



Tower Insurance | Asia Pacific | New Zealand | Financial Services | Digital Infrastructure

Embracing hybrid IT provides Tower Insurance with flexibility during its application transformation process

At a glance

Which services?

- Managed Operations for IBM i

Which technologies?

- IBM i

Which partners?

- IBM



‘By moving to a hybrid model we were able to focus on strategic initiatives while still delivering on current business needs.’

Glenn Vade, Chief Information Officer, Tower Insurance

Why Tower Insurance needed to refresh its infrastructure

New Zealand insurer, Tower Insurance, needed to transform to meet the demands of an increasingly competitive environment. This transformation required that they restructure their core insurance application architecture to support the business objective of creating an agile organization, while also relooking at the infrastructure that supported the existing business.

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How moving to a hosted environment allowed Tower Insurance to embrace transformation

Tower Insurance was looking to transform, but was faced with a looming expense to replace its aging IBM i hardware. By moving to a consumption-based offering, they were able to avoid unnecessary expenditure and focus their attention on the transformation of their key application.

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What flexibility did Tower Insurance achieve

Moving to a consumption-based model allowed Tower Insurance to focus on its strategic simplification program while improving the performance of their business application. The flexible solution also allows them to scale up and down according to business demands.

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‘The hybrid model let us shift a significant cost from capex to opex while providing us with the flexibility we needed.’

Glenn Vade, Chief Information Officer, Tower Insurance

Why Tower Insurance needed to refresh its infrastructure

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Tower Insurance needed to transition away from its existing general insurance platform as part of becoming a more agile organization. Moving platforms when the entire business relies on them for day-to-day operations is, however, not simple or quick. The challenge they faced was that the infrastructure supporting the existing application platform was rapidly approaching end-of-life. Tower had already planned to move away from the IBM i platform for the new application. As a result, they didn't want to invest in refreshing this hardware to support the application platform during the transition period.

At the same time, they couldn't continue on the existing platform, as its performance had already begun to impact business operations. They needed a solution that would allow them to move across to the new application in their own time, while still supporting immediate business needs.

How moving to a hosted environment allowed Tower Insurance to embrace transformation

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In order to assist Tower Insurance transition smoothly to a new platform, we moved their IBM i-based application to a hosted environment. Through this solution, they were able to avoid incurring significant capex costs and instead take advantage of updated technology in a consumption-based environment. Our IBM i environment is hosted at two separate data centers, co-located with Tower's Intel-based system. The result is no performance degradation from having to connect two parts of the system through a wide area network (WAN).

We also virtualized the tape system that was being used for backup, to eliminate the cost of managing physical media, while making synchronizing backups between the two data centers faster and simpler.

The elastic nature of the environment also allows them to spin up short term environments for their development and testing at no additional cost, allowing them to be more agile in their development strategy.

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The consumption-based model we delivered for Tower Insurance provides them with a gateway to the cloud. The agile system can scale up and down according to their needs, allowing their team to focus on the critical project of transitioning to a new core insurance platform. The new system has also provided them with a significant performance improvement on their legacy application, delivering better customer experience. Tower Insurance can now run their overnight batch processes 50% faster than before. These processes used to run into the next work day, slowing system response times and impacting on the ability of contact center agents to access customer details.

Technology accelerates digital business

Tower Insurance had to make a significant capital expenditure to keep their core insurance application online while moving to a new application platform. By leveraging a consumption-based model, that expenditure is now an operational expenditure, giving them the flexibility of a scalable infrastructure to meet the growing or shrinking needs of the business.