



Outsourcing Assessment

National Insurance Brokerage

Type of Business

Financial services client focused primarily on distributing property & casualty and employee health & welfare insurance products and services to small and mid-sized business clients.

Statistics

Annual Revenue:
\$500 Million

Retail Offices: 90 offices in 18 states

Contact Information
Available on request

Business Challenge

Client experienced poor performance and high IT support costs of hosting enterprise wide applications internally in multiple client-owned data centers across the country. Without an existing robust internal infrastructure the client considered outsourcing the application hosting support to an external vendor.

Action and Results

Client management engaged Avalion to analyze the alternative application hosting solutions and make a recommendation. In this capacity Avalion assessed the multi-year costs, technical capabilities, strategic fit, and the risks associated with each of the options. Avalion also led the vendor pricing and service level negotiations.

Avalion delivered a detailed analysis of the qualitative and quantitative impacts of each alternative confirming the recommendation of the outsourced solution. As a result of the negotiations, the client will save \$2.6 Million in vendor hosting fees over a five year period. Additionally, Avalion established strict service level agreements to ensure optimal performance.