of your PAS Modernization Project

eBook



Table of contents

Introduction 3

The importance of getting resources right 4

Vendor team composition 4

Critical roles 5

Internal team composition 7

Potential internal resourcing pitfalls 9

3 strategies for ensuring resource availability 10

Are you properly staffed? At the right time? 10

Resource scheduling 10

Make sure the resources are fully committed 11

A note for carriers with limited resources 12

Wrap up 13



Introduction

PAS modernization projects are complex

Months, if not years, can pass between the first moment an exec thinks it's time to replace the legacy systems that have been holding back progress for so long, through the process of identifying potential solutions and vendors, to completing the vendor selection process.

And, even at that point, real planning, let alone implementation has not even begun.

And each step along that modernization journey comes with its own risks. Hidden traps and pitfalls that can slow or even derail a project.

The fact is, these projects are too important, both to the company, the clients and the individuals involved, to allow unnecessary risk to creep into the critical path.

That's why we wrote the How to Kick Off a PAS Modernization Project, the Right Way eBook – to provide insight, based on our experience in more than 40 successful modernizations, into how to conduct the discovery phase, define the scope of your project and set priorities before you begin to run your vendor selection process and make the best partner choice possible.



This eBook continues that effort.

Now we turn our attention to how to resource your project and will be sharing real world experiences and unique ideas from veteran project managers, business analysts and solution architects.

What follows is their assessment of where life insurance carriers can go wrong in planning their transformation projects, and what can be done to avoid those pitfalls.

The importance of getting resources right

PAS modernization projects can be derailed by any number of factors-from insufficient requirement definition to scope creep. One major challenge that affects almost all carriers and projects is resourcing.

Sometimes, as most would expect, the issue is a shortage of people to staff the project.

But there are many other, just as serious, resourcing challenges- any of which can cause delays or worse. Problems can range from expertise scarcity to lack of authority to not aligning staffing with the stages of the project plan to a disconnect from the needs of the business.

That's why it's important to carefully consider and plan the resources for a PAS modernization project before the project kicks off. Building the right team, one that combines the required carrier and vendor experts, with the right levels of authority is a must to ensure project success.

Consideration of potential challenges like resource availability, expertise or seniority will enable you to create contingency plans and avoid delays and discontinuities during the project.

One of the difficulties of staffing a PAS modernization project is that most employees don't have much, if any, experience with legacy system replacement. These are complex projects involving a multitude of internal and external systems. Understanding, at a granular level, how these systems work and connect is vital to the successful configuration and integration of the new PAS into the carriers IT ecosystem.

Resources are needed on both the vendor/partner and carrier side who can turn business needs into software requirements, manage long and complex project phases, and architect a solution that will deliver on the carrier's goals.

Vendor team composition

The make-up of the vendor's project team should be a top criteria during the selection process itself. Before even deciding if this vendor will be the best partner for your organization, it's important to know how the team will be staffed. What roles will be filled? What level of seniority and expertise do the team members have? Are they a good fit with your own team?

Critical roles

PAS modernization projects require vendor teams to contain certain specialized roles, including:

Project Manager

The project manager coordinates, organizes and is responsible for keeping the project on track. Importantly, they make sure the collective project team doesn't diverge from the objective of the phase/project.

Business Analyst (BA)

The business analyst works to obtain the information from the insurer that is needed to understand the way they do business and how that impacts the solution that will be created.

Business analysts conduct requirement sessions with the client around policy administration business processes, technical processes, and non-functional requirements. They translate insurance product requirements into business and functional requirements, and translate insurance business processes, market practices, and other client business needs into specific software requirements. Often, because of their technical and industry knowledge BAs are able to present solutions to clients that solve their business challenges.

BAs support the entire team on a PAS modernization project. They are responsible for the documentation of the detailed business requirements, sprint planning, backlog grooming, and identifying out of scope requirements and change requests.

The role of the BA on the vendor team

"The business analyst is like the meat in the sandwich- the liaison between the client and the people who are doing the configuration, the developers. Our role is to understand the business need and to then translate that into requirements that are intelligible to the person who's going to be programming the software or application we're working on.

"So, our primary role is to understand our client's business and what their objectives are.

"Also, very importantly, we need to understand the scope of the project. What did we agree to build for you? And what is outside of that scope?

"We need to understand how the work gets done, how long it's going to take. We work with project management to plan the projects, and each four-week Sprint.

"We manage a lot of the interaction with the client and a lot of that is elicitation of requirements. Doing a discovery, doing solutioning sessions, product refinement sessions. And then packaging that information in a way that the developers and configurators can work with."

NATALIA WITKOWSKY
Manager, Business Analyst, Equisoft

The Solution Architect

The solution architect is a technical role that is responsible for the vision of the technology ecosystem that the solution will live within. For example, a policy administration system needs to connect with other internal and external systems. It needs to speak to the carrier's Enterprise System, the Accounting System, the Document Generator, the Compensation System, Reinsurance System, etc..

The solution architect sets the IT landscape where the new PAS will reside and defines what that means in terms of integrations and communication between systems.

Other critical roles

Functional Developers

Functional developers perform configuration development and release management for the new policy administration system. They ensure the PAS is configured to achieve the system behavior defined by the business requirements. As part of their role, they analyze and resolve basic problems to maintain data integrity, process integrity, and system performance.

Integration Specialists

An integration specialist works to connect the new PAS solution to the client's internal systems and the external solutions that are part of the insurer's technology ecosystem.

Quality Assurance (QA) Specialists

QA specialists develop and maintain test scenarios that evaluate the quality of the solution at every stage of the delivery process. They conduct functional, integration, regression and performance tests-and analyze the causes of any issues that are identified.

Checklist questions to ask when considering if vendor team resources will be adequate for your project:

- Does your vendor team have resources to fulfill each of these roles?
- Is each of the resources allocated specifically to your project?
- Are there enough of each resource dedicated to the project to cover each stage in the project?
- Are each of the resources experienced in delivering on a project similar to yours for similar companies?

Internal team composition

The internal team functions and roles largely mirror the roles required on the vendor/partner team. The parallelism is not duplication but a reflection of the truth that the combined project team is continually translating ideas, goals and technical information from the carrier environment to the partner world, and back again.

That being said, there are some differences in how the roles are executed.

Internal Project Manager

Having a dedicated project manager on the client side that works hand-in-hand with the vendor's project manager is vital to smoothing the flow of information between team members and ensuring that each of them is aware of task status, priorities and potential risks.

The internal project manager is the first point of contact, especially for time-sensitive requests like missing documentation details that may be required to complete requirements. They play the role of facilitator, resolving issues and keeping the sprints on track.

"Of course, the clients always assign a project manager. But we need a project manager that's really active to make sure the success of the project is a shared responsibility.

"You know we can do everything we can here at Equisoft to deliver a solution to the client, but if we don't have the information to be able to deliver on the need, it's really hard to make it to the finish line.

"So, we need solid project managers on both sides–here at Equisoft and at the client."

FLORENCE SABBAH
Vice President, Canada, Equisoft



Aside from strong project management abilities, PAS modernizations demand that the client-side PM is specifically very clear on priorities. Modern PAS are so flexible they can accommodate virtually anything you want to do. And markets, regulation, internal IT and business priorities will evolve. But there's still going to be a set project deadline and fixed amount of budget, so trade-offs inevitably have to be made.

The internal PM has to set and understand priorities from the beginning to enhance decision making during the implementation. They are arbiters of whether new requests fall within the agreed scope of the project. Or whether those asks can be scheduled for later phases.

Key questions:

- Is your project manager dedicated to the project?
- Do they have enough experience with your source systems to find information that is needed to remove roadblocks?
- Do they have authority to get information and resources when needed?
  In a sprint there isn't time for a half-dedicated resource to go away and take a couple of weeks to find the info you're looking for.
- Are they able to hold everyone accountable for project deliverables and deadlines?

Technical Resources

On the carrier side of the project team, it's important to have dedicated technical people, like business analysts and solution architects, who can source critical information in a timely, clear and concise manner.

Internal Architects

Architects, in particular, are vital because of the need to integrate the PAS with various carrier and partner systems. These are the people who have intimate knowledge of internal systems like the accounting system or commission payment system. And they understand how connections are made to critical external solutions like Milliman and MIB.

"Let's say there's a premium payment that needs to be matched to the various General Ledger accounts. There's a system that we need to integrate. There's always this set of integrations that we have to develop.

"So the company needs to commit somebody who is knowledgeable about these solutions. Who can define the frequency with which we need to communicate with the various systems, and the information that is expected."

FLORENCE SABBAH
Vice President, Canada, Equisoft



Potential internal resourcing pitfalls

Resourcing availability plays an important role throughout PAS modernization projects. Resource availability can manifest in different ways:

- Simply being short staffed
- Having people leave mid-project
- Have people assigned to the project but still responsible for their original role
- The wrong resources are assigned to the project
- The assigned resources lack answers required to move forward at critical times

So, what do we do about all those bullets?

3 strategies for ensuring resource availability

Are you properly staffed? At the right time?

Effective resourcing doesn't mean that staff assigned to the project need to be 100% committed for the entire duration of the project. Project success doesn't require that all resources need to step away from their usual roles at the carrier for an entire 12-month period for example. Instead, resourcing should be staggered according to the needs of each sprint.

"What we've we found in the past is that if a project is 12 months long and it's going to require five configs-we don't want to assign five configurators in month one. Because we know that's not going to be efficient. There needs to be a gradual ramp up. We get to optimal capacity usually by about Sprint Three."

FLORENCE SABBAH
Vice President, Canada, Equisoft

Resource scheduling

"One of the issues we come across is we'll get to the discovery and the client is not ready. They don't have the resources available. That creates delays right at the start of the project.

"To mitigate that risk, we will usually tell the client ahead of time who we need for each meeting. We'll provide a schedule of the discovery phase that lays out, in week one we're talking about the accounting process, week two were talking about the issue process, etc. This advance notice of the topics each week can help ensure the right people are available at the right times."

NATALIA WITKOWSKY
Manager, Business Analysis, Equisoft

Make sure the resources are fully committed

Having the full commitment of the key resources on the client side is critical to avoiding delays and ensuring that each sprint accomplishes its goal. That doesn't mean all staff have to be 100% assigned to the project, but project managers and key technical people do need to be fully available. For the rest, they need to be committed when the time is right-as in the case of QA specialists during testing phases.

"Often, we experience situations where resources are assigned but still continue to carry out their usual role. They may focus on the operations that are normal for them, and if they have time they contribute to the project. Or they may be called away because of a problem in production or something else that takes precedence.

"If the resources required have been scoped as needing full time attention, then a part-time approach to the problem is not going to work. One of the biggest challenges this situation creates is not being able to get the information from our clients that is needed to move forward."

FLORENCE SABBAH
Vice President, Canada, Equisoft

These assigned, but uncommitted resources create bottlenecks. Over the course of a project that may be forecast to take 12 months these delays can have a serious impact on delivery timelines.

Key questions:

- Do you have an agenda provided by the vendor that describes each meeting and who will be required?
- Have you identified which resources are required for each sprint and scheduled their participation at those times?
- Are the key personnel like PMs and BAs committed to the project and have other resources been assigned to fill their regular roles in your organization?
- Are the time-sensitive resources required for project completion scheduled and committed for the sprints in which they will be active?



A note for carriers with limited resources

In any project, in carriers of all sizes, all of the above functions still need to be addressed, even if you don't have a staff member filling that role. The project still has to be managed, requirements need to be created with the help of legacy system SMEs, configuration, integrations and testing must still be addressed.

For a smaller carrier with fewer staff, like a fraternal insurer for instance, this is challenging but can be accomplished. We have done large modernization projects with these types of organizations with great success.

The key is for the carrier to identify the resources needed and then outsource the responsibility. At NSS life they have 1.5 IT people supporting more than a billion dollars in assets. Texas Service Life has zero IT staff-but chooses to work with an IT partner who can provide the necessary expertise on an as needed basis.

There can be downsides to these types of arrangements if carriers don't do a good job of vetting outsource partners. Lack of specific expertise or knowledge of the history or the source systems can create challenges. Availability can be an issue if the planning, scheduling and project management is not rigorous.

But many companies have proven that PAS modernization and even larger digital transformations can be successfully completed, even under tight resource constraints. And the upside to running lean, with a small IT staff, is that you are more agile, with fewer layers of approval to navigate as the project progresses.



Wrap up

Effective resourcing enables PAS modernization success

PAS modernization project success relies on effective resourcing on both the client and vendor sides. Implementing the resourcing best practices we collected from actual projects will enable you to mitigate the risks inherent in all projects.

Vetting your vendor/partner to ensure that they are providing a large enough, experienced enough team to your project is critical. And, internally, you need to gather the appropriate subject matter experts and free them up to fully committed at the right times during the project.

When the two set of resources effectively mesh together into one project team to accomplish the task of standing up the new system the chances are high that you'll avoid delays and overruns and deliver on your business objectives.

To learn more about how important defining requirements is to a PAS modernization project's success-and how to ensure the process is carried out effectively-check out the book in our PAS Modernization Best Practices Series:

Kick Off a PAS Modernization Project, the Right Way



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About Equisoft

Founded in 1994, Equisoft is a global provider of advanced insurance and investment digital solutions. Recognized as a valued partner by over 350 of the world's leading financial institutions, Equisoft offers a complete AI-enabled ecosystem—from front-end applications to integrated back-office and pension systems—backed by proven data migration expertise. The firm's ecosystem serves insurers, distributors, banks, pensions, and asset managers. With a multicultural team of over 850 experts based in North America, the Caribbean, Latin America, Europe, Africa, Asia and Australia, Equisoft helps its clients tackle any challenge in this era of digital disruption.

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