



FLYER

KEY POINTS:

- When renovating a management system, either you improve on what exists, which is easy but costly, or you try to imagine what the future looks like and build it on a new basis.
- The board of directors set a framework and guidelines with objectives. Then, it's up to the teams to find the best way to reach them.
- The customer relationship changed and this new independence has allowed agents to spend more time handling business.
- Ecosystems will appear. It is not easy to predict when this will happen, but it will. Therefore, you need to be ready to be an actor in this transformation.

Customer Q&A

Modernizing IT to speed innovation and improve the customer experience

For the past several years, the Allianz insurance company has been making incremental IT and cultural changes to meet its clients' evolving needs and rising expectations. We sat down with Alexander Heinrich, Director of Organization and Architecture Solutions at Allianz France, to ask him some questions about the French unit's successful digital transformation.

Did you see your transformation as an obligation?

It was necessary to meet the market's new requirements for flexibility and skills. We got to a point where our model had limits. Insurance is a sector that did not innovate as much in the past as it does today. Successive layers were added over time, and our information system was very fragmented. **So it was vital to rethink it and modernize it.**

How did you go about it?

We started in 2012. The transformation was as much about culture as it was about technology.

At a technological level, we implemented two projects. One, the Allianz Infrastructure Transformation program, initiated by the group to modify the internal network and data centers, and to give all entities an identical technological base. Two, the Global One project to renew our management system.

When renovating a management system, either you improve on what exists, which is easy but costly, or you try to imagine what the future looks like and build it on a new basis. This implies sorting through what you have accumulated over the past. **It's a real challenge to break down what has been done correctly. You have to find the right balance.**



We successfully reinstalled the compensation part in this new, rebuilt management system, as well as the MRH (comprehensive home insurance) and automobile subscription part. By mid-2018, 89% of our property contracts will be in the system, which is remarkable.

Concretely, what did you do at an architectural level?

The architecture was separated to be able to communicate with the outside world, notably concerning the mobile application, comparison services, and IoT. To do this, we analyzed where we could make improvements. This was in the individual property insurance market that had systems that made it difficult to implement communication services. It was a strategic decision to start with this point. Furthermore, **Allianz was the first insurer to integrate an API gateway to coordinate APIs both externally and internally.**

Renewing the infrastructure was a group process that sought to **strengthen security for the growing risk of attacks**. The Allianz Group has the advantage of owning Allianz Technology, a subsidiary that manages infrastructure and the network. This way, we can share investments with other entities in the group and benefit from their developments. An entity was created in Munich to encourage a global approach.

A cultural transformation is vital so that teams can react quickly. For the past few months, we have been reflecting on how to take up this challenge. In particular, we have gone from a hierarchical model to independence in the field. The strategy is now set with teams helping to drive it. The board of directors set a framework and guidelines with objectives. Then, it's up to the teams to find the best way to reach them.

This way of functioning motivates future generations. We are convinced that independence is the solution. Giving teams this freedom smooths discussions with customers, speeds things up, and allows us to work with start-ups. It's a significant change because, for example, with start-ups, the timeline of projects change – we need to implement them in weeks and not over a year. In my opinion, this new way of working has meaning. We have not finished changing mindsets yet; a cultural transformation is never over.

What impact did this have on client relationships?

These changes responded to a market requirement. Tracking the status of claims was the greatest expectation. Since the rise of the GAFAs (Google, Apple, Facebook, and Amazon), policyholders have wanted to know where their claim was the very next day and be able to track its progress like you can with a parcel on Amazon. The customer relationship changed since policyholders can now track their claim directly, and this new independence has allowed agents to spend more time handling business.

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Do you think this transformation will change the role of insurers?

The profession will be disrupted, but the change has only just started. For now, the insurance sector has the advantage of being protected by heavy regulations, unlike retail, but we are seeing new players arrive on the market who are not traditional insurers. When these new players cross the threshold, the market will switch to a use-based world. Ecosystems will appear. It is not easy to predict when this will happen, but it will. Therefore, we need to be ready to be an actor in this transformation.

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About Allianz

Allianz offers its 85 million customers a wide variety of products, services, and solutions in insurance and asset management. Allianz operates as an international insurer on almost every continent. The company has deep roots in its home market: Western, Northern & Southern Europe. In Central and Eastern Europe and Asia Pacific, Allianz is one of the leading international insurance companies. With different emphases, the company is present in America and Africa.

Alexander Heinrich, Director of Organization and Architecture Solutions at Allianz France

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