

# The expert's view: How 1st Central Insurance built their hosting strategy

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Learn why a leading insurance business uses an agile hosting partner to respond to a fast changing market and maintain the pace of innovation.

Expert: **Pete Johnson**, Group Chief Information Officer, First Central Group; Launched in 2008 to provide online motor insurance products to UK customers, 1st Central has enjoyed exponential growth.

- Responsible for IT strategy and day-to-day IT operations across the group of companies which include underwriting, insurance management and re-insurance
- Each day 1st Central Insurance delivers 200,000 quotations and sells 750-800 policies

# The expert's view

Digital Craftsmen interviews Pete Johnson, CIO, 1st Central Insurance

## What is your IT strategy over the next two years?

Pete Johnson: "Being able to change quickly to exploit opportunities in the market by doing less ourselves and taking more out to dedicated support services. We're looking at moving our Exchange servers to our hosting partner. We're looking at desktop virtualisation. The move to the Cloud has given us the opportunity to get rid of all this 'stuff' and concentrate on growing the business."

## What are the key trends in your sector?

"The IT market is becoming more 'commoditised' and 'componentised'. There's going to be less emphasis on buying systems and more on providing capabilities. Moving from ERP to integrating business applications for example."

## How are your peers exploiting technology?

"Of the three insurance tiers, the big players have got stuff in place, the small brokers work on PCs but the middle tier — where we are — is struggling. We don't have the skills or capabilities to run a data centre. That's why our hosting partner, Digital Craftsmen, is incredibly important to us. We're an insurance company not a hosting company. We rely on them to deliver expertise."

## How have you used technology to grow your business?

"Our Premium Finance service is a profitable business with more than £5 million on the bottom line. It's taken just four months to build. We have also brought our 'agent portal' extranet online very quickly. There's no way we could have delivered these products with a big, inflexible service provider. That's why we chose Digital Craftsmen."

## Why not use fully-fledged insurance solutions?

"Because you're limited to the capabilities of that insurance system. Instead, we are plugging out-of-the-box insurance products into core capabilities and creating an environment where they can all communicate with each other and integrate to provide business capability."

## What were your options when selecting a hosting provider?

"We could have bought the boxes and managed them ourselves; we could have outsourced the entire job, or we could have gone for a hybrid model — a co-managed service with an external partner supporting our platform, operating system and applications. We went for the latter option and chose a hosting partner that was flexible enough to respond to our needs."

## How do you choose your providers?

"We ask: can they meet our needs 24 hours a day? Are they flexible? Can they deliver change quickly?"

## Why have you renewed your contract with Digital Craftsmen?

"We were looking for a business that we could have a relationship with. We were looking for partners rather than suppliers. We wanted people that we felt comfortable with; a constant team that could provide the services that we need - now and into the future. They have been able to react to us and have done extremely well."

## Why didn't you choose one of the larger players with hundreds of staff?

"It's very easy to go with the big guys. But we wanted the service and flexibility that you get with a small provider. It's a brave decision, but it will reap rewards. We love the flexibility that this gives us. We're grateful to Digital Craftsmen for supporting us and giving us capability very quickly. We can bring new services on board in six days. They've more than proved their worth over the last three years; much more than many of our other IT partners."



### Services

- Web and application hosting including claims management, policy administration, management information systems and disaster recovery
- Optimising complex websites and databases early in the build, helping shorten development times

### Chosen for:

- Flexible, responsive team
- Personal touch
- Robust hosting services
- Expertise in security and disaster recovery
- Consultative approach

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