

# 5 Impediments to Digital Transformation (and How to Overcome Them)

Digital transformation in P&C insurance has been a hot topic for years, and in recent times, we've seen it transition from a "nice to have" to a "must have" initiative. Now more than ever, insurers strive to improve customer experiences, increase efficiency/scalability, enhance underwriting intelligence, expand distribution, and define new products—goals that are far more achievable through the digital transformation of their core systems.

But a successful transformation is not always a straight path, and understanding the common impediments that organizations face can enable insurers to proactively remove, mitigate, or navigate around the impediments as part of the plan—best ensuring success and optimizing outcomes.

In his presentation during Insurity's Connected 2020 event, **Aite Group senior analyst Jay Sarzen** described the five most common impediments to digital transformation in P&C insurance, and how they can be addressed.

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## Failure to align priorities

Or stated frankly, putting your money where your mouth is. It's not enough to just set a goal or declare your commitment to an initiative—dollars must be put behind it, and the budget must be aligned to your digital transformation goals. Otherwise, acceptance and adoption will likely be impeded, if not fail entirely.

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## Lack of executive buy-in

To best ensure success, executives should fully understand the value of—and be committed to—digital transformation, and should be held accountable for its success. At the very least, the benefits should be well-defined and understood by the executive team, and a plan should be in place to move forward. Short of these, successful digital transformation could be at risk.

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## Resistant culture

Essentially the opposite of not having executive buy-in is having a change-resistant culture. Ideally, an organization will have designated departments or individuals devoted to driving change and adopting innovation, but absent of that, it's essential that there's broad, cross-departmental communication, continuous knowledge sharing, and feedback loops in place so that challenges can be identified and addressed.

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## Fragmented strategies

Insurers can be big places, and if each department were to have its own strategy, this would likely present numerous challenges. Digital transformation must be enterprise-wide and cannot just be a departmental initiative. It must be embedded in the overall corporate strategy and overall vision, permeating across all departments.

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## Antiquated legacy systems

If you have older core systems and platforms, technological barriers could exist that would require system replacement in order to achieve digital transformation. Insurity's experts can help you assess your current system's suitability for digital transformation and set you on a custom-designed path to success.

## About Insurity

Insurity is a leading provider of cloud-based core system solutions and data analytics for the world's largest insurers, brokers, and MGAs. Through its best-in-class digital platform and with unrivaled industry experience and thought leadership, Insurity is uniquely positioned to deliver exceptional value, empowering clients to focus on their core businesses, optimize their operations, and provide superior customer experiences. With users worldwide and more cloud-based deployments than any other core system provider in the insurtech space, Insurity is trusted by 15 of the top 25 property/casualty carriers in the US.