

**CEOs, Heads of
Broking and
Heads of Sales**

The 8 Tiers of Cloud Migration

This ebook summarizes the key findings from our webinar
Broking in the cloud – core elements to cloud migration.



INTRODUCTION



Almost every insurance broker realizes they need to be on Cloud. It's now a common board directive to move broking systems onto Cloud, for example.

But the question often remains: What *is* Cloud?
In particular, what is *true* Cloud?

Even more important for business leaders is another question: What are the real business benefits of being on Cloud? And how do these change according to the kind of Cloud you're on?

That's why we hosted a webinar alongside Craig Beattie to provide the answers. Craig is Senior Analyst in the insurance practice of research and advisory firm Celent. He has years of experience evaluating technologies in our industry. Together, we wanted to help business leaders in the UK broking market to understand where they truly are in their Cloud journey. As well as where they want to be.

We also had some fantastic contributions from Keith Bucknall and James Willison. Keith is IT and Projects Director at Specialist Risk Group, a fast-growing insurance broker based in the City of London. James Willison is the Managing Director of Web Connectivity, a software provider and consultancy that we partner with at Novidea for our London Market clients.

The webinar proved so popular that we collected its most interesting insights for this ebook. And that includes some eye-opening findings from polls we ran with those brokers who attended.

Using this ebook as a guide, you can work out what Cloud model best serves your business goals and what factors to consider to make the transition with minimal business disruption.

I hope you find these insights useful. If you have any questions, please feel free to reach out to me on [LinkedIn](#), or via the [Novidea website](#).

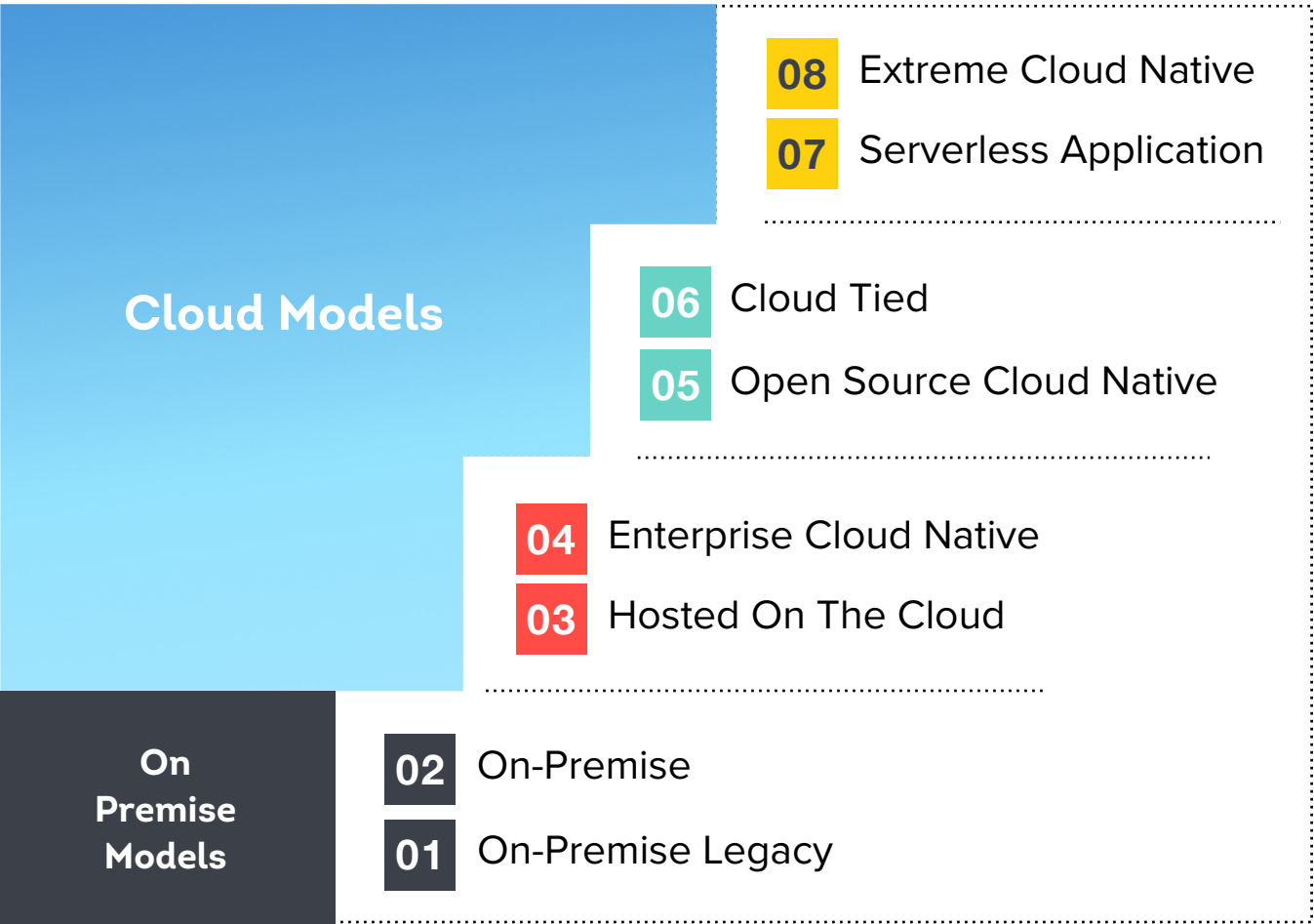
Ben Potts,
Managing Director, UK
Novidea

Celent's 8-tier model of Cloud migration

Most software vendors claim to offer cloud technology to insurance brokers, with many claiming their software is “cloud native”. Yet there’s no commonly agreed definition among vendors for what cloud native means. So their services can differ wildly.

At the same time, brokers, MGAs and insurers are increasingly requesting “cloud native” software from vendors. They also mean different things when using this term.

Research advisory firm Celent took notice and set out to clear up these misunderstandings. They published a paper that classifies cloud technologies into the following eight tiers:



This approach makes it much simpler for business leaders to understand the different “cloud native” models, how they compare with the other cloud-based software models, and the relative benefits of each.

How to know which Cloud model you're on now

Because of the confusion around Cloud, many brokers don't know what model they're currently following. When they see the Celent tiers model, they often find they're not at the level they thought they were. This even includes proactive companies like SRG and Web Connectivity, who said as much during our webinar.



"If you asked me last week I'd have said we're on cloud 9! This Celent tiers system caused a lot of debate and conversation internally. So we looked at this in detail and we'd now put ourselves as a 5-plus."

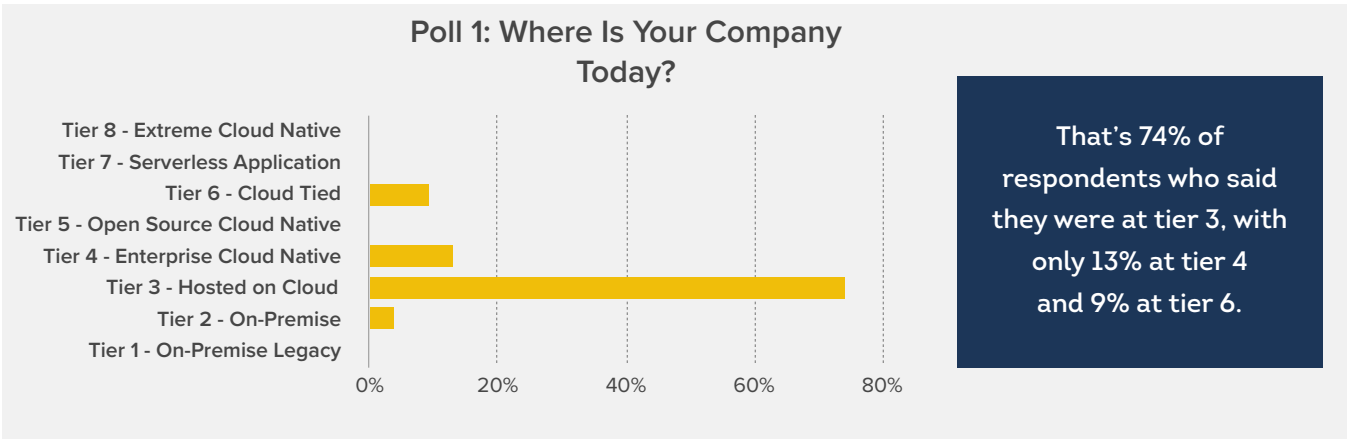
James Willison, Managing Director of Web Connectivity



"Who knew there were 8 levels? Before this webinar I would have said 'of course we're number 8 and we're at the top! It's interesting to understand the scale and where we lie with each of them."

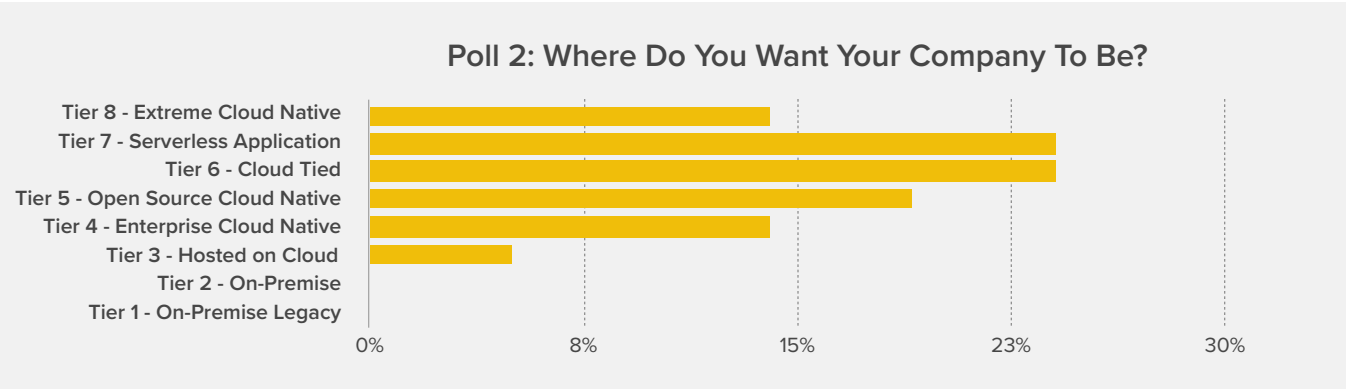
Keith Bucknall, IT and Projects Director at Specialist Risk Group (SRG).

Having introduced the 8-tier Celent model on the webinar, we ran a poll with our attendees to ask where they thought they were on that scale. The answers were eye-opening:



Where do most brokers aim to be?

We ran a second poll with webinar attendees to ask them which tier they wanted to reach:



As you can see, almost everyone wanted to move up from tier 3, with 62% of respondents opting for tiers 6, 7 or 8 as their desired end goal.

How to know which Cloud model you want to migrate to

When deciding which tier you want to reach, you need to understand the benefits.

Here are the various benefits Craig Beattie highlighted during the webinar:

08 Extreme Cloud Native

Optimal performance, scalability, and flexibility. Allows huge numbers of users high-performance access to the platform from anywhere using tablets and mobiles. Can integrate with other ecosystems. Minimal to no coding needed.

07 Serverless Application

Allows more focus on the business functionality you want to deliver. But typically requires significant internal IT resource and expertise to manage multiple clouds.

06 Cloud Tied

Improved productivity and agility. You no longer operate on-premise or in other clouds.

05 Open Source Cloud Native

Libraries of ready-made cloud-based applications built for general purposes that can be adapted for specific industry or business needs. Fast and flexible, but requires in-house IT resource and expertise.

04 Enterprise Cloud Native

Cloud environments intended for use by large enterprises. Typically built with on-premise in mind. Tends to increase the agility/speed of change within an enterprise compared with tier 3.

03 Hosted on the Cloud

“Lifting and shifting” an on-premise application onto the cloud. Good for fast adoption and easier change management in your business. Limited cloud functionality.

02 On-Premise

More modern systems, but still run on-site, requiring on-premise servers, storage and hardware.

01 On-Premise Legacy

Often a barrier to change because maintenance takes up valuable time and resource, and because legacy systems are hard to integrate with newer technology.

* Note: if you'd like more information for your CIO, IT Director or Head of IT, please check out our companion ebook [The 8 Tiers of Cloud Migration for CIOs, COOs and IT Directors](#), which goes deeper into some of the technical considerations related to this 8-tier cloud migration model.



CASE STUDY

SR SPECIALIST RISK GROUP

Specialist Risk Group (SRG) is a leading specialty risk insurance broker based in London. In 2019 the group generated £350m GWP and was named #36 in the Insurance Times' Top 50 Brokers list.

A mix of on-premise legacy systems

When Keith joined in 2017, the group had acquired several companies with several different on-premise systems, some dating back 20 years.

Moving onto Cloud

In two years, Keith “lifted and shifted” SRG’s on-premise infrastructure onto the Microsoft Azure Cloud (tier 3), while updating the line-of-business applications so that they sit on higher tiers. “With Novidea we are up to number 8,” Keith says.

Moving existing on-premise systems made for easier change management. Having applications that sit on higher tiers makes it easier to respond to market changes, launch new products and capture new business.

Benefits of cloud migration

All this activity supported SRG to grow its GWP by 18.6% between 2017 and 2019.

The scalability and flexibility of Cloud also allowed SRG to change and adapt quickly, from onboarding acquisitions to coping with remote working in the wake of Covid with no disruption to the business.

Vision for the future?

On-demand access from anywhere, on any device. Greater flexibility and portability, with increased productivity, more revenue growth, higher margins and more granular data analysis the group can use to become even faster and more responsive to clients and market changes.

How to go from tier 3 to tiers 6, 7 or 8

So, you're currently at tier 3, and you've decided you want to reach tiers 6 –8. This was the broad trend indicated by our polls during the webinar, with almost two-thirds of respondents aiming for tier 6 and above.

But how do you get there?

There are a number of factors to consider.

Advice from a broker who's done it

As IT and Projects Director at Specialist Risk Group, Keith Bucknall oversaw the transition of several legacy on-premise systems onto the cloud before reviewing and updating the group's application stack so that some applications now sit on higher tiers – including tier 8. His advice is simple.

- First, get a full picture of the IT architecture within your business. How can you make the most of the infrastructure you have?
- Second, work out what you want to change and why you want to change it. What are the end goals? What does the rest of your stack look like? How could it be improved to serve your goals?
- Finally, look at how to execute that change. Do you want to do a proof of concept in a small environment? Or do you want to Big Bang it in one go, with the potential business disruption that implies? Who do you need to involve internally in the business? Or will you bring in an outside contractor or partner to do it for you?

Advice from a broking software partner

James Willison is the Managing Director of Web Connectivity, a software provider and consultancy that we partner with at Novidea for our London Market clients.

James thinks testing and going step-by-step makes the most sense too.

- First, look at where you're going to get the most impact and benefit for the business, he suggests.
- Second, test it and prove it and move on from there.

"I don't think everyone's going to put their entire systems on the cloud on day one. You need to sandbox certain areas to get those proven first. And learn from the experiences of people who've already done it."

Advice from Craig at Celent

When it comes to your own cloud migration, Craig suggests a list of questions and points to consider:

- How prepared are you for the transition? What resources and infrastructure do you have in place, or could you have in place, and how quickly?
- How familiar are you with the cloud?
- Look at guidelines from the FCA (and other regulators if you're multinational) about what they're interested in and how that applies to the cloud.
- How do you want to manage the core elements of your business?
- To go straight from tiers 1, 2 or 3 to tiers 6, 7 or 8 is just about finding the right provider. Finding the right way of doing that migration.
- Would you prefer to trial it? Take a few things into the cloud, become familiar with it, learn about what works in the cloud and what doesn't, take time to allow the culture within the organization to change.
- There's a change management aspect as well. There might be pushback from people within your organization who don't think cloud is right for them. Take baby steps, ie by starting with Office 365. Try something out. Then everyone gets familiar with the different ethos and you can convince people that using the cloud is possible.
- Find the right partner. Have someone hold your hand while you're going into the cloud.
- A vendor higher up the tree will be faster at responding to requests for new integrations, new APIs, new digital means for broking and distributing business.



"As we're going through now changing our line-of-business applications, we have a number of applications that are cloud tiered. With Novidea we are up to number 8. Where we want to be? My personal mission is not to have anything in any of our offices that means we're tied to any location."

Keith Bucknall, IT and Projects Director at Specialist Risk Group (SRG).

"Right now, we're multi-tenanted. Everyone's always on the latest version. There's no different people being on different versions of the software. There's no upgrade path as such. All elastic services. People are able to use APIs and micro-services in a dev-ops environment. Our immediate aim is to move that to a 7. We've got a roadmap in place to get to a 7, not quite got the full roadmap to get to an 8 – not at the moment."



James Willison, Managing Director of Web Connectivity



FINAL THOUGHTS

I hope you've found some practical value in this ebook. There are many routes to getting on Cloud, and not every business needs to be on tier 8. At Novidea, we made the decision to work with the Salesforce ecosystem and build a broking platform on it. We call our approach Big Technology, and we see lots of value in you building on a technology that's constantly investing in performance, scale and legal compliance.

If you want to go further and get advice from Craig, Keith, James and Novidea on how to choose the best cloud migration partner, just click [here](#) to download that report.

Otherwise, if you have any questions about the topics discussed, please get in touch. We're happy to help.

Ben Potts,
Managing Director, UK
Novidea



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How To Choose The Best Cloud Migration Partner

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