

Total Transformation

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HIGHLIGHT: A CIO takes center stage as his company transitions for growth.

CIO Kevin Harris and his IT team are playing a major role in helping Insurance Company of the West (ICW) transform its operations to expand the business, enter new markets, and remain competitive.

"We have known for some time we had to remake this company from the ground up, and senior management has been pushing forward with an agenda of transformation for 24 months," Harris explains. "When we come out of this, our goal is to be a case study in the insurance industry of a company that did it right."

ICW offers property/casualty, catastrophe, workers' compensation, and surety products. The privately held company had \$ 385 million in net written premiums in 2007.

Harris joined the carrier in March 2007 as senior vice president of technology. He became CIO in January 2008. Under his leadership, the IT department has doubled to almost 140 employees to accommodate the company's overall growth plans.

As part of its growth and transformation strategy, this year ICW began a multiyear project to upgrade its back office onto one platform using SAP solutions for claims, billing, payments, financials, and business intelligence. The multiphase initiative is expected to help the carrier reduce claims leakage, improve operational efficiencies, and enhance customer service.

ICW had planned to transform only its claims operations. Once IT investigated its options, it realized the company's current claims systems were tightly woven into numerous legacy systems.

"We decided if we really wanted to modernize our claims systems," Harris says, "we needed to transform the entire organization."

ICW also is focusing on information security, disaster recovery, network redesign, data center virtualization, and enterprise architecture. The company has established a project management office and a vendor management office to steer projects toward success; rolled out an Information Technology Infrastructure Library and developed an IT ecosystem to socialize processes and control change; and implemented an underwriting management system from **FirstBest** Systems, Inc.

"In technology, with the right team, you can do just about anything you want to do," Harris says. "The key is to have a crisp vision of what you're trying to accomplish. And I think that's what we've nailed."

In addition to helping ICW change its internal operations, Harris is reorganizing his own department to function more like a business. He added an Office of the CIO, which sets the strategic vision for IT; an IT leadership team to execute that vision; an IT advisory group to review strategies and provide input on what does and does not work; an IT CFO who manages the budget; and IT governance to oversee processes and communications and ensure regulatory and audit compliance.

"We need to establish IT so that the company knows who we are, what we do, and most important, the value received for the dollars invested," Harris asserts. "This internal transformation has been empowering, but it's a cultural shift and will take time to absorb. I don't think we've seen the full impact yet."

Harris is familiar with helping companies use technology to transform. After earning his bachelor's degree in cognitive science from the University of California at San Diego, he worked as a developer at DataQuick, which aggregates real estate information. As companies began implementing first-generation Web-based technologies, Harris helped DataQuick change the way it distributed information.

In 2000, Harris joined a San Diego-based consulting company that delivered Web-based solutions to Fortune 500 companies. He moved up to chief operating officer and then president. Sensing a need for a change, he left the company in 2007 before joining ICW.

During the past year, Harris relates he has learned a lot about what it takes to be the CIO of a growing company. "Being a CIO means you are always available to make sure the business is running," he says. "But you can't come in gung-ho and decide you're going to replace everything. The business won't tolerate the change, the technology won't tolerate the change, and you'll fail. You have to look at the big picture and plan wisely."

GRAPHIC: Picture, Kevin Harris, Insurance Company of the West, CIO