



# CLOUD BASED IT TARGET OPERATING MODEL

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An Agile Transformation Story @ AXA Winterthur

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# AXA Winterthur – Part of AXA Group with over 160k employees

More than  
140 years  
of expertise

Own accident  
research institute

1.9 Million  
customers

## Personal insurance



## Vehicle insurance



## Property insurance



## Liability insurance



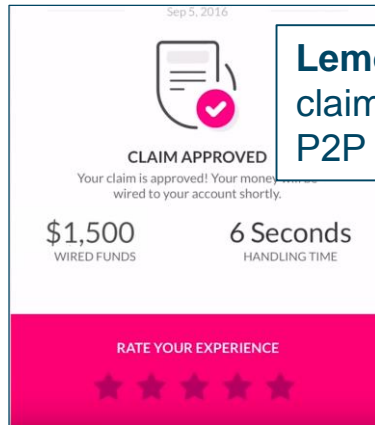
4'000 employees  
and 2'500 dedicated  
agents

CHF 11.1 billion  
annual  
premiums (2015)

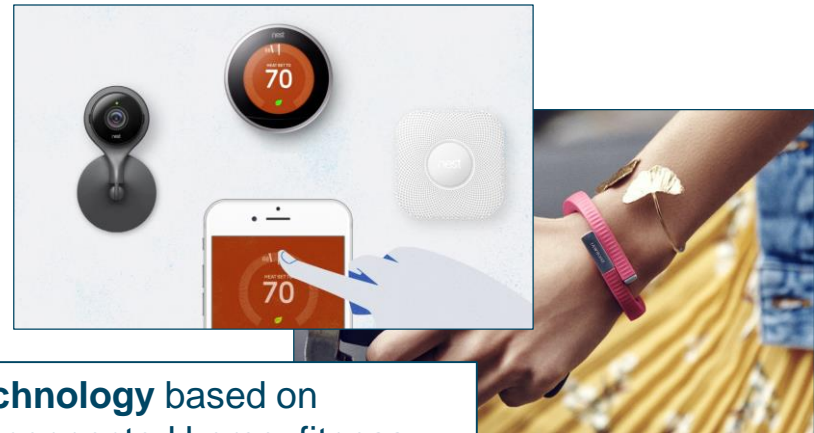
CHF 800m plus  
Underlying  
Earnings (2015)

# Digitalization a key success factor for insurance industry

Technology is enabling new business models and extending existing ones



**Lemonade Insurance:** 90s to get insured, 3 mins to get paid, automated claims handling in 6 seconds, low prices, fully digitized business model, 1<sup>st</sup> P2P insurance carrier...



**Technology shift:** Increasing offerings for **technology** based on connected **insurance (service) products** (IoT, connected home, fitness tracker) rise need for agile capabilities and integration excellence...

# Digitalization has started already under our roof too...



# Ambition 2020 – IT will be an integrated business function!

## Yesterday– «IT as a service provider»



### **One Pedals**

- Business and IT organizations operate independently
- IT as an enabler for cost savings and reliability
- Occasional collaboration efforts

## Today – «IT as a trusted partner»



### **One directs, one pedals**

- Alignment between business and IT
- IT as an enabler for cost savings, reliability and innovation
- First attempts for joint initiatives

## Tomorrow – «Joint business and IT teams»



### **Pedaling in sync**

- Digital business is IT and vice versa
- Business and IT accountability for efficiency and reliability improvements
- Joining forces for agile transformation

# Why does IT need a deep transformation?

## IT as an integrated business function

## Strategic challenges / opportunities for IT



### Agility & Innovation

- Changed customer behavior & demands
- Increased business pace
- Developing digital capabilities

- **Long waterfall** oriented **project execution**
- **Separation** between dev & ops
- **Leveraging new technologies** (e.g. cloud)



### Reliability & Security

- Insurance is based on trust
- Ensuring a safe and reliable operation
- Enabling cloud services is key

- Limitation of regional/local **skills**
- **Limited local lifecycle budget**
- **Commoditize infrastructure and security**

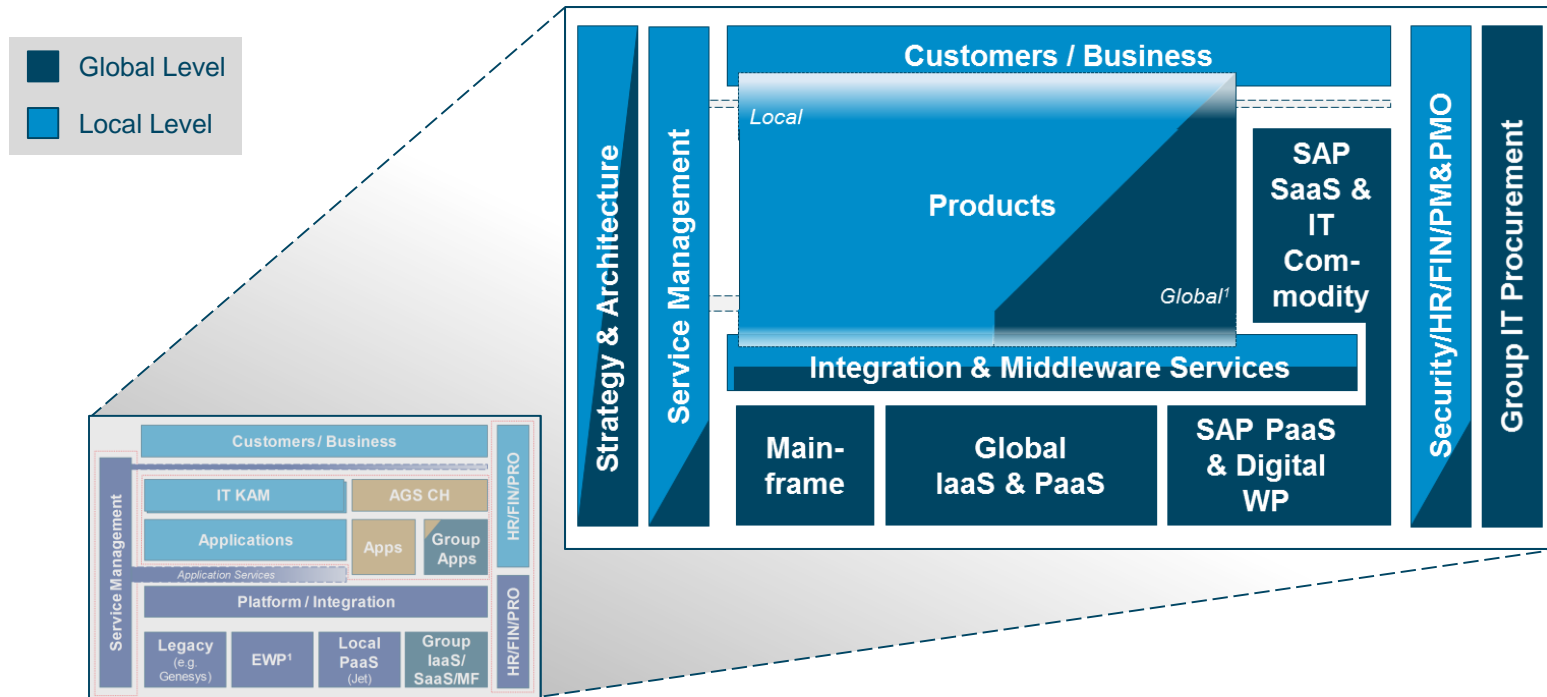


### Efficiency

- Transactional cost orientation
- Predictable & manageable IT expenditures
- Efficient operation enables transformation

- **Increasing Global synergies**
- **Towards One IT** w/ Group IT TOM
- Lean **service management**

# Implementation Group IT TOM @ AXA CH 2020



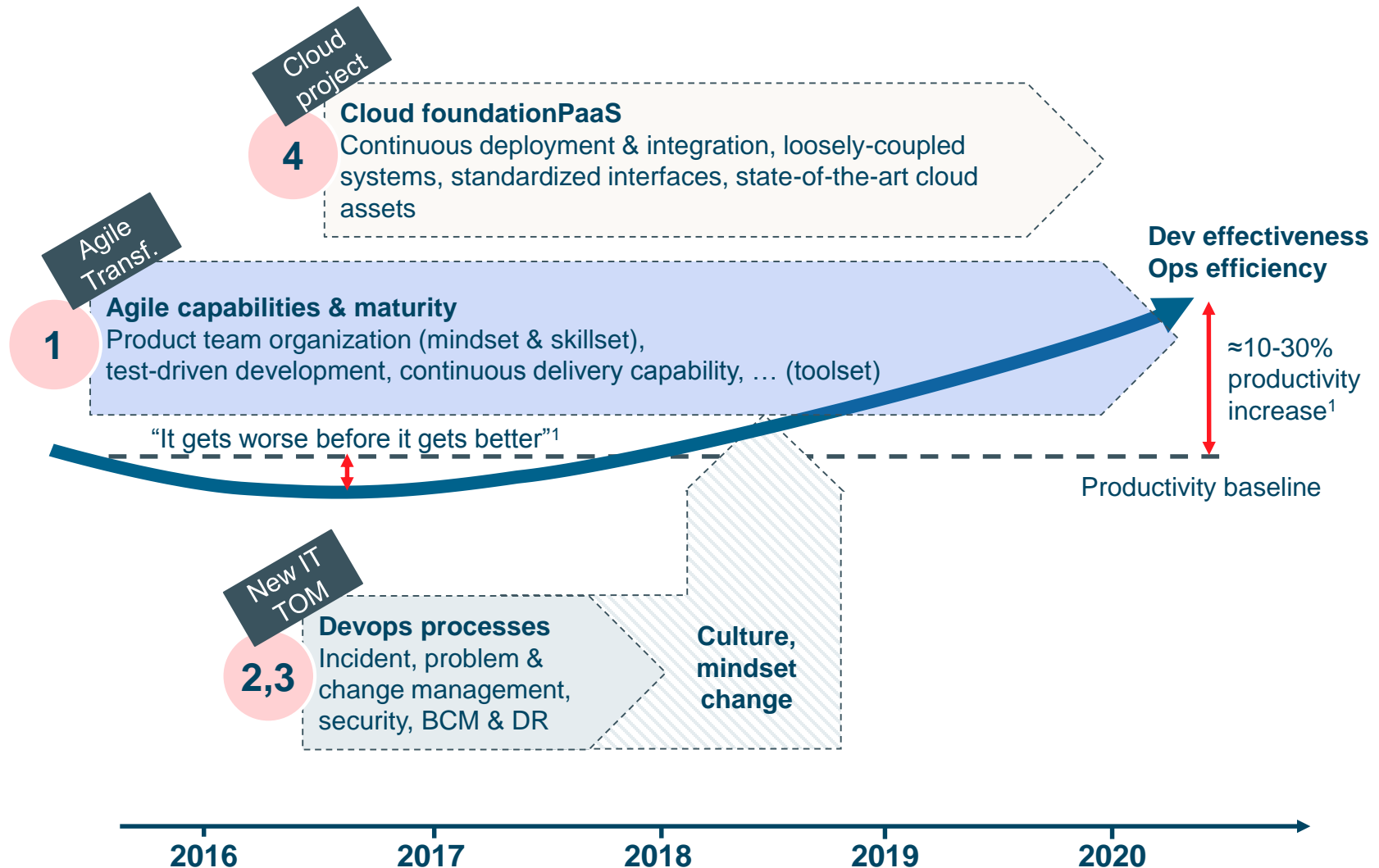
## 4 Major IT Transformation Targets

1. Transformation of large IT waterfall organization into 25 agile product teams (Devops model)
2. 3 layered service management approach into 2 layer, where service desk directly links into Devops teams
3. Establish lean and agile IT governance and support functions
4. Deploy hybrid business cloud infrastructure for more than 200 critical applications



# Aligning transformation initiatives @AXA CH

IT TOM, Agile and Cloud go hand-in-hand and foster our customer value and productivity

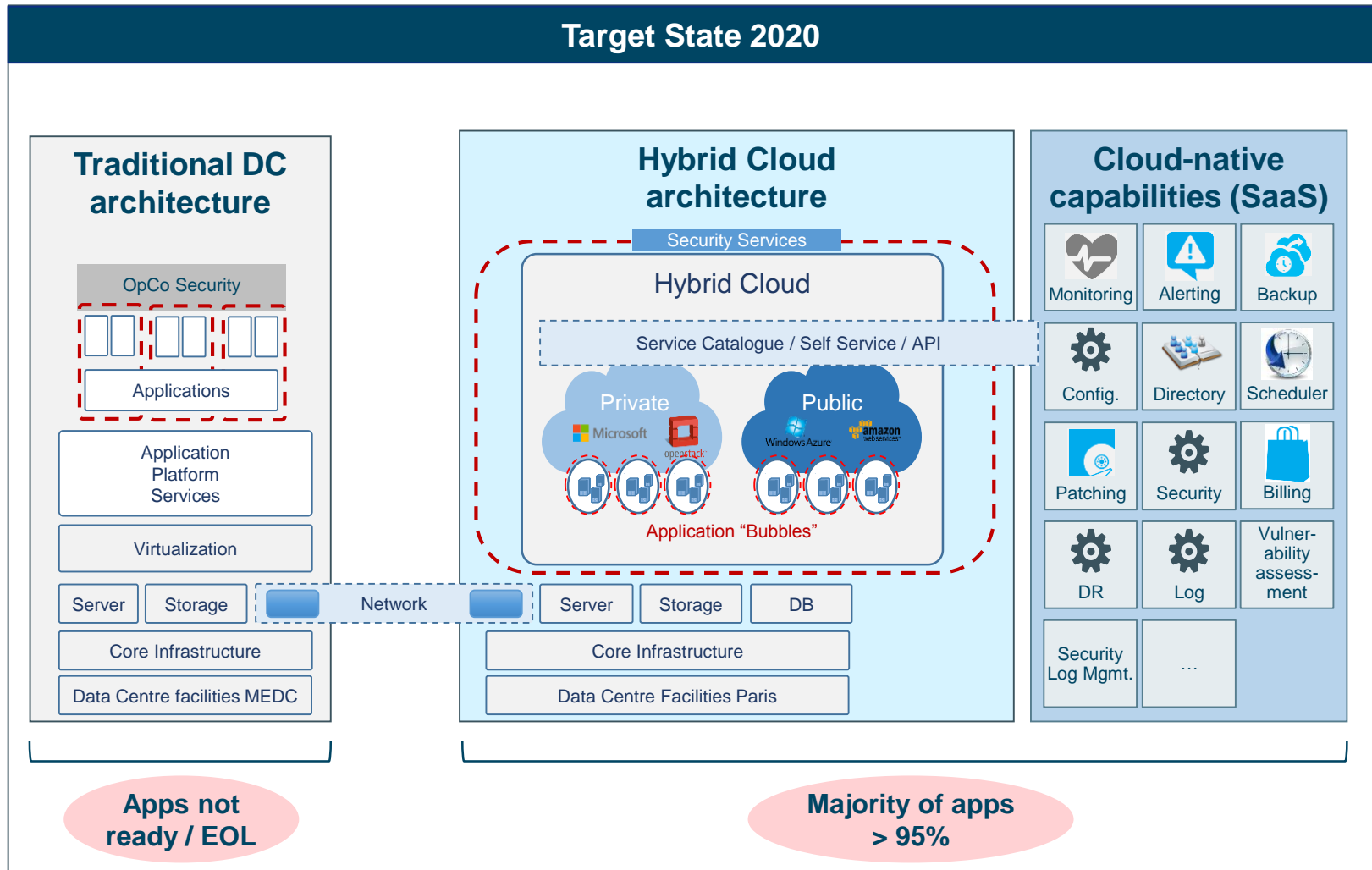


Notes: [1] BCG Technology (2016), [3] McKinsey Research (2015);



# Hybrid business cloud architecture

## Moving from traditional setup to hybrid cloud until 2020



# Agile Transformation – an Outlook

## Next steps for transforming AXA CH into an best in class agile company

### Sustaining Agile Transformation

- Establish **agile portfolio** and **governance** practices incl. big room plannings
- Establish new **Solution Delivery Framework**
- Drive **capability** of product **owner role**
- Establish **HR toolbox** for self-organizing teams

### Anchoring Product Organization

- Transform **large parts of IT** organization into agile mode
- Launch new **transversal product teams**
- Establish first **Devops teams**
- Ignition of **AXA cloud migration**

### Striving for best-in-class agile company

- **Continuously re-assess** TOM and product organization
- Driving **agile culture** in entire organization
- Update **HR toolbox** to scale self-organization
- Migrate onto **AXA cloud platform**

From project to function: **Anchoring Head of Agile Transformation**

2017

2018ff.

# Customer centricity – What is in for our customers

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Shorter **time to market** for new (digital enabled) products to address customer needs fast



**Innovations** are faster embedded in our processes and products



**Value orientation** through-out the entire organization efficiency and customer convenience



**Customer needs** will be **at heart** of our **solution advancement** due to close business integration

