eBook: Composable Solutions

Meet The Needs Of A Dynamic Market Through Composable Solutions

It’s Time For Insurers And Banks To Drive Innovation And **Operate With Agility**



earnix

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Executive Summary

The concept of composability is well-established in other realms, with its original meaning coming from the world of music. Today, taking a composable view of the world of financial services, and executing on that world view, delivers **several compelling benefits** to insurance and banking organizations.

This all adds up to meeting market needs and delivering **greater** overall business performance.

Compelling Benefits:

↑ **Increased**
revenue/funding

↓ **Reduced**
operating costs

↑ **Enhanced**
flexibility & agility

↓ **Lower**
business risk

↑ **Boosted**
competitiveness

↓ **Shortened**
time to market

In this eBook, we'll **look at composability and how it applies in financial services,** as well as the required composability stack for the enterprise, infrastructure and software application levels:

1. **Defining**
what composability is in the context of the 21st century insurance and banking enterprises

2. **Quantifying**
the benefits of becoming a composable organization

3. **Cataloging**
the requirements for composable success

4. **Outlining**
how Earnix helps financial services organizations capitalize on their current assets and new development to capture the market advantages that composability brings

You'll see that Earnix's unique approach enables our customers to **eliminate silos, quickly implement new capabilities, and actualize robust strategies** across the business.

By reducing reliance on monolithic core systems, Earnix will empower you to incrementally innovate essential use cases and **unlock the next level of individualized consumer engagement** without introducing new cost, risk, or frustration.

A Working Definition of “Composable”

“Composable business is a natural acceleration of the digital business that organizations live every day. It allows organizations to **finally deliver the resilience and agility** that these interesting times demand.”

Daryl Plummer
Research VP & Chief of Research
Gartner Fellow

If you look up the term “composable” in the dictionary, you’ll might find something like this:

com·pos·able | \ kəm-ˈpō-zə-bəl (adj.) capable of being set to music

While this definition of the word has been around for well over 100 years, “composable” has taken on a **new meaning in the 21st century**, with industry analysts such as Gartner Group declaring that composability is central to the ability to grow and adapt in times of change.

At Earnix, this is **our definition**:

Composability is a set of technologies and an architectural approach that allows us to work with our customers and partners as an intelligent layer that connects existing systems, new technologies, and diverse teams to create more focused and flexible solutions.

Let’s examine how this plays out in the “composability stack” – in the business, in the technology infrastructure, and in the development and operation of mission-critical software applications for banks and insurers.

The Composable Enterprise

Ask where organizational composability is most valuable, or most easily implemented, and some would say in software development, where highly-distributed teams were the norm even before the COVID-19 pandemic and the explosion in work-from-home (WFH) and work-from-anywhere (WFA). Those distributed environments, combined with the move from “waterfall” to agile development, first pointed the way toward composability as a successful mindset.

But **composability is not limited to IT** – it now stretches across the organization, drawing from diverse knowledge bases and involving all corporate functions, in order to take full advantage of their contributions.

To meet the rapidly-evolving needs of the market, the composable enterprise places a vigorous emphasis on **working across functional boundaries, breaking down silos, and reacting quickly to market changes** wherever and whenever they are detected, resulting in a fully-connected organization. Which is why the **composability stack begins at the enterprise level**. The composable financial services organization takes an “outside-in” view of the world, putting consumer centricity at the center of its strategic planning, decision-making, and day-to-day operations.



The rewards can be significant and quantifiable, as explored by Gartner. Based on their research, businesses that achieve high levels of composability have the potential to **outperform their competition** in several key dimensions:

1. **Increasing** their revenue and/or funding
2. **Driving** faster top-line growth
3. **Reducing** their operating costs to improve the bottom line
4. **Mitigating** business risk
5. **Resulting** in better overall business performance

Achieve composability by **infusing the culture with thinking and actions** that emphasize constant monitoring of the market and competition, quick reaction to changing conditions, and reconfiguring organizational building blocks to adjust to changing market conditions, consumer expectations, and regulation.

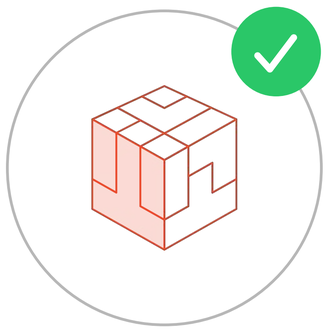
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https://www.gartner.com/en/information-technology/insights/cio-agenda?utm_source=press release&utm_medium=pressrelease&utm_campaign=RM_GB_2022_ITCIO_NPP_PR1_22CIOAGENDA&utm_term=hubpage

Composable Technology Infrastructure

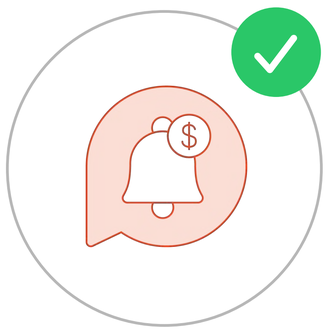
Composability has been applied extensively in building and maintaining technology infrastructure in every industry. Meanwhile cloud computing, software-as-a-service (SaaS) and other capabilities have blossomed, becoming more robust and secure.

Forward-thinking insurers and banks can select from a wide range of technologies to assemble a composable infrastructure for maximum benefit, opening a **world of choice** that can simultaneously **deliver agility, flexibility, and speed, without compromising security or causing undue risk**. In the quest for modernization and market-capturing agility, consider:



Security

The lifeblood of financial services, and the subject of regulation in every geography, security is one of the attributes that customers value most in their insurers and banks. A solution-by-solution approach is required for financial services institutions to satisfy themselves, their customers and regulators that security is well in hand, especially with sensitive personal information.



Responsiveness

Customer-centric applications must balance immediacy of the Internet and its transmission latency with the ability to access data stores across the computing landscape. A composable view of storage and other resources, and a mix of in-house, co-located, or hybrid clouds with the best combination of capabilities, particularly data-and transmission-intensive applications such as those that employ Internet of Things (IoT) methodologies.



Total Cost of Ownership (TCO)

Nothing beats the speed and agility of being able to “dial up” additional resources on a near-instantaneous, as-needed basis, but there is a risk of rising costs, if not managed actively.

Applying composable infrastructure can result in **significant cost reductions, allow for a wide range of technology choices, and provide a level of interoperability** not possible with yesterday's monolithic, in-house/ on-premises technology stacks, paving the way for the primary piece of the composability stack – best is class business applications.

Composable Business Applications

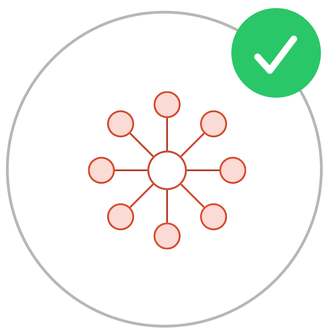
To **break the stranglehold** that legacy applications have on insurers and banks, and to build agile and flexible solutions, reimagining the organization and rearchitecting the technology infrastructure is not enough. The stack's software portion must be addressed to realize the full benefits of composability and deliver compelling customer experiences (CX), offer new products and services in record time, minimize risk, maximize revenue, and run a more efficient business. This means **evaluating all current software assets** – data, processing, and applications – and ensuring they are reusable building blocks, or supplementing them with more modern capabilities.

To make composability work in the software dimension, we recommend:



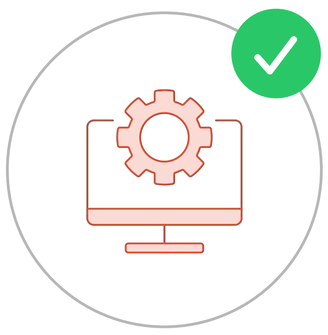
Reduce dependence on monolithic core systems

A rip and replace approach is not an ideal outcome for overcoming the challenges of legacy applications. Transforming these outdated but mission-critical core systems into record keepers as their value is diminishing, (e.g., through the use of encapsulation and micro-services) allows resources to be directed to more productive development tasks, generating immediate value.



Get the data house in order

No matter what application strategies you pursue, data is key. All financial services organizations suffer from issues with data that "lives" in silos throughout the organization, is not well-maintained, and has no clear ownership. To take full advantage of composability, these hurdles must be overcome.



Open APIs

Once composability is established as a key tenet of application development and deployment, open application programming interfaces (APIs) will be key to rapid integration with still-useful legacy applications, developing new solutions, and connecting to partners and their complementary applications.

APIs are absolute necessities in the toolset of modern software development. API-driven development has proven to be many times more efficient than building self-contained, monolithic applications, with one study showing a **3X to 5X improvement** in efficiency over legacy development approaches.

The Path Forward with Earnix

Complete the composability stack and take full advantage of all the benefits of composability with our **tools and expertise**. Earnix creates agile, composable, and intelligent solutions that empower the world to reimagine insurance and banking operations for the 21st century. Earnix solutions provide targeted strategies for the best path forward, whether augmenting existing applications, replacing portions of legacy architecture over time, or starting with a "clean slate" to offer new functionality. With state-of-the-art technology architecture, Earnix helps you **transform your business** while minimizing time and expense.

With a composable mindset and architecture, Earnix offers functionality in key areas for winning customer-centric applications:

Consumer Engagement	UBI & Telematics	Pricing	Personalization
Timing is critical to capturing consumer attention and incremental business throughout the customer lifecycle. Earnix makes available an easily-deployed, crosschannel consumer engagement application that automatically delivers prices, personalizations, and communications at the ideal time and through the most advantageous communications channel(s). Proactively engaging with consumers to offer contextually-relevant and timely offers empowers financial services leaders to create real-time, value-adding engagements that increase lifetime value.	Usage-based insurance (UBI) and telematics revolutionize business and how customers are treated with highly-personalized experiences. Earnix delivers a complete telematics and UBI solution combining an app that collects robust data around braking, acceleration, distraction, speed, cornering, and other real driving events with machine learning (ML) and dynamic pricing capabilities. Assess the precise risk presented by individual consumers, maximize profitability, and align product offers to lifestyle and behavioral factors, going well beyond simple financial or demographic data.	Central to the Earnix solution is the engine that drives dynamic pricing. The AI-driven enterprise rating and pricing engine operationalizes advanced analytics, while maintaining control and governance standards across the organization. This allows insurers and banks to instantly deploy pricing to online channels, to serve up to millions of quotes and offers per day, and to leverage those digital channels in real time.	Nothing drives customer engagement more than personalized offers and attention. With Earnix, banks and insurers can reach a new level of personalized consumer experiences, to better serve diverse audiences, implement new market/product strategies in real time, and build a more relevant, value-adding organization.



Summary

Leverage composability to make the transition faster and the competitive advantages lasting. Earnix helps leaders in centuries-old industries evolve their best practices and incrementally innovate all aspects of their operations to better serve modern consumers. With more agile and resilient infrastructure, our customers confidently take on large-scale transformation while instantly unlocking more value from every customer engagement. We connect existing systems, new technologies, and diverse teams at all levels across organizations to not only improve what exists, but to **accelerate "what's next."**

It's time to reimagine your organization. It's time to capitalize on the operational improvements that only Earnix can deliver.

It’s Time for Intelligent Insurance Operations

Improve your operational agility, scale dynamic customer experiences, and continuously innovate your offering.

Learn More at Earnix.com →

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Earnix is the premier provider of composable intelligent solutions designed to transform how global insurers and banks are run. Earnix solutions unlock value across all facets of the business, connecting with customers, and breaking away from the status quo imposed by legacy single systems.

Earnix’s solutions offer systemized, enterprise-wide value with ultra-fast ROI. It has been innovating for Insurers and Banks since 2001 with offices in the Americas, Europe, Asia Pacific, and Israel. For more information visit: earnix.com.