Insurance Company Liquidator Gets Lean and Efficient

NTT DATA forges a path from outdated legacy systems to major productivity gains.

Abstract

The Office of the Special Deputy Receiver (OSD) had been operating on outdated technology and internally-developed legacy applications that were increasingly inefficient, leading to slower processing and claims payments. NTT DATA developed and executed a new IT strategic plan to reduce IT costs, provide improved tools for staff, and establish a flexible and scalable IT model to support future growth.

Challenge

OSD is a private, not-for-profit corporation organized under the laws of the State of Illinois to assist the Illinois Director of Insurance. Its primary responsibilities are to marshal the assets of insurance companies in liquidation, reduce the assets to cash, and use the cash to pay people with outstanding claims against the liquidated companies. The organization saw that its workforce needed to become more productive to fulfill its mandate effectively. With its business running on 15 highly-customized legacy applications on an unsupported IBM AS/400 system, OSD recognized the need to evolve its IT environment to increase efficiency, empower its staff, and become more flexible, scalable, and responsive.

Solution

OSD engaged NTT DATA to develop a future state IT roadmap, including applications, infrastructure, and processes, and a high-level implementation plan. The initial engagement included:

» An independent, high-level evaluation of the current IT environment, core processes, governance model, and staff capabilities. This revealed that the technical environment was dated, non-scalable and out of warranty/service period, creating a high risk of failure/outages. Core applications were written on a non-scalable, non-extensible solution, limiting flexibility and increasing support costs. Dated applications also limited employee productivity.

» A prioritized portfolio of proposed initiatives to support the architectural strategies based on preliminary cost/benefit analysis and timing recommendations.

NTT DATA Client Story

NTT DATA's strategic guidance, IT planning and program management capabilities have enabled OSD to ramp up productivity, reduce risk, take advantage of new tools, and save millions of dollars per year.

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» A hybrid architecture model incorporating: off-the-shelf packaged applications to support core backend functions; a new technology platform to support the development of custom applications, data warehouse, integration, website, workflow, and document management; and a data warehouse for ad-hoc inquiries, reporting, analytics and dashboards.

» An organizational change readiness assessment, change management strategy and high level IT organizational plan.

NTT DATA was subsequently engaged to manage the implementation of the 10 high-gain projects over a two- to three-year period, which spanned all functional areas: Accounting, Administrative Services, Audit, Claims, Claims Services, Human Resources, IT, Legal, Reinsurance, Senior Management, Special Projects, and Tax and Compliance.

NTT DATA's program and project managers provided methodologies, governance, oversight, and knowledge transfer throughout the initiative, which included network, system, and desktop upgrades, deployment of a new, integrated financial system, and establishment of new IT processes and outsourcing of all IT operations by NTT DATA. The next phase of the program will include the data warehouse, claims management, estate management, HR, time tracking, and document management and workflow systems.

Results

When completed, the initiative is expected to reduce the client's annual operating cost as much as $3.5 million. The impact of the program is already being felt, with the client realizing major organizational improvements through the use of more sophisticated tools (desktop applications, dual monitors, new financial system), access to data in a timely manner, and improved IT services, including portfolio management, incident management, request management, and increased development productivity/capacity. The client has also benefited from a more service-oriented IT staff, improved IT governance and delivery methodologies/tools, and vastly improved systems and infrastructure.

About NTT DATA

NTT DATA is a leading IT services provider and global innovation partner with 75,000 professionals based in more than 40 countries. NTT DATA emphasizes long-term commitment and combines global reach and local intimacy to provide premier professional services, including consulting, application services, business process and IT outsourcing, and cloud-based solutions. We're part of NTT Group, one of the world's largest technology services companies, generating more than $112 billion in annual revenues and partner to 80% of the Fortune Global 100. Visit www.nttdata.com/americas to learn how our consultants, projects, managed services, and outsourcing engagements deliver value for a wide range of businesses and government agencies.

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