

# Stop, collaborate and listen

If brokers and insurers can work together to improve the market, asks **Mike Skinner**, then why shouldn't development companies collaborate with clients and peers to create "Agile" IT solutions?



➤ **For the last 325 years the Lloyd's insurance market has been run face to face, resting on the ability of practitioners to react quickly to the changing needs of clients and the market as a whole.**

However, the information technology sector has often struggled to match this speed of mind, thought and deed.

Clearly the London insurance market is not unique in its deployment of IT solutions, so have the specialist IT solution providers been missing something in their ability to deliver against this market's needs?

Collective will, speed to market and desire to change are all factors that we are familiar with, but often find challenging to implement. This market is about working together and IT is actually no different if done properly.

Computer systems built for business are essentially translation services, from the language and process of business to the ones and zeros of binary code. In order to achieve this seemingly straightforward task there needs to be a collaborative effort that takes this tacit knowledge and converts it into a readable form that anyone should be able to use.

Collaboration in overall design is therefore a good thing and there are many systems out there that are assisting in the process. Most people will be thinking of things like Google Docs or Office 365, which allow colleagues to work together on the same documents at the same time. This makes complete sense and the advantages are obvious, but what about another definition of collaboration: complicity – working with your competition or even doing the work of your supplier. This is all just wrong, isn't it?

But in development and other industries, where previously there was competition and distinct lines of separation, advantages are being seen in collaboration and the blurring of responsibilities.

From a software development point of view, collaboration is becoming an important word. Another term being mentioned more often is "Agile" – meaning many development methodologies with a common underlying philosophy. This started in 2001 with the publication of the Agile Manifesto.

The traditional "Waterfall" method for delivering solutions can be a very long process and the translation of knowledge is

arduous. The business process that instigated the requirements may have changed by the time the functionality is delivered or, more often, the initial specifications did not actually meet the customer's real needs or expectations. Unfortunately, this can only be discovered close to the end of the process.

Agile processes are based on an iterative delivery where requirements are broken down into small deliverable packages of work, while detailed specifications are replaced with user stories. This allows development to start faster and delivers small, incremental changes.

Companies looking to achieve some functionality quickly actually become more of a participant in the development process. The clients themselves may need to think about how they want the functionality implemented and how it would interact with other parts of the business.

This would normally be the role of a business analyst (BA) from the supplier. However, if the client is involved then this will enable a faster turnaround, as they can understand why certain deliverables do what they do and why they might not meet the

business requirements. As such, the client can quickly determine what improvements are required. In business speak – this moves the customer from being a "client" to a "stakeholder".

Under this method, the customer needs to accept that only small portions of their full requirements will probably be delivered. There may be some flaws and very likely they will not be presented with a polished solution, but the client gets to review the deliverable very early on and is able to direct its improvements.

A variety of industries are adapting agile processes, and one of the fast-adopted methods is the Kanban "just in time" production scheduling system that originated with Toyota in 1953. We use this process for our main application releases, adapting it to a homebrew system to cover all development and support work. A web page called the Weekly Allocated Task board gives clear and simple indications of what work each team member is to carry out in the next few weeks, allowing tasks to be quickly reassigned or re-ordered, or for new higher priority tasks to be inserted.

One member of staff did think of referring to it as the Team Weekly Allocated Tasks but we thought better of it...

In the insurance sector a broker brings a problem to an underwriter sitting at a box and they discuss the issues together, creating a solution in a collaborative way. This is true in the world of IT also. The client presents a problem

and the BA's job is to translate that into processes a computer can perform, concentrating on repetitive tasks to augment the service they provide to the client.

Alastair Spear-Cole, CEO of JLT Re, said in *The Insurance Insider's* recent QFCA London Market Roundtable that: "Once a broker confuses the role of client advocate with that of a distributor of capacity you get into all sorts of difficulties." It is about representing the clients' best interests and that is the same role played by an IT supplier – providing fast turnaround of solutions to problems and changes.

Catlin Group CEO Stephen Catlin asked in the same roundtable if people could: "Name any situation where an underwriter has given away his pen without appropriate controls and has won over time?" The same question could apply to allowing a broker or carrier to entirely dictate how an IT system should work.

They have the issues that need to be addressed, but require the collaboration of both their IT supplier and other market players to ensure the solution addresses all of these issues and more. And what about collaboration between development companies that allows the integration of one firm's products within another's? Why re-invent the wheel?

At Morning Data, we have consumed a variety of other software applications to give improved back office functionality and enhance the user experience. Connections to Xchanging, A&S and ECF and e-endorsements are

## The Agile Manifesto

- Individuals and interactions over processes and tools
- Working software over comprehensive documentation
- Customer collaboration over contract negotiation
- Responding to change over following a plan

accessed using the TIW platform and applications. Realtime integrated maps of vessel locations using MarineTraffic.com – or Bing maps for land-bound risk – allows visualisation of the area the risk resides in. Postcode checkers and weather forecasts can also enhance the user experience, increasing the productivity of each technician collecting relevant data in one place. For the back office money departments, retrieving currency exchange rates from XE.com and sanctions checker addresses the regulatory audit aspects of the movement of money. And for broker management teams, tools such as QlikView business analytics are embedded, giving instant drill-down views of data.

It is always cheaper to buy off-the-shelf products instead of bespoke development, and in insurance, where data is always king, there are ever more sources of information being published on the web – although it can be a lengthy manual process to cross-reference them. If an underwriter supplies information via a web portal that you always end up re-entering, see if they have an interface – or insist on one. With an Agile methodology you can get a process working quicker and then look at improving the functionality or presentation.

The IT industry and Lloyd's may have an age gap of approximately 265 years, but their true connector is innovation. If this mutuality is allowed to flourish collaboratively, then who knows what could be achieved.

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➤ **Mike Skinner** is development director of Morning Data