

AXA Switzerland adopts agile application development with Red Hat OpenShift



Overview

AXA Switzerland, part of one of the world's largest insurance providers, sought to transform its IT and work approach with agile development practices and cloud computing technology. By creating a multi-cloud application environment with Red Hat® OpenShift®, AXA increased application deployments by 33% in just one year. This flexible, automated environment also supports better collaboration to help AXA's teams co-create innovative insurance solutions for customers.

Question: What was the specific business challenge or opportunity you faced? What are your market pressure & demands?

Answer: Andreas Maier, CIO, AXA Switzerland: AXA Switzerland is one of the larger components of the AXA group and is the market leader in the insurance business in Switzerland. We started our transformation four years ago. On this challenging path we already achieved some important milestones: first and foremost an agile transformation. We completely reshaped the way we develop software together with our business, from a pure IT setup with developer teams into a completely agile setup with today 78 product teams. We integrated product teams with business and IT. We have a new culture.

Question: What are the market challenges for AXA?

Answer: AXA identified a long time back the potential of the cloud technology and decided to implement a public managed cloud strategy enabled by the Microsoft Azure and Google Cloud Platform [GCP]. The regulatory requirements which we need to comply with, lead us to a strategy of investing in partners which allow us to stay flexible and minimize the vendor lock-in effects. Red Hat is such a partner which enables us to execute our strategy in a very efficient way.

Question: Where are you on this journey today?

Answer: Today, we continue to transform toward our next milestone: data, technology and innovation excellence in our product teams. Part of this journey, Red Hat is one of the providers who supports us in renewing our technology stack. With Red Hat® OpenShift® on top of an IBM technology stack, we have in recent years migrated 100% of our decentral application estate into partially public and mostly private cloud. Starting in 2022, we will move to public clouds in Switzerland because of regulatory requirements. We will use the Red Hat solutions there too and build on our partnership together.

Question: Why did you choose Red Hat? Why open source?

Answer: Five years ago, we started analyzing the market for existing solutions for containerization. We identified Red Hat OpenShift as a leading enterprise Kubernetes service with an open source approach. The core values of our agile transformation depend on co-creation, openness, feedback, and extreme programming principles. We chose Red Hat OpenShift because of the quality and maturity of the solution, but also the premium support and the talent behind it. Today, we leverage developer and operational centric tools for rapid application development, deployment, life cycle management and full stack support. So we're using the full stack of Red Hat technology.



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Question: How did Red Hat support you through your transformation and multicloud strategy? What benefits do you see from working with Red Hat?

Answer: Our engineers benefit from working with Red Hat OpenShift every day. The developers and operations engineers' lives became much easier. Red Hat OpenShift enables our developers to focus on coding and innovating. They don't have to worry about day to day work, resilience, stability, deployment, integrating or testing. That's taken from our shoulders, so we can focus much more on solving the customer's problems.

Question: Are there any additional advantages?

Answer: We are working more efficiently on the existing private and managed public cloud infrastructure, while the operations engineers are able to ensure a customer-oriented availability for the applications deployed in the cloud and at the same time scale up very easily the number of hosts on which an application runs.

At the same time, with Red Hat OpenShift, we are able to comply with local financial regulatory requirements and stay as flexible as possible, in order to minimize migration efforts in the event of having to change one of our public cloud vendors.

Question: What can you do now that you could not do before?

Answer: With Red Hat OpenShift, our developers can work with the technology stack of their choice and focus on their main tasks, not having to worry much about code migration, about pushing new images in the cloud, about images' life cycle or about scaling applications hosted in the cloud. The most important thing that we can do now is shift a large amount of time on focusing on customer value and innovation rather than solving technology stack challenges like before.

Question: Can you describe the benefits the Red Hat solution has brought to AXA Switzerland?

Answer: Among others we have now a much faster time to market for our delivery. I'm now in a position to measure the amount of software deliverables to the business. In 2019, we delivered 33% more software to the business compared to 2018. Thanks to the developer support that we have through Red Hat, I expect that we will be able to develop software much faster than before.

Additionally we profit from a growing number of applications as well as increased employee productivity. Red Hat technology enabled us to adopt a multicloud strategy for more financial transparency and business flexibility.

Question: Have Red Hat and open source influenced your company culture and workflows?

Answer: Certainly. AXA Switzerland has a very open and inclusive culture. Based on Red Hat enterprise open source technologies and agile principles, we developed a new cultural mindset which promotes co-creation and collaboration, information exchange, full transparency and constructive feedback. Now, product teams and the business work together on customer solutions, which has tremendously increased the joint ownership feeling. Five years ago we spoke about business and IT, and now we speak about demand and delivery, customer value and cycle time. We speak a common language, which makes me very happy. This open source community culture should be embraced by the whole industry. Insurance companies need to become more open to collaboration. Containerization is a big enabler for being able to connect with partners much more than before. We believe that the power of innovation lies in co-creation, open source collaboration and continuous improvement.

Question: How important is the ability to innovate in the future?

Answer: AXA Switzerland is the number one insurer in Switzerland with a market share of 24 percent and above average growth. In terms of innovation, we're perceived as one of the digital leaders by our customers. This is important for us to differentiate. AXA aims to transform from payer to partner: instead of only paying for damages, we want to become a partner for customers. Instead of just selling insurance services, we want to partner for prevention or back-to-business services to help our customers live a better life. That's our vision.

Question: Does your Red Hat solution contribute to future innovation?

Answer: With our strategy we intend to achieve very ambitious goals: be a market leader in all business lines, double the number of relevant customer interactions and enlarge our mobility, SME [subject-matter expert], and life & health ecosystems, with new third-party services, which go beyond the insurance business. The key level of that is to grow and innovate fast and provide services that our competitors don't. Hence, key levers of our strategy are time to market and scalability of our services and products. We strongly believe that Red Hat OpenShift product fully supports us into executing our vision. Shifting development power from technology work to innovation work is what we want to do.

Question: What is the next big challenge in your business?

Answer: We now have an application landscape of about 330 applications, including 20 SAP applications and about 30 mainframe applications. About 190 are decentralized applications and the majority of them are Java™- and Linux®-based. Today, we have very few applications in the public cloud, because we need to keep customer-specific and sensitive data within the jurisdiction of Switzerland. That's why we currently have an on-premise cloud with Red Hat OpenShift on top.

The next big challenge we will undergo in 2021 is the migration of all our applications—with the exception of the SAP systems—from the private cloud into the public managed clouds which have datacenters in Switzerland, Microsoft Azure, and GCP. We are aiming to complete this migration by the end of 2023.

Question: How is Red Hat helping you with this challenge?

Answer: With Red Hat OpenShift, we can migrate our application stacks in the same container from on-premise to the public cloud with very little effort. This is a great opportunity for improving our time to market, for resilience and stability of our applications, and for focusing on innovation, while gaining financial transparency and business flexibility. We will start with this next year, so by the end of 2023 we don't need our own datacenter anymore. It's not a core competence for an insurance company to run technology. We should have a core expertise on delivering customer value fast. That's why we need the help of Red Hat.

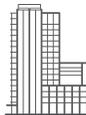
About AXA Switzerland

AXA is the leading insurer in Switzerland. Both private and corporate customers benefit from our complete range of insurance solutions. These extend from personal, property, and liability insurance to customized life insurance and pension fund solutions to bank products with our bank partners. Our company head office is located in Winterthur. <https://www.axa.ch/>



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About Red Hat



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