

LV= Turns to Mendix App Platform to Put Innovation on the Fast Track

Driven by rapid growth, one of the U.K.'s leading insurers turned to the Mendix App Platform to quickly create high-value applications that streamline broker interactions and support the development of innovative new insurance products. The speed, simplicity, and completeness of the Mendix App Platform enabled LV= to complete strategic projects with unprecedented speed.

- Implemented Mendix as its strategic platform for innovation and fast application delivery
- Developed multiple applications with features including broker self service capability, customer self-service administration for post-sale, end-to-end policy administration, and claims management
- Business-centric software development helps company focus more on innovation, less on technical details

Challenge

In the U.K.'s ultra-competitive insurance industry, LV= – the country's third-largest motor insurer – is going through a period of significant growth. That rapid expansion creates opportunities and challenges – particularly when it comes to the IT infrastructure that is the heart of the company's operation. As the company has grown, it has enhanced and extended many of its processes, ultimately leading to slow-downs in application development as IT resources focused on big-picture issues.

Highlights

- First iteration completed in under one month
- Mendix enabled LV= to more quickly and efficiently create 'end-to-end apps' supporting the launch of new life insurance and income-protection products
- No need to hire expensive Java developers; allowed team focus more on business requirements than technical details

Mendix App

- LV= has developed multiple apps including a broker portal that aggregates data on LV= products to help agents sell more effectively
- Apps for market testing life insurance income-protection products, with capability for customer self-service, sales, policy administration, and claims management

Company

- Based in the U.K., LV= employs 5,700 people and serves more than five million customers with a range of financial solutions, including insurance, investment and retirement products.

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Richard Warner
Chief Information Officer
LV=

According to Rod Willmott, fast track innovation director for LV=, several acquisitions resulted in a mixture of resource-intensive legacy systems. The backlog of demands to support those systems meant that significant opportunities to automate and enhance business processes and increase revenue were suffering because of a lack of resources. “It’s a common paradox – the faster we grew, the slower some of our business processes became,” he said. “Growing as fast as we were, our strategic agenda seemed to fill up faster than IT could respond. We wanted to counter that by retaining our small-company ethos and the spirit of an agile company. Some important initiatives and ideas just weren’t making it to the top of the agenda so I was charged with finding a way to get to those exciting opportunities to innovate without distracting us from our other responsibilities.”

Solution

To address the challenges where new applications needed to be developed, LV= chose the Mendix App Platform. “We were happy to standardize on the Mendix App Platform to develop and deploy these innovative applications,” said Willmott. “With a traditional development agenda that’s full, we thought that Mendix would enable us to pursue pressing business objectives where speed and innovation are essential. Fast cycles, cloud deployment, and business-led development are the basis of successful strategy in financial services – and Mendix is helping us achieve the speed and agility that have become a business mandate in our industry.”

For its first project, LV= turned attention to creating a portal for general insurance brokers that it had a relationship with. Previously, agents in this independent, non-affiliated channel had to access multiple systems to get information on different products, submit policy applications, and track claims for their customers, requiring the agents to learn multiple systems. “We were missing a big opportunity to aggregate this information and these services,” said Willmott, “but frankly, the cost of building a portal was significant and the returns weren’t easy to quantify.”

In response, the LV= team used Mendix to quickly create a proof-of-concept prototype to show to its brokers. “We wanted to pull something together quickly without a lot of time, risk, or cost,” he said. “That’s a perfect scenario for using Mendix. With just a small budget and only 30 days, we created a functional prototype of a portal to present to our brokers and get their input. Mendix helped us reach that milestone very quickly.”

After gathering broker feedback, LV= has continued to use Mendix to build out the portal to enterprise-class infrastructure. “This is a commercial-grade app, but still lightweight and small,” Willmott said.

As the scale of the company’s operations has increased, so too have the risks associated with new-product introductions. Properly test-marketing an insurance product requires a solution that is as robust and secure as any mature product. LV= needed to meet customer expectations for self service and on-line policy management and documentation, functionalities that the company did not have in their legacy systems. Traditionally, that would require a multi-year, multi-million-dollar investment simply to create the underlying applications – before the first premium is collected. If the product is mis-targeted or unpopular, the costs to the company could be devastating.

After the success of the first application, LV= expanded the use of the Mendix App Platform to build comprehensive applications to support innovative insurance products that it creates to test price sensitivities and market acceptance. “For instance, we designed a life insurance product for the 50-plus market, where premiums are lower, and the product is designed to be simple and consumer friendly,” explained Willmott. “But we didn’t know – will people buy a product with these features? Now we can find out the market reaction without the huge investments of time and money in IT. That’s a major advantage for us.”

Results

With Mendix, LV= is able to develop sophisticated applications in less time and at a lower cost. “We really like the holistic nature of the platform – from ideation to deployment,” said Willmott. “That was important to us. We have the ability to do more than merely create apps. We’re using the agile methodology and Mendix is a collaborative platform to capture user requirements as well as create automated solutions. Deployment and hosting are very easy and affordable, too. We don’t have to worry about technical design or hosting or provisioning servers – it’s all self-contained.”

Willmott noted that Mendix’s support for the agile development aligns with LV=’s preferred working style. “Mendix works very well in our development shop,” he said. “We put developers and business users together and they can collaborate very rapidly. We create prototypes and make changes quickly and easily. Just as importantly, we don’t need to hire expensive Java developers with deep technical expertise. Creating software at LV= requires much more than coding. You need to understand business processes, first and foremost.

“Thanks to Mendix’s low development costs, ease of deployment and project speed, the delivery of entirely new systems has become a true alternative to our traditional development stack.”

“We are very pleased with our adoption of the Mendix App Platform to develop and deploy our applications,” said Richard Warner, LV= Chief Information Officer. “With a traditional development agenda that’s already full, we are turning to Mendix in instances where we have pressing business objectives that we must respond to with speed and innovation. Short development cycles, cloud deployment, and business-led development are becoming increasingly common in financial services – and Mendix is helping us achieve the speed and agility to compete in a growingly innovative UK industry.”

About LV=

Based in the U.K., LV= employs 5,700 people and serves more than 5 million customers with a range of financial products. From its founding in 1843, the company has grown and evolved to pursue a mission of helping people protect and provide for the things they love through a wide range of financial services including insurance, investment and retirement products. The company offers its services directly to consumers as well as through IFAs and brokers, and through strategic partnerships with organizations such as ASDA, Nationwide Building Society, and a range of trade unions.

Watch this webinar recap to learn more about Mendix projects at LV= mendix.com/rod-willmott-recap

About Mendix

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