Delivering a real technology win-win requires a collaborative approach

Technology has long been a source of frustration for many and the needs of provider and client can often see a mismatch however as **James Maudslay**, Global Head of Insurance at Equinix explains how working together can achieve real results.

The relationship between the insurance industry and those delivering IT solutions to it has not always been an easy one.

Lack of understanding of requirements from IT suppliers, allied to a failure to explain needs properly from the business side has lead to a situation where all too frequently, insurers end up with solutions that do not fully meet specifications, priced at a level felt to be uneconomic with a supplier who feels they have failed to make a satisfactory return on their work. Hardly an ideal result!

What this situation demonstrates is a certain inability of the parties to genuinely work together to produce a true solution to a problem, to ensure that all parties deem the contract to be a genuine "win-win" in that they all achieve the result they were originally seeking from the particular engagement.

As an example of how this might work in practise Equinix Limited, the global hosting company, is now in the final stages of a collaborative project to develop a cloud deployment for catastrophe modelling software. This project was chosen because it had certain characteristics which meant it would be ideal for a project run in this way, and would be very hard to achieve in any other fashion.
● The issue is a recognised problem for insurance companies – such systems
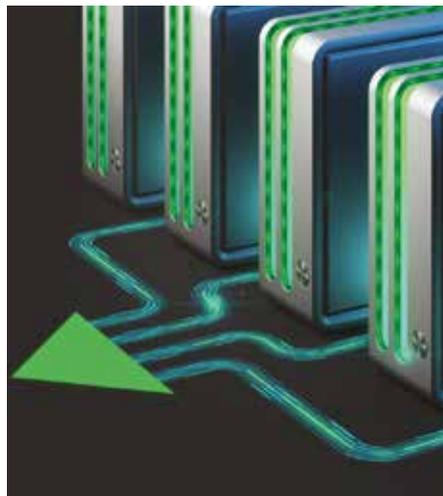
are hard to run in terms of staff and infrastructure
● There is a clear desire within the insurance business to develop a better solution
● Multiple specialist disciplines are required to produce a solution
● Rigorous testing (by insurers) would be required to prove the solution and develop credibility
● The solution must be scalable and capable of secure delivery worldwide

Equinix aims to create ecosystems that provide an environment for companies operating in similar markets to work together effectively by linking their electronic systems. As a consequence, it was agreed that coordinating a project to deliver such a solution made total sense for the company, as it would lend itself to starting an ecosystem for the insurance industry – a central aim for Equinix.

A collaborative project could then commence, via the following stages:
● Gain support for such a project from the two main parties, in this case the modelling software supplier, and an underwriting client
● Determine the critical success criteria of the main parties
● Locate world-class service providers

who could meet the appropriate criteria
● Develop the project plan
● Deliver the solution
● Test the solution on an iterative basis
● Analyse the results, make necessary changes, and deliver a commercial model.

A key factor in the success of such a project is to be absolutely clear about the contribution each party will be making it, and an absolute understanding of the obligations of the parties should the project conclude successfully. It is vital that this is done as early as possible in the process, so that full understanding exists between all the stakeholders.

And the results?

One of the leading catastrophe modelling companies offered up their systems for testing. A respected London-market insurer agreed to act as the industry test partner. IT hardware was offered free of charge by an appropriate supplier, and a service provider who met the criteria laid down by the main parties immersed themselves in the infrastructure design and service delivery.

After some six months of work albeit it with various failures and difficult moments, a solution delivering dramatic runtime improvements and stability increases, but importantly with a commercial model that makes sense to the clients has resulted. A solution that really does meet all party's needs yet is proven and available now!

Even for a project as complex as moving catastrophe modelling to the cloud with a viable commercial model, a collaborative approach has been proven to work, and has delivered excellent results.

We would be very pleased to discuss both this or any other matter concerning Equinix's insurance ecosystem, and the author can be contacted at james. maudslay@eu.equinix.com or on + 44 7881 312 170.