Insurance Commission of Western Australia (ICWA)

Modernizing while maintaining application integrity—delivers against strategic project goals

Overview

The Insurance Commission of Western Australia (ICWA) is the sole compulsory Third Party Insurer for motor vehicle personal injuries in Western Australia as well as managing all insurance requirements for government departments.

Challenge

ICWA's 360 staff uses around 1,200 ageing COBOL programs to manage thousands of claims every year. The outsourced mainframe was expensive to maintain and offered limited agility and flexibility. However, infrastructure modernization was a daunting prospect.

> **"The project was a success. Micro Focus (now part of OpenText) helped us leverage our core systems for another decade on a scalable, low risk, low maintenance and low-cost base technical environment. It has delivered on all the factors outlined in our business case."**
>
> **GLENN MYERS**
> CIO
> ICWA

The project's strategic goals included cost reduction, increased productivity, improved ability to support new business initiatives, reduced disaster recovery time and reduced reliance on vendors.

Glenn Myers, CIO for ICWA: "The mainframe has its place in organizations requiring significant processing capability but it was an expensive component of our IT infrastructure for an organization of our size. Because we outsourced the facilities management of the mainframe it was, effectively, just a 'big black box' to us."

The need to lease a logical partition (LPAR) for disaster recovery purposes resulted in the time taken to stand up our disaster recovery environment being unacceptable.

"This factor, coupled with high associated operating costs, provided us with sufficient justification to re-host our core systems on a more contemporary platform."

Solution

ICWA considered system replacement and rewriting core systems but ultimately opted for deploying its mainframe workload to a OpenText™ COBOL/CICS platform running on Linux Intel servers and an IBM UDB database.

Insurance Commission of Western Australia

At a Glance

- **Industry**

  Insurance

- **Location**

  Australia

- **Challenge**

  ICWA needed to address a mandate to reduce costs, increase productivity, improve the ability to support new business initiatives, reduce disaster recovery time, and reduce reliance on vendors.

- **Products and Services**

  Micro Focus™ Enterprise Developer
  Micro Focus™ Enterprise Server

- **Success Highlights**

  + Substantially reduced batch processing time
  + Massively reduced disaster recovery time
  + Platform costs reduced by 75%
  + Completed within 12 months
  + ROI achieved within 12 months

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The COBOL code was to be recompiled, but largely untouched. ICWA allowed six months for project planning and proof of concept work with OpenText™, its chosen project technology partner.

Myers explains: "Once we had confirmed the technical feasibility, we sought Gartner's review of our business case. When we had that independent perspective, our Board was comfortable to approve the project."

The ICWA modernization, inevitably, encountered issues such as the data warehouse application proving incompatible with the new platform. This required the underlying database to be upgraded—something the team were aware of and had planned for. In addition, new security and printing systems were required to replace the proprietary utilities that were associated with the mainframe. And, as Myers explains, internal attitudes were also a major factor to be considered. Staff who had been with the organization for a long time needed to commit to the project despite their association with the mainframe. The ability of the staff to make the move was commendable and proved to be a significant contributor to the success of the project. "The easy part was recompiling more than a million lines of code. Micro Focus Enterprise Server (by OpenText™) enabled the use of web services to integrate the existing COBOL code with Java and Fox Pro client applications without the application developers needing to work with COBOL. This way very few applications required noteworthy changes, the vast majority were moved untouched."

Results

The process management software enables ICWA to publish reusable services out of its core applications. Myers sees the value: "Our two core divisions conduct similar activities and we can now leverage services for both."

The new platform is faster, more streamlined and provides a high level of online availability. Overnight batch processing has been cut from four-six hours a night to around an hour. Disaster recovery is significantly improved—less than one day, compared to three days previously. The old environment has been retired and Java and COBOL are happily co-existing.

Platform costs are down 75%, return on investment (ROI) was achieved within 12 months and the business appreciates the contribution and importance of IT. Myers concludes: "This was never just about the mainframe. It was about finding a solution which was fit for purpose for our organization. The project was a success. Micro Focus (now part of OpenText™) helped us leverage our core systems for another decade on a scalable, low risk, low maintenance and low-cost base technical environment. It has delivered on all the factors outlined in our business case."

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