

65% Savings, Same Results: Streamlining an Insurer's IFRS 17 Software Implementation

CHALLENGE

Our client, a large South African insurer had selected a software provider to deliver a solution for their IFRS 17 needs. A number of the provider's components were already embedded as the modelling engine for their life insurance business, and their IFRS 17 solution seemed to be the best fit in terms of addressing the data and storage requirements of the new accounting standard.

However, the initial quote for the implementation of the software – excluding ongoing fees – was considerably above budget. The client approached MBE for advice on how to reduce the outlay while still achieving the desired outcome of a complete and efficient IFRS 17 solution.

APPROACH

MBE facilitated workshops

Although the implementation estimate was a known additional cost to what our client was already paying for the provider's software components, it did not include the ongoing annual maintenance fees that would also need to be factored in. We recommended a series of workshops involving the software vendor with the objective of agreeing on the implementation and maintenance costs of the solution.

Optimising budget allocation

We were also asked to provide recommendations on the critical and non-critical components of the quote, to help ensure the client's budget was allocated in the most efficient manner. Through our analysis, we were able to identify areas where cost savings could be achieved without compromising the quality of the output and that would result in a more productive and sustainable software implementation.

Asking the right questions

Through our extensive knowledge of the actuarial software landscape, we were able to provide valuable guidance as to which questions to ask the vendor regarding the solution's scope and pricing.

RESULTS

The successful collaboration between the client, MBE and the software vendor ensured the implementation of the most value-driven solution for the bank. The insights gained from the workshops enabled MBE to produce detailed recommendations. The outcome of the project led to a reduction in the initial quote by 65% saving the client unnecessary expenditure. In addition, the client realised the value of the workshops which demonstrated the effectiveness of a collaborative approach.

AT A GLANCE

Challenges

- Software implementation quote well above the allocated budget.
- Lack of clarity on what the proposed solution offered.
- No ongoing maintenance included in the solution.

Results

- Collaborative and results driven workshops.
- Deep analysis of the cost allocation.
- Client able to confidently ask the vendor probing questions about the quote.
- 65% reduction in the initial quote.



Working with MBE and the collaborative approach they initiated with the software vendor exceeded our expectations in implementing the optimal solution for the business. The series of workshops allowed us to fully understand our specific needs, resulting in a significant reduction in the initial quote by 65%.



IFRS 17 Project Lead