APPLIED

The Cloud:
Why it makes sense
for your business

TABLE OF CONTENTS

Introduction

The cloud is becoming the preferred way to acquire and use software as businesses continue to move more of their critical applications online for improved performance, flexibility and security. In 2016, spending on public cloud Infrastructure as a Service hardware and software is forecast to reach €35B.[1] With less IT infrastructure to manage and lower operating costs, the cloud enables companies to focus more on growth opportunities and developing new business strategies for a competitive edge. Cloud adoption is expected to continue to rapidly grow across the world as companies take greater advantage of the flexibility of moving their software online.

[1] Statistica: Public cloud Infrastructure as a Service (IaaS) hardware and software spending from 2015 to 2026, by segment (in billion U.S. dollars). 2016.

Executive Summary

The cloud is no longer an IT consideration alone –
it is fundamentally changing the way executives
across departments view and manage their
businesses, creating new business models and
providing a catalyst for companies to expand and
grow. For more and more insurance businesses,
the cloud is a core strategy to improve business
performance, increase data security and deliver
cost savings. This report provides an overview of
the cloud and presents a case for why it is an ideal
business strategy for many independent brokers.

Overview of the Cloud

What is the cloud?

At the most basic level, the cloud is a delivery mechanism for IT services over a network, allowing you to receive information technology such as applications, data and security as a service. Traditionally, many businesses, including brokers, purchased hardware and software, and operated it themselves or with the help of an outside company. The cloud provides an alternative option, and represents a shift from the traditional way in which brokers view IT.

What is driving cloud adoption?

The cloud has become a mainstream IT strategy for businesses because of several technological advances, including:

> **Ubiquity of high-speed networks**

  With the pervasive availability of broadband internet connections, it is now practical for any company to leverage business applications delivered virtually, often with better performance, security and other benefits. As network bandwidth has increased exponentially over the past 10 to 15 years, the experience of using a cloud-based application can be indistinguishable from what it would be using the same application via a local server.

> **High-capability browsers**

  Modern web browsers like Google Chrome and Mozilla Firefox have more features, are faster, and have advanced security capabilities to protect your data against malicious attacks and privacy violations. This has made it practical to access work-related applications, including those carrying sensitive information, in the cloud through your web browser.

> **Virtualisation**

  This is the creation of a virtual version of a network, operating system, storage device or server. In virtualisation, many virtual machines can be housed on a single piece of hardware, dramatically reducing the cost of hardware and delivering improved time-to-value through greater agility and automation. Network virtualisation in the cloud allows you to run business applications faster, improving overall productivity.[2]

[2] Chris Wolf. "2015 Virtualisation Predictions." Virtualisation Review. January 2015.

How does the cloud work?

The cloud can fulfill different purposes in an organisation, but the dominant and fastest-growing role is to provide a secure, flexible platform for delivery and use of business-critical applications. Software as a Service (SaaS) is the predominant cloud delivery model with many benefits for most companies. With SaaS, companies reduce or eliminate the need to invest, manage and update IT infrastructure and business applications, which reduces upfront capital expenditures and lowers variable IT costs for hardware, software and personnel. SaaS is an ideal strategy for many applications such as email, content storage and business process management, as well as broker management systems and other specialised applications.

What are options for deployment?

There are different cloud deployment options for businesses, each with different advantages depending on a company's preferred level of investment, interest in managing IT infrastructure and other business requirements. Prevalent methods for many companies such as insurance brokers include:

> **Public Cloud**

  A cloud infrastructure in which a company's applications are hosted in an external data centre with infrastructure resources that are used by multiple companies, which results in a lower-cost cloud environment. Communications to and from the public cloud are over a public network with data encryption for security. For many businesses, this can be the ideal cloud deployment, enabling companies to enhance their business with the flexibility, performance and security of the cloud solutions without prohibitive start-up costs and direct investments in software applications.

> **Private Cloud**

  A segregated cloud-computing infrastructure that is reserved for the sole use of a single organisation. This approach can be managed by the company's IT staff or another company. It can be hosted on the company's premises or in a segregated area of an external data centre.
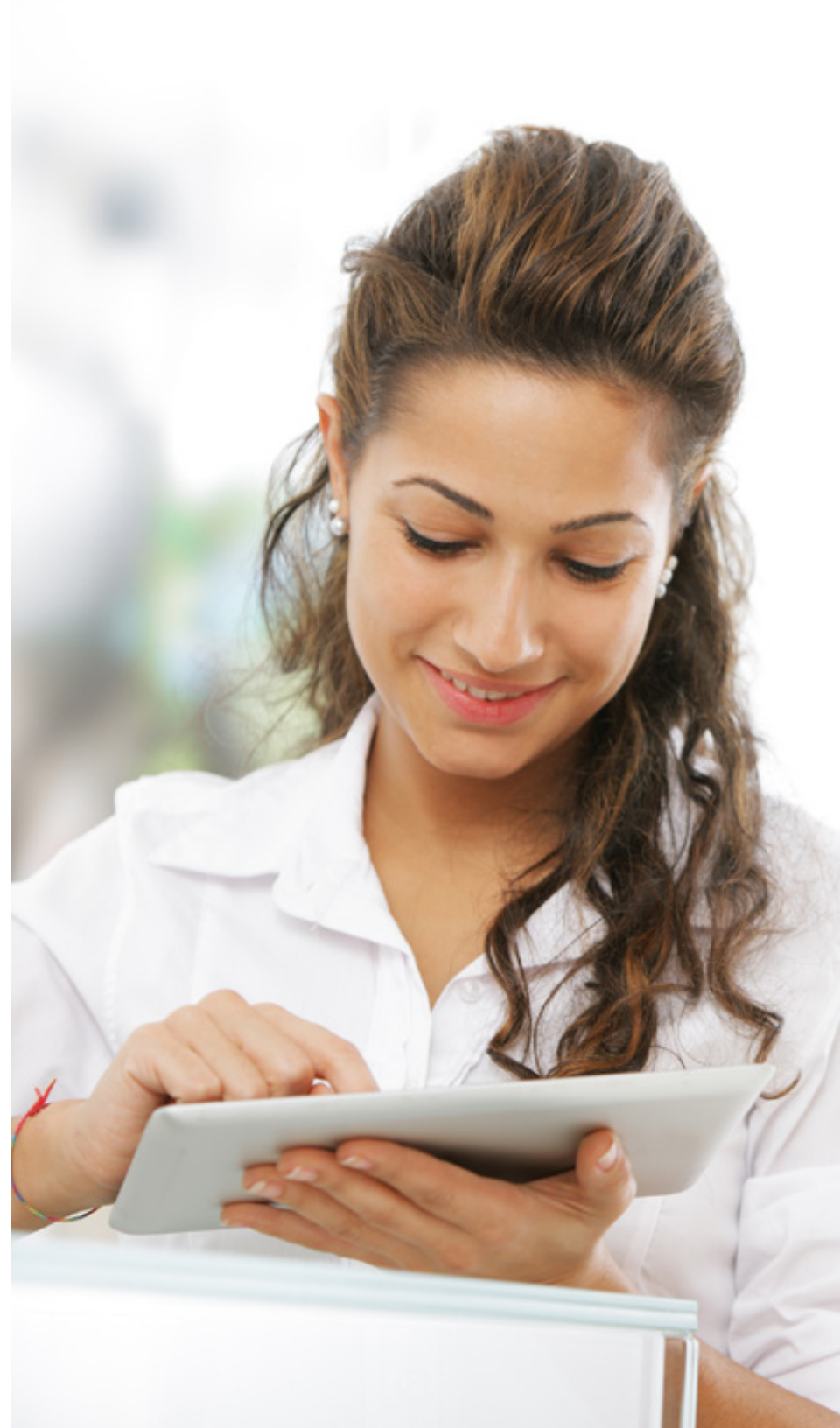
Five Business Advantages of the Cloud

Moving core software applications that run your business to the cloud is fundamentally a decision about how to maximise your investment in the people, systems and strategies to grow your book of business more profitably. Brokers thinking about the cloud should consider these five reasons to adopt the technology.

#1 Improve your business continuity

With the cloud, your critical applications and data reside in a secure data centre, which provides redundancy for power, internet access and a physical infrastructure that offers greater protection from natural and man-made disasters and other unpredicted business interruptions. The ability to remotely access and use your core business systems in the event of a disaster enables your business to maintain operations and continue to serve your clients anytime, anywhere.

#2 Increase information security and data management

Maintaining critical business information in a secure data centre provides an extra layer of data protection. In addition, your business benefits from implementing more efficient data management and data access processes. In the cloud, applications and supporting software update automatically, so your business continually runs the latest software without incurring delays or extra expenses that may be required for manual updates. The cloud also offers an exponential amount of data storage, which scales as your business grows and you add more clients to your book of business.

#3 Increase your ability to grow quickly

The flexibility of a cloud solution can be ideal for insurance brokers that need to scale their business quickly to meet changing needs, such as a business acquisition or rapid growth, without the time and expense of adding or integrating new IT capacity. Since applications are hosted remotely in data centres and accessible via the internet, new users can quickly connect to systems of record and gain access to data across your business, improving collaboration and productivity.

TORONTO

AURORA

CULPEPER

PORTSMOUTH, UK

APPLIED DATA CENTRES

Applied continually invests in data centre infrastructure and technology to maintain and update the Applied Cloud platform. All Applied data centers are colocation facilities built exclusively to host data and for the sole purpose of running the production of Applied Cloud environments. Applied data centres offer world-class security for your data, with 99.95% uptime.

#4 Reduce costs to maintain and manage IT infrastructure

Many insurance brokers operate without dedicated IT personnel and lack the expertise to deploy and manage multiple IT applications, mobile technology and other capabilities required in business today, as well as the hardware and software needed to run these systems. Cloud technology eliminates many requirements for hardware and software on premise and can significantly reduce budgets and capital costs for IT. It also requires fewer personnel assigned to managing IT infrastructure, freeing up time and money to focus more on core insurance activities.

#5 Provide better customer service

For a broker, the cloud provides employees remote access to up-to-date client and policy information using virtually any connected device, enabling them to reach and service clients at anytime regardless of extreme weather or other unforeseen circumstances. Instant access to information enables all roles within the business to provide clients faster service that can lead to higher productivity. In addition, reduced staffing for IT allows you to assign more employees to client-facing activities that improve client service and satisfaction.

Applied Cloud

Applied Cloud is the only purpose-built cloud platform specific to the insurance industry. Applied Cloud is made up of data centres that are Tier III+ as defined by the Uptime Institute, with 24/7/365 constant monitoring and performance of first-level problem resolution performed by Applied Network Operations Centre. All databases stored in Applied Cloud leverage AES-256 data-at-rest-encryption (DARE) and are protected by a minimum of 128-bit, bi-directional, packet-level encryption.

Applied Cloud is managed by a team of highly-skilled cloud specialists with domain expertise who directly build, maintain and manage Applied software. The Applied Cloud Services Team provides the technology to enhance business continuity, increase data security and reduce time and expenses spent managing IT-related issues. Today, more than a 100,000 users across four countries rely on Applied Cloud to improve business performance, increase data security and deliver cost savings.

TODAY MORE THAN 95% of businesses selecting a new Applied broker management system are choosing a cloud-based system as more companies understand the IT advantages and business case for moving to the cloud.

Conclusion

The cloud is transforming business across all industries, offering a wide variety of benefits to a broker, including enhanced operational performance, flexibility and data security. The cloud provides a multitude of capabilities delivered as services and should be considered as an integral aspect of your IT strategy. With reasons ranging from better business performance to cost savings, the cloud offers you an opportunity to operate in a secure and flexible environment that rewards speed and business continuity with profitable results.

CONTRIBUTORS

This eBook was prepared by Applied Systems, Inc.

About Applied Systems

Applied Systems is the leading global provider of cloud-based software that powers the business of insurance. Recognised as a pioneer in insurance automation and the innovation leader, Applied is the world's largest provider of agency and brokerage management systems, serving customers throughout the United States, Canada, the Republic of Ireland, and the United Kingdom. By automating the insurance lifecycle, Applied's people and products enable millions of people around the world to safeguard and protect what matters most.

APPLIED