



BEST PRACTICES IN INSURANCE SOFTWARE VENDOR SELECTION

Executive Brief
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SUMMARY

This Novarica Executive Brief highlights some of the best practices and common mistakes in insurance software vendor selection. These best practices include:

- Get business commitment to the process upfront.
- Keep purchasing/sourcing departments out as long as possible.
- Focus on strategic needs, not current practices.
- Use a simplified RFI that focuses on the “SOFT” areas:
 - Staff
 - Organization
 - Functionality
 - Technology.
- Set the agenda of evaluation meetings.
- Consult references as early as possible.
- Don’t believe vendor pricing models, negotiate for a fair partnership deal.

Insurers should approach potential solution providers as potential strategic partners, and should consider what it will be like to rely on this partner to deliver key business capabilities.

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