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# How to Kick Off a PAS Modernization Project, the Right Way:

## Insights From a Veteran Project Manager

eBook



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# Introduction

## PAS modernization projects are complex

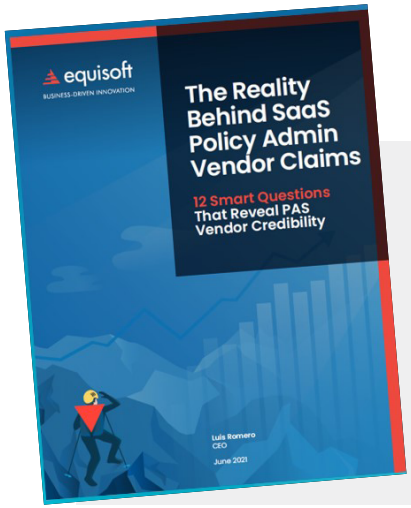
Months, if not years, can pass between the first moment an executive thinks it's time to replace the legacy systems that have been holding back progress for so long, through the process of identifying potential solutions and vendors, to completing the vendor selection process.

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

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

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

That's why we wrote the recent [The Reality Behind SaaS Policy Admin Vendor Claims eBook] – to provide insight into how to run your vendor selection process and make the best partner choice possible, based on our experience with more than 40 successful modernizations around the world.




Now we turn our attention to the planning phase of the project and will be sharing actual experiences and unique ideas from two veteran project managers.

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 Benefits of PAS Modernization

Policy administration system modernization is a necessity. Modern PAS are the foundation of life insurance digital transformation. They enable real-time data flow and the instantaneous transactions that customers demand. Through APIs they connect disparate internal and external systems critical to insurance workflows. Cloud-based, SaaS models reduce resource requirements and free your teams to focus on delivering against your most pressing business needs.

These core systems accelerate the pace of product innovation, increase efficiency and are the foundation for creating superior digital CX.

# PAS Modernization Project Risk

The severity of the risks involved are revealed in a recent report from McKinsey which showed that rising consumer expectations are forcing companies into a race to rapidly digitally transform. However, not even **30% of projects are successful.** In fact, a mere 16 percent of respondents said their organizations' digital transformations have "successfully improved performance and also equipped them to sustain changes in the long term."

**30%**
of projects are
**successful**

## This means super-projects like PAS modernization can be career defining for CIOs -or career-breaking.

- They introduce significant risk to companies with little experience retiring and replacing legacy systems.
- If not well executed the project can be long, labor-intensive and expensive.
- In some cases, projects are even abandoned.

So, what can a life insurer do both internally and when working with vendor/partners to avoid investing heavily in transformation, only to see it fail to deliver sustainable change? What real world experiences and practices brought to light in the trenches of dozens of large modernization projects can significantly affect the likelihood of success in an organization's next project?

We talked to senior project managers, business analysts and architects who are veterans of dozens of successful life insurance digital transformations to get the inside knowledge.

This is information most companies and executives find out the hard way. Once a project is already in progress. Through trial and costly error.

## We created this eBook so you can skip those painful steps and optimize your digital transformation.

"On our projects, we've seen every business need, unexpected challenge, integration request, and project pitfall. Because we understand insurance and have experience solving carriers' biggest challenges, we can help direct companies when planning their projects."

"Because we understand insurance, the technology and carrier's biggest challenges we can help direct companies when planning their project."

FLORENCE SABBAH
Vice President, Canada, Equisoft

# PAS Modernization Project Planning Best Practices

Every PAS modernization project goes through some variant of the same three stages during planning: Discovery, Scope Identification and Priority Setting. Each of these steps has a unique impact on ensuring your project stays on track, on time and on budget once it is underway. Get them right and your project will run smoothly. But missteps in any of these phases can create frustrations, delays, cost overruns or even project failure during implementation.

We interviewed a senior project manager, veteran of many modernization projects, at length to get their hard-won insights into the three phases and the key questions or considerations you should address to ensure the success of your project before you even begin.



## FLORENCE SABBAH

Vice President, Canada, Equisoft

Florence has over 20 years' experience in back and front-end insurance technology. She's an expert at helping clients solve their modernization challenges.

- 20+ years of experience in modernization projects
- Deep understanding of insurance products and processes
- Proven track record leading projects to completion
- Bachelor's degree in mathematics and computer science

Florence has helped build the team which implements the various insurance solutions that Equisoft has to offer, and currently oversees the Canadian based services team, composed of seasoned insurance and wealth technology experts. She is a graduate of Université de Montreal, from which she holds a bachelor's degree in mathematics and computer science. She has also completed graduate courses towards a master's degree in applied mathematics at the same university.

# Phase 1: Discovery

The opening phase of a PAS modernization project is similar to the beginning of any good business relationship between a carrier and vendor/partner—the goal is to create a strong foundation for the project by conducting a thorough analysis that enables both sides to fully understand each other's goals.

For the vendor, the aim in this phase is to really deeply understand the insurer's business, their pain points and what issues they are trying to solve. It's also an opportunity for the vendor to demonstrate how their solution will enable the carrier to achieve their goals.

For carriers there are a different set of aspirations. You know what you want to accomplish. You have ideas about how that should be approached. But not many executives or companies have extensive experience with large modernization projects. The initiative promises to be very much a step into the unknown.

So, one of the biggest impacts the right vendor can make is to not just provide and implement a great PAS solution, but to share their implementation experience in order to strengthen the carrier's modernization strategy, find potential flaws in the plan, test assumptions and offer viewpoints that may not have been considered.

**The vendor goes beyond just adding value and actually helps to battle-harden the project plan before implementation even begins.**



## Documentation Realities: the Equisoft Experience

For example, during the vendor's selection phase one of our clients had seen several Proof of Concept (PoC) demos from Equisoft and was very interested in moving forward. But we realized that they hadn't scoped their project sufficiently for it to kick-off and more information was needed. Complicating the matter was the fact that much of their documentation for their existing legacy system was missing.

**The solution was to conduct a formal discovery process that would define all the necessary parameters of the project, leading to an accurate projection of expected deadlines and associated costs.**

This discovery process would have tremendous value to the insurer, whether they engaged our company for the project or not. They benefited from our experience successfully completing 40+ modernization projects with carriers of all sizes around the globe.

With that in mind, here are a selection of questions we encourage carriers to ask as early in the planning process as possible. They are intended to leverage the vendors' experience and expertise, to optimize the project scope and plan so that you can avoid pitfalls, delays and frustration.

## Questions to unlock vendor experience and optimize planning

### Q1 "If you were setting out the strategy for this modernization, how would you approach it? What have you seen others do differently? How was it more effective?"

This is your chance to get strategic input into your project from experts with experience. They can work with you to craft the right modernization strategy for your situation. One that reflects your vision, business needs and priorities, your resources and culture.

### Q2 "In your experience, how realistic is the scope of the project given our resource and time constraints?"

Gut check time. Many carriers fall into the trap of over-estimating what is possible and becoming over-enthusiastic about what should be done. A seasoned vendor/partner can provide objectivity, questioning how much you are trying to accomplish, over what time frame and with what resources.

For some a big bang, end-to-end initiative may be appropriate. But for others, starting with low hanging fruit and building a plan for accomplishing the rest of the digital transformation in phases would be a far better solution.

The ultimate question becomes, are all of your requirements necessary for you to achieve your business goals for the project.

**Carrier considerations:**

- Did you budget/plan for data migration?
- Do you need to retire the old system(s) or can existing policies stay in place?
- Do you have the resources to continue to manage those old systems?
- How many and which products will you include in the project? Why? Could you start with fewer?
- Which key resources could be bottlenecks because of other commitments?
- What are the biggest risks to the business if this project doesn't work?
- Does the project focus on those priorities?
- Have you considered how you will handle your legacy data?

## Q3 "What did you learn from your last project (or two or three) that we can apply here in order to avoid delays during implementation?"

This question is not abstract. It gives the vendor the chance to review recent past projects, identify slippages or issues, and bring forward concrete examples of challenges that can arise and how best to deal with them.

**For example:** Previous implementations lacked adequate documentation and the one staff member who knew how the last system was developed is no longer with the company. This resulted in requirements taking much longer to define that expected.

Audit the documentation pre-project and assess whether you have the right SMEs available to completely define the requirements.

## Q4 "What are we not considering or talking about that could be impactful?"

Especially for carriers with limited experience implementing large modernization projects, knowledge gaps can create blind spots that limit planning effectiveness. These "unknowns" can be addressed if you are able to gather insights from a vendor who is a veteran of many such projects and can point out the unconsidered planning steps or parts of the process that will cause problems later.

**For example:** You have not formally planned for or included data migration in the current plan. You have a notion that you'll deal with it at the end of the project. But will you have budget? Resources? Do you have staff who have direct experience with complex conversions? Do you have the right tools to complete a risk-free migration? (ETL is not the best approach to this job.)

## Q5 "What are the top three risks in this implementation? How can they be absolutely minimized?"

While the point of planning is to eliminate as many risks as possible, it's good practice to start by identifying the biggest potential challenges the project may need to overcome. Understanding the most significant problem areas ahead of time, and building in solutions, ensures a better chance of success.



# Phase 2: Scope Identification Learning to speak the same language

Once the discovery phase is complete then the vendor will have a clear understanding of the project as defined by the client. The stage is now set for a crucial part of the planning process defining the scope of the project.

## Scope granularity

Once a vendor has been chosen and a product selected to address a carrier's needs the scope has been defined, but only at a high level. A greater degree of granularity and understanding is mandatory to ensure project success. The more granular the definition, the greater the chance that the plan and the build will match the carrier's desired outcome. and offer viewpoints that may not have been considered.

"This phase of the project is about gaining a better understanding of its scope. We come into this at maybe 50% accuracy in terms of scope. We know the client has products ABC, processes 1, 2, 3. That's about all we know.

"We get into discovery and we dig into things like, What do you really mean when you say product ABC?

"Do you mean product A has 10 plans, product B has one and, oh, in product C there's a valuation. There are more complex calculations.

"And so we start to speak the same language. We start to really understand and meet each other and say, OK, well, when you when you say you know you want to be able to do a quote, you really mean an illustration for example.

"So, we really try to dig into more detail about what each criteria means. The more we refine the scope the more we can build a better estimate of the project."

FLORENCE SABBAH
Vice President, Canada, Equisoft

## Solution architecture

Increasing granularity also provides an opportunity to create a better overall solution architecture. It gives both partners a set first level of design. It lays down a marker that says, this is what we agree on. This is what needs to be done as part of the project.

## Every client and modernization project is different but pre-defined requirements can help

Every PAS modernization project is somewhat unique. They don't really have a lot of issues in common with each other. The point of the discovery phase is to find what challenges exist and come up with solutions. And that will vary from client to client.

**"Maybe we'll find out that this client wants to have real-time processing. They don't want anything to do with batch. OK, then that's what will solve for."**

FLORENCE SABBAH
Vice President, Canada, Equisoft

However, one of the most important success factors—something that can streamline, accelerate and de-risk a modernization project is—does the vendor/partner have enough experience with these types of projects that they can deliver a pre-defined set of requirements.

These pre-defined requirements are built up from experience across projects and give an experienced vendor a rock-solid picture of what to check for. Things like, which requirements to probe on, what levels of detail are needed and what requirements are most important?

# Phase 3: Priority Setting

Before any project begins it's absolutely critical to clearly identify the priorities. This is the essence of all good project management but it's especially true that in a large project like PAS modernization you don't have time or budget to put implementation on hold while you try to choose between two conflicting 'asks' in the heat of the moment.

The project team needs to translate initial goals into well-defined priorities that will guide project decision making during implementation. They need to have a shared and agreed upon, completely clear picture of what the carrier wants, why they want it and when they need it.

The reality of modernization projects is that you will have to make trade-offs at various points in the critical path. Often teams are faced with decisions like, do we build this feature that's in the plan or complete that integration even though doing either of those things will create delays or negatively impact the budget.

## Examples of priorities

"The client has to determine what's most important, hitting the date or the full scope? Sometimes there are regulatory changes that have to be made for a certain date. That changes the approach to the project. We know the date cannot move. And we always work to deliver on time and on budget, but we can't just assume or pretend that we don't have tough choices to make along the way. I bet we make hundreds or even thousands of priority judgements across the course of a project.

"When you still have 12 months until Go-Live and the client asks for a new feature, perhaps that is doable. But when you're only two months from your delivery date there's no room for that anymore. People get a lot more selective.

"We see it on each and every project. Just this morning in my stand up there was a bug that was raised by the client and they asked for it to be fixed before we go live. We questioned it and after consideration the client agreed it's not something that should be part of an MVP (Minimum Viable Product). That's something they could live with for a certain period. "

FLORENCE SABBAH
Vice President, Canada, Equisoft

## Simplifying trade-offs and difficult choices

These are difficult decisions in the moment. And easy to get wrong. But if you have set clear priorities then better decisions can be made more quickly. For example, well understood priorities would make it instantly clear that, in this project, time is more important than certain features or vice versa.

**"You start with a list of things that you want to implement. Of course, as the project progresses you will often have to make decisions about requirements. But it's much better if you prioritize up front. Then when you're stuck, when you're in the middle of it all in emergency mode, then you're still able to make rational decisions."**

"Decisions are easier to make and higher quality if you know at the beginning exactly what we want to achieve and what we're willing to sacrifice to make the project a success."

FLORENCE SABBAH
Vice President, Canada, Equisoft

# Wrap Up

## How to Kick Off PAS Modernization Projects Successfully

Getting the kick-off phase of a project right will greatly reduce the risk of PAS modernization mistakes. Conducting a detailed discovery, defining the scope at a granular level and setting clear priorities will de-risk potential hazards like:

- Carrier team inexperience with modernization projects
- Cost and time overruns created by scope creep
- Delays caused by lack of clarity on priorities
- Lack of experience or expertise on the vendor/partner side

A well-run project kick-off doesn't guarantee success, but a poorly executed kick-off can certainly put a project at risk and have significant impact on the company as a whole.

If the kick-off is handled well then the project will be set up to succeed. A company will have given itself every chance to achieve an on-budget, on-time go-live with a modern policy administration system that will form the foundation of their digital transformation, accelerating the pace of product innovation, increasing efficiency and helping to create superior digital CX.

*To find out more about ensuring the success of your transformation projects check out the next eBook in this series:*

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



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## Have questions or want to request a demo?

Contact us at info@equisoft.com to learn more about Equisoft's solutions for insurance, wealth management or data migration

**Email Us**

## 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.

For more information, please visit www.equisoft.com.

