

Financial Services

Maximising the competitive advantage gained from a **holistic enterprise architecture refresh**

BSG assisted a leading South African insurance and investment company to understand the full cost, risk and benefit implications of their organisation-wide, holistic transformation of core systems, which aligned to their five-year business strategy. Maximising the business value of the holistic enterprise architecture refresh and allowing them to remain competitive.



Overview of the client's needs

- To expand their core business beyond the traditional institutional investment products, to remain competitive in their rapidly evolving industry
- An organisation-wide, holistic transformation of internal systems
- A consolidated view of the transformation required, entailing an understanding of the total cost of ownership, change needed, investment required and potential benefits of the transformation
- Guidance to ensure sound investment choices could be made, allowing for changes in direction on existing transformation initiatives



Objectives of the engagement

- To create a business case that would outline the capabilities and initiatives required to support the envisaged enterprise architecture
- Analyse current and planned initiatives across business and IT
- Define the total cost of ownership of investing in new core systems and platforms needed to enable the holistic transformation
- Identify potential risks and benefits that the holistic transformation would deliver for business, to aid in validating the associated costs



Benefits of the change

- The business case allowed the client to make informed decisions about immediate investment needs as well as future planning of the transformation journey
- The analysis revealed various unexpected potential risks in the proposed delivery plan, which aided the client to adjust their planning in time to avoid significant delays and unnecessary costs
- This enabled the client to optimise the transformation process and formulate a new agile, iterative, value-driven approach, allowing the prioritisation of initiatives to ensure incremental progress, thus maximising returns

Revealing the costs, risks and benefits of transformation, enabling an iterative, value-driven approach which **mitigated risk and maximised business value.**

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Engagement Overview

The South African insurance and investment industry is developing rapidly, with innovation threatening large, existing players' market share. Industry players need to diversify their offerings to provide more than the traditional, core institutional investment products. A leading insurance and investment company recognised that to remain relevant and competitive they would need to change how they do business.

They identified that a holistic transformation of core systems and platforms across business and IT would place them in a better position to service customers and expand their core business beyond the traditional products. To validate such a large transformation investment, the total cost of ownership, as well as the expected risks and benefits, needed to be defined to obtain buy-in at board level.

To achieve this, the client required a comprehensive business case, which included all current and planned transformation initiatives. The client needed guidance on how to proceed with the planned legacy modernisations and architecture refresh, spanning over 80 different applications.

Solution

The client elected to work with a trusted partner, BSG, to achieve their goals in a highly driven feedback cycle of only ten weeks. BSG proposed a bottom-up cost analysis and top-down benefit definition approach that would allow for the creation of a comprehensive business case within the required timeframe.

BSG approached the engagement with an agile, multi-skilled team consisting of Strategy, Analysis and Design, Research and Data Science specialists. The team worked collaboratively with a range of stakeholders. Together, the BSG team delved into over 80 applications, across business and IT. BSG analysed current and planned transformation, modernisation and enterprise architecture refresh initiatives in order to get a holistic picture of the scope of the transformation.

BSG's analysis was put into a business plan, which provided a succinct view of the overall investment being made, the expected benefits and risks. It became apparent that there were a range of unexpected risks faced by the business.

The risk for an extensive overspend on the transformation programme, operational inefficiencies, the need for improved short-term planning and the need to restructure portfolios to deliver benefits to the business faster were revealed.

This enabled the client to redirect purposefully, adopting a new approach where smaller steps are prioritised and implemented iteratively to deliver clear business value in the shortest possible timeframe.

BSG making a difference

The business case provided the client with a clear picture on the expected return that investment in the holistic transformation would deliver, while flagging areas of uncertainty and revealing unexpected risk. This allowed the client to make informed decisions around immediate investment needs and future planning.

The BSG team was able to use their experience on large core transformation projects and complex business case and benefits definition work to flag risk areas. Raising these issues up-front enabled the client to course-correct in time to avoid potential delays and preventable cost overruns.

The deployment of a multi-skilled team allowed several disciplines to act in tandem, providing the client with a comprehensive, multi-angle overview of the holistic transformation.

The business plan was delivered in a highly driven turnaround time of only ten weeks. This allowed intervention to take place before imminent risks could be encountered. The business case findings empowered the client to adopt a superior implementation approach on their journey forward. This agile, value-driven approach prevented extensive overspend and enabled the holistic transformation journey to iteratively deliver clear business value.

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