

Case Study:

Capability Modelling for GI: A solid foundation for integration

LLOYDS BANKING GROUP

Top 10 UK General Insurer

KEY METRICS

Over 5 million policies

Multiple locations

500+ servicing staff

~200 systems

“Altus managed to combine a systematic approach with real business engagement which has given us great confidence in the results.”

Director of Change

BACKGROUND

When two major general insurers managing several million policies each are involved in a corporate merger, surely there must be major opportunities to find synergy and economies of scale?

Well yes, but identifying those opportunities required a clear understanding of two different and complex operations. Both sides had localised expertise in their own business and systems landscapes with varying degrees of maturity in describing these. But neither had previously needed to explain the big picture to an external audience. Not surprisingly, when they began to look at integration options, it was difficult to compare the different views or to be sure that everything had been covered.

ALTUS ENGAGEMENT

Altus has developed a uniquely engineered approach to understanding and visualising what Financial Services companies do, culminating in our iconic one-page view of Business Capability. Having successfully applied the technique to other parts of our client's business, Altus was invited to repeat the exercise for General Insurance to deliver both a comprehensive picture of the business and a common language to smooth integration.

Find out more

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BUSINESS FOCUS

A key feature of the Altus approach to capability modelling is business engagement; you can only really understand what goes on in a business by talking to the people who make it happen.

Our engagement began therefore with a workshop of subject matter experts from all corners of the business. Finance, Marketing, Distribution, Supplier Management, and Risk were all involved along with more operational areas like Servicing and Claims.

Having gathered together the people who understand what makes a business tick, you still need a clear method to elicit a cohesive picture of how things operate. That's where our data-driven view of Financial Services architecture comes in.

RIGOROUS METHOD

Starting with the business as a box in the middle of a whiteboard, we got our expert audience to identify all external parties they interact with. At the start of the session the average expectation was that we'd find 20-30 but by the end of the day we had 150 and everyone had learned a lot more about their business.

The next step was to get an understanding of the types of information being exchanged. One to one meetings to test and extend the initial picture allowed us to develop our understanding of the data that drives the business and to gradually construct a business capability model which aligned to it. An important part of building the model is that the business continued to be involved and the terminology in it was theirs throughout.

The whole Altus approach to capability is built on the firm belief that architectural models should be rigorous and internally consistent. By driving all identification and classification of business capability from data flows with the outside world, we provided confidence that every corner had been covered and consistently treated.

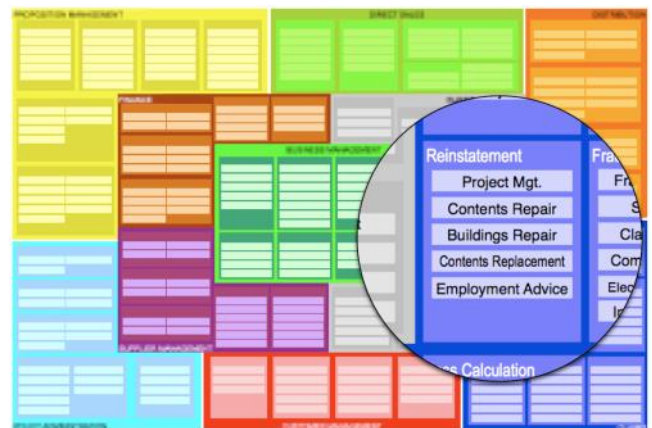
The result was an inventory of some 550 business capabilities derived entirely from the business and described accordingly.

As the business adds new external relationships over time, there is a clear process for understanding the new capabilities required and an unambiguous method for classifying them in the framework.

VISUALISATION

The set of information flow diagrams generated by all this modelling is great for detailed analysis but a different view was needed for high-level communication around business capability. That view had to present the big picture on a single page onto which many other aspects of the business could then be overlaid.

With considerable experience of doing just that (with and without EA tools for support), Altus devised an iconic framework which skilfully uses both colour and position to clearly distinguish the different aspects of the business on a single page.



THE RESULTS

The Capability Framework has quickly become an established part of the business landscape and is now being used to provide the common language across integration projects. That is helping the Architecture team to identify the key capabilities to test and to ensure that nothing gets missed in the integration.

It is also providing a bridge between business and IT to understand the application landscape, helping analyse the data-related challenges facing integration and even being considered as a way to track strategic intent against change investment.

All in all a pretty good investment in architecture method.

“Buy-in to the model has been better than I ever expected and Altus deserve great credit for that.”

Head of Business Architecture